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Re: ERGEG public consultation on Guidelines for a Inter-TSO Compensation Scheme

Dear Sir/Madam

We are pleased to provide our response to the above public consultation.

National Grid has actively participated, alongside other ETSO members, in the process of compiling comments and amendments to the proposed text of the guidelines. We can confirm that we support and concur with the amendments proposed by ETSO in their submission to ERGEG.

In addition to the specific points raised by ETSO concerning the treatment of DC Interconnectors within the Guideline, we would like to raise a more general issue related to the description of interconnector assets in section 5 of the Explanatory Note.

National Grid is the owner of the UK based assets comprising the Anglo-French interconnector (the "IFA"), which is jointly operated with RTE who own the French based assets. National Grid's interest is currently owned by National Grid Electricity Transmission plc ("NGET"), the TSO in Great Britain, but the assets do not form part of NGET's RAB. (i.e. these assets are neither owned by a separate legal entity nor included in the TSO RAB).

Therefore, for clarity, it is important that the explanatory note takes account of this situation to the extent that all DC interconnectors which are not included in the TSO RAB shall be treated in the same manner, irrespective of whether they are owned by the TSO or an affiliate of the TSO or another party. The criterion determining the treatment of a DC interconnector under the Guidelines should be whether or not it is included in the RAB rather than its precise ownership structure. We would be happy to propose some wording to cover the IFA position if ERGEG wishes, but in essence if the wording related to "separate legal identity" were removed the position on the IFA would be clear.

As a result of the above definitional issue the current drafting of Paras A1.10 to A1.13 within the Guideline consequently leads to a situation where the specific treatment of IFA is uncertain.

Yours faithfully



Graeme Steele
Director European Policy