

National Grid

Proposal to Change Ancillary Service Backing Sheets

June 2009

Two workshops were held, on 24th February and 3rd March 2009, to review the preliminary and final backing sheets sent to service providers. Following those workshops, National Grid has investigated the possible methods of formatting and issuing the backing sheets. An update on the specific issues raised at the workshops is given below, followed by a summary of the proposed changes and the implementation timescales.

1 Update on Specific Issues

1.1 Current web-based services used in National Grid

There are various web-based systems used by National Grid e.g. for frequency response price submissions (FRPS) and gas capacity nominations. Each of these systems is used by many customers right through each month. One of the simplest systems, FRPS has a fairly straightforward web interface but the estimated costs to set up and maintain changes to the existing settlements system for the database interface would be prohibitive considering it would only be used twice a month to download data.

A new settlements system is currently being developed and the potential for this to use a web-based interface for users to access their reports in the future is being considered as part of this project.

1.2 Format and content of data files

As we will not yet be using a web-based system, we will be creating new data files to be sent out. These will be in comma separated variable (csv) format, which will allow easy loading into other systems. We will create one or two files per month for each service. We will endeavour to have as few files as possible, but the different resolution of data (e.g. instructions by minute, and payment by day) may require more than one file per service.

We will provide sample files for service providers to be able to prepare for loading the new files into any systems they may have, in advance of the new files being issued with 'live' data.

1.3 Level of encryption required

The options readily available are to just password protect the files or to use 128-bit or 256-bit encryption. Some users deem a password to be sufficient, but others require encryption. For this type of information, being sent via e-mail to confirmed addresses, we are satisfied that the use of passwords without encryption is appropriate. Of course, we will offer to encrypt the information if the service provider wishes, so we will offer both options. By default the files will be password protected without encryption. The files will be encrypted for any service providers that request it, although software will be required to decrypt the files upon receipt.

1.4 Possibility of enabling executable files to be passed through e-mail gateways

A considerable amount of time has been spent looking at the option of encrypting the information and then creating 'auto-decrypting' files was looked into. This would negate the need for any service providers to have decryption software as the decryption algorithms are built into the file. It is relatively straightforward to do this, but the resultant

files are auto-executable files (.exe extensions). It is National Grid's IS policy (and presumably the policy of many service providers) not to allow these type of files to be sent or received via e-mail or FTP due to the associated virus risk. This option has therefore had to be discounted.

1.5 Whether National Grid can provide the encryption software

National Grid has used a system called ADTS to encrypt and transfer files to some service providers and National Grid has provided software to service providers that decrypts the information. The type of encryption used is based on shared (public/private) keys. The software provided was specifically developed for use with ADTS and the cost of developing new software to decrypt the new files would be far in excess of the cost of widely available commercial software, so this does not appear to be an appropriate option.

1.6 The range of software available to encrypt/decrypt the data

If service providers choose to have the information password protected without encryption, then no additional software is required. If encryption is requested, then this will be done using a simple bit of software, such as Winzip. Similar software would therefore be required by service providers to decrypt the information upon receipt. This software is widely used and readily available at a minimal cost.

1.7 Development of excel template for importing files

An optional excel template is being developed for service providers, into which they can import the data files. This offers functionality to easily sort, filter and summarise the information for each service. It will be available before the new files are first issued.

1.8 Level of detail that can be provided with adjustments

We are striving to reduce the number and value of adjustments to payments. Reconciliations in line with the contract (e.g. for STOR) still need to continue, but we investigate the root cause of disputes and adjustments to try to avoid recurrences.

For all adjustments we are trying to improve the level of detail provided (e.g. breakdowns by BMU/site) to allow service providers to identify the reason for the adjustment and to allow these adjustments to be validated. If there are specific instances where further detail is required, please do not hesitate to contact the settlements team.

1.9 How best to provide a list of instructions with some services

A report is being developed which includes the instructions associated with the provision of relevant services. These will be sent out at the same time as the new reports being developed as part of this review.

1.10 Level of detail to go into the user guides

User guides are also being developed for reactive, frequency response, STOR and BM Startup. These will give details of how each service is used, the data required for settlement of that service, the source of that data, the calculations used to derive the payments and the information reported to validate the payment. Worked examples of each service will also be included, along with supporting diagrams and process-flow maps to improve clarity.

2 Summary of Proposal

- A web-based system will not yet be available, but is being considered as part of a project to upgrade the existing settlements system.
- One or two reports (depending on detail of the instructions, service actually provided and payment) will be sent out for each service for each month – these will be in csv format.
- The new files will be compressed and password protected. They will be encrypted if the service provider wishes, but this will mean that 3rd party software will be required to decrypt them upon receipt.
- The files will be sent out via e-mail or FTP at the choice of each service provider.
- An optional excel template to upload, summarise, filter and report the data will be available in time for the new files first being issued.

3 Timescales

We are planning to start sending the new files in September (reporting the services delivered in August). A guide to the content of the new files and some sample files should be available towards the end of July to show their exact format.

We will make each of the four initial user guides available as soon as they have been finalised – we are aiming to issue one per month from July to October.

Please send any comments on these proposals by 17th July to Toby Thornton at toby.thornton@uk.ngrid.com.