

NTS Update

Gas Customer Forum

24th April 2006

Area updates

- ◆ Transmission Charging Methodology Forum (TCMF)
- ◆ Price Control Process
- ◆ NTS Exit reform “strawman”
 - ◆ “User commitment”
 - ◆ Interruptible implications
- ◆ Winter Experience
 - ◆ Severity
 - ◆ “Demand side response”
- ◆ Information Provision
 - ◆ 006 “Close to real time info”
 - ◆ Website and forecasting incentives

Transmission Charging Methodology Forum (TCMF)

- ◆ Ofgem preference to delink reserve prices from UCAs
- ◆ Forum looking at broad charging issues
- ◆ Future charging methodology likely to require “transport model”
- ◆ May TCMF
 - ◆ “What it all might mean?”

Points to note for gas customers:

- exit reform flat/flex issues not yet considered
- earliest possible exit charge rebalancing probably April '97

Transmission price control process

- ◆ Third Ofgem document produced
 - ◆ New approach to entry
 - ◆ “trigger levels” and revenue driver approach
 - ◆ National Grid methodology to define basis for release of capacity
 - ◆ Exit
 - ◆ Simplified approach
 - ◆ User commitment
 - ◆ Flat and flex products
 - ◆ Baselines and “substitution” obligation
 - ◆ Next document June – initial proposals

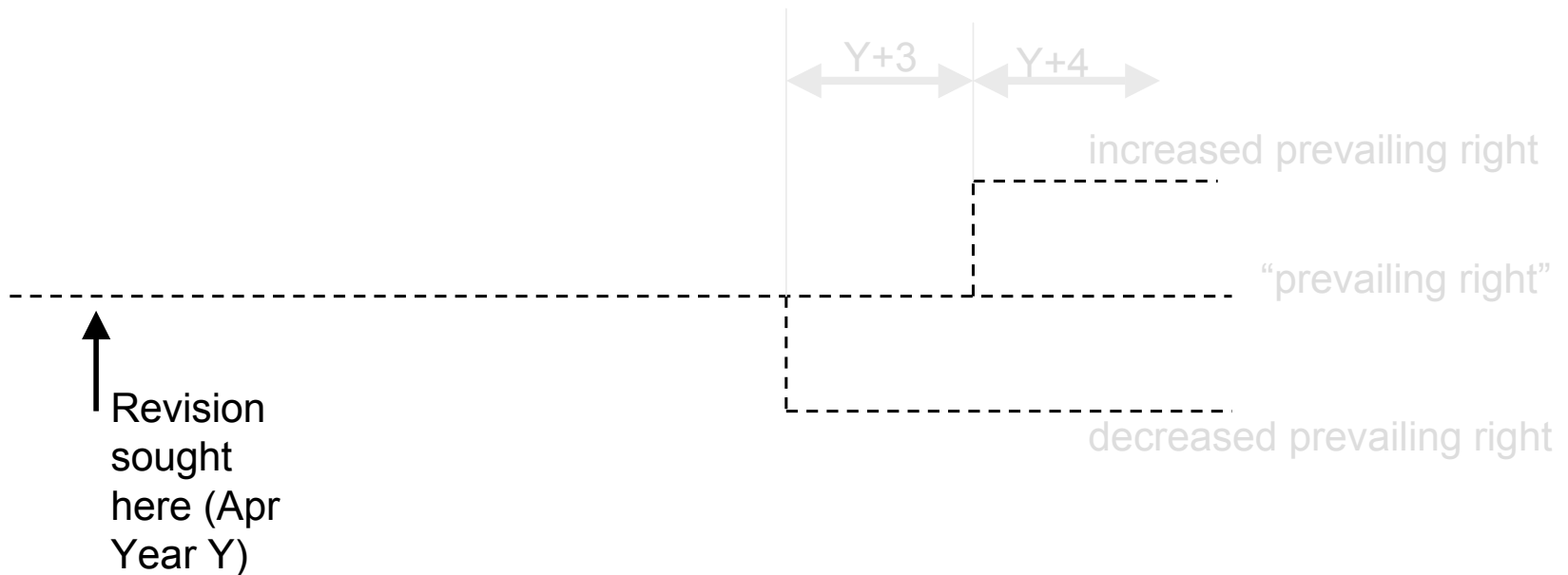
NTS Exit reform

EOWG continues to meet

... EOWG have explored a strawman proposal that features firm capacity rights that can be obtained on a “prevailing” rights basis in longer leadtimes or via “finite” rights that might be obtained within investment leadtimes

Prevailing “firm” rights

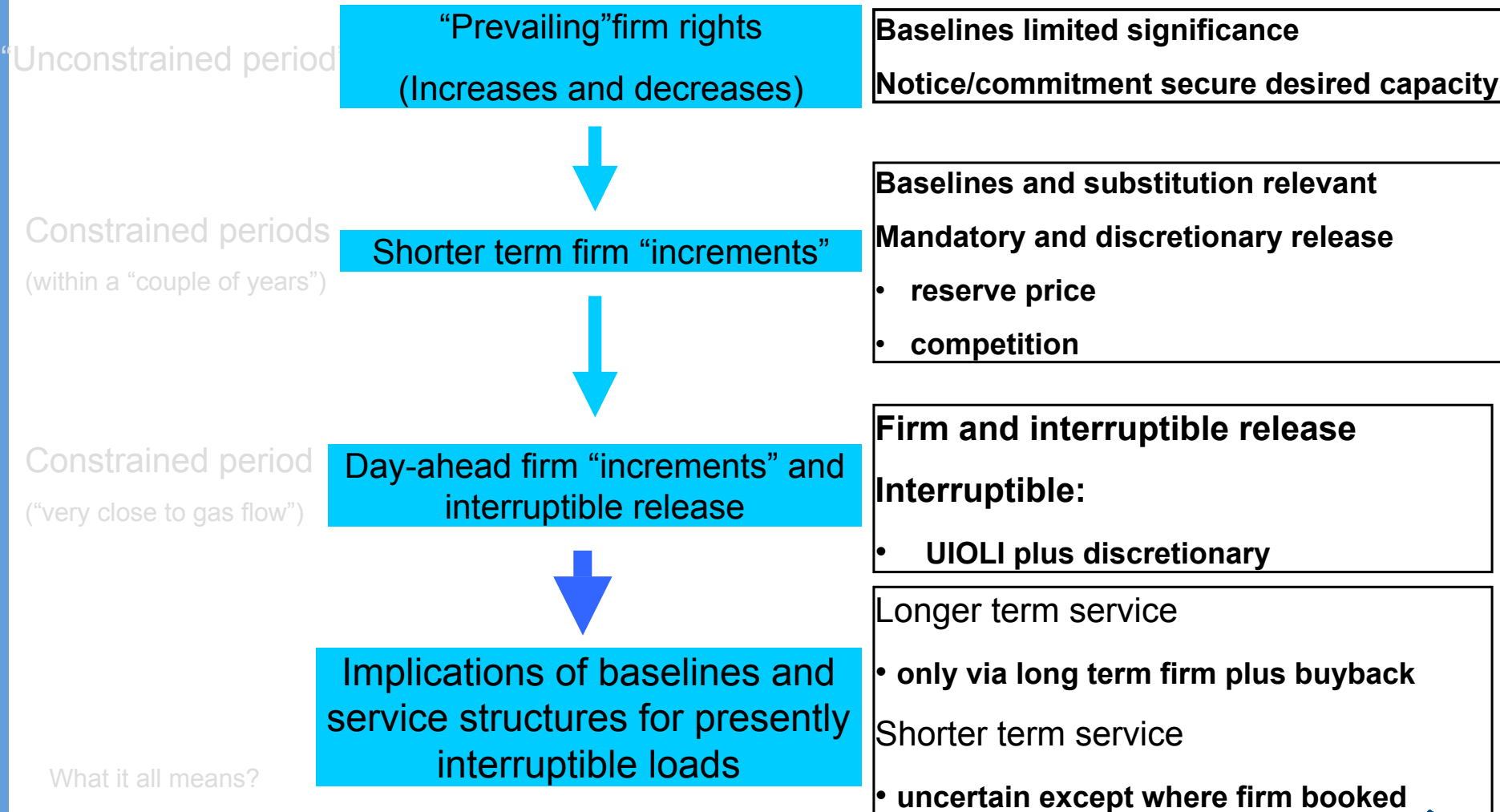
- ◆ Prevailing firm rights
 - ◆ Continue at “reserved” levels unless either
 - ◆ Increase with notice of start in $[Y+4]$ plus 4 years commitment, or
 - ◆ Decrease with notice in Y for reduction at start of $[Y+3]$



No concept of baselines directly affecting “prevailing rights”

... although regime will need some form of initialisation

NTS Exit Regime description



Implications for current interruptible offtakes (1)

“Longer Term interruptible service”

Key objective and consequential

Interruptible service only where firm capacity not available every day

No explicit long term service – delivered via “longer term firm plus longer term buy-back”

Contractual structure

- Buy-back contract; conditionality on booking longer term firm
- Longer term booking would establish “prevailing right” therefore ...
- Acceptability may require agreement for rolling 4 year interruption rights

Issues to consider

Where would National Grid require buy-backs?

Under what circumstances would such firm plus buy-back arrangements be efficient?

- Relationship with indicative baselines
- Scope for buy-back critically dependent on Licence treatment

Implications for current interruptible offtakes (2)

“Shorter Term interruptible service”

Key features

Available at day-ahead only

Access to interruptible service

- either via UIOLI
 - where firm capacity at the node has already been booked
 - extent based on unused firm capacity over recent 30 day period
- and/or via National Grid discretionary release
 - determined by risk/reward

Issues to consider

Acceptability of availability determination very close to gas flow?

Short term release processes to ensure no withholding of capability?

Winter “outlook”

- ◆ Winter experience
 - ◆ Severity
 - ◆ Demand side response?

Views about

- * **extent of demand management**

- * **GBA based demand management contracts**

from downstream transporters, shippers and consumers would be appreciated by NTS supply/demand team

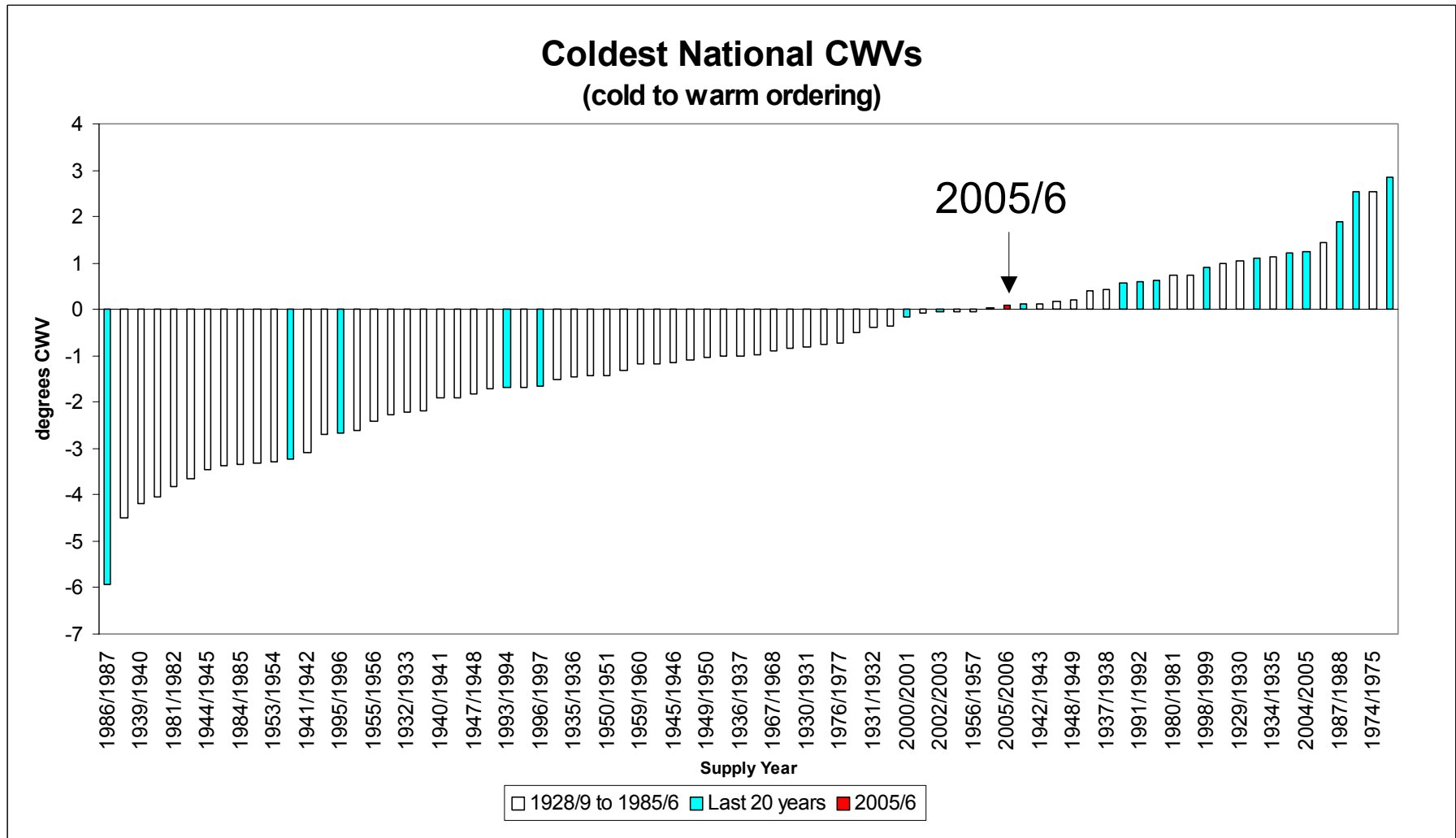
Information/insights to

Simon Geen 01926 – 656311 simon.geen@uk.ngrid.com

Nigel Sisman 01926 – 656735 nigel.sisman@uk.ngrid.com

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Coldest National Composite Weather

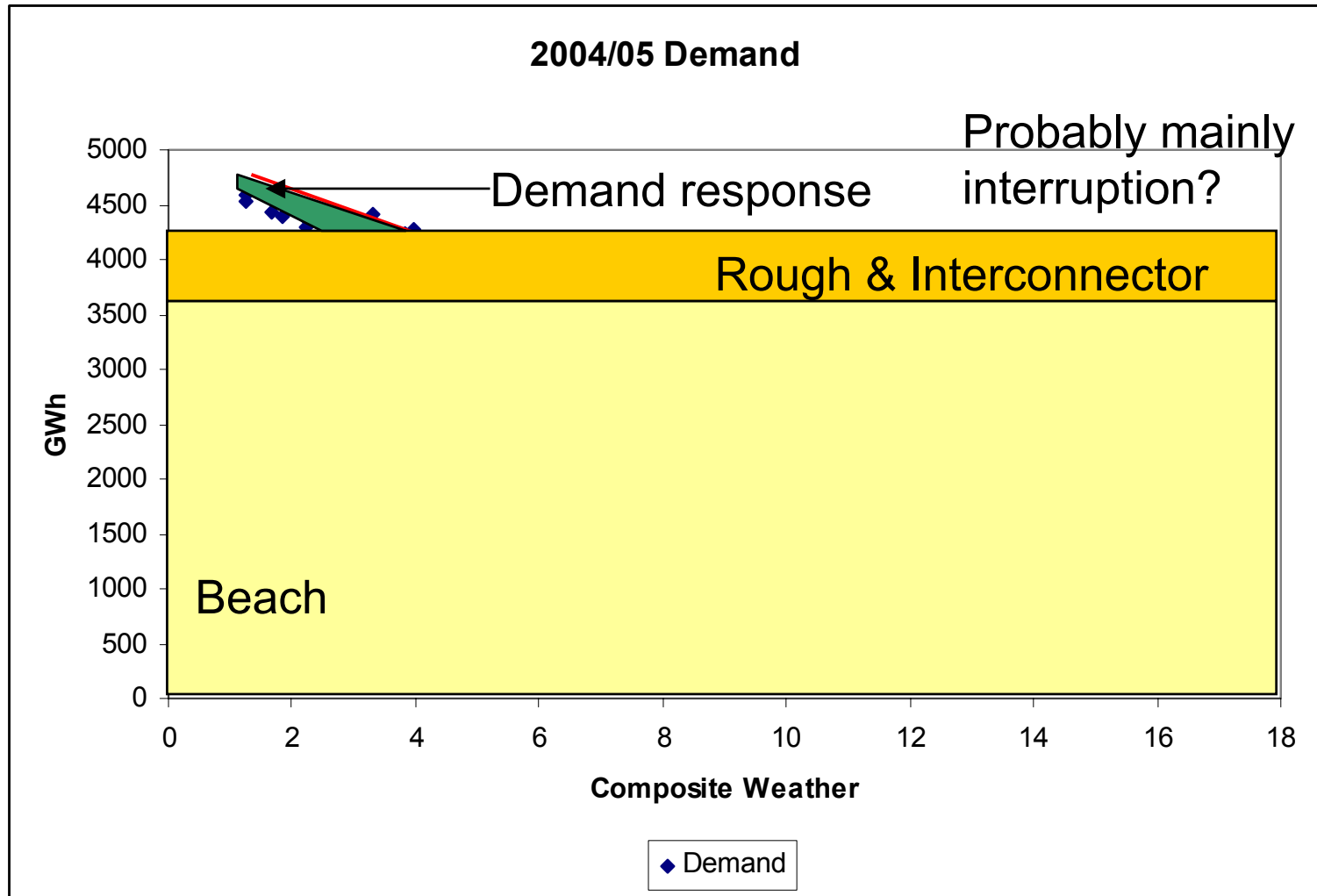


Demand Side Response

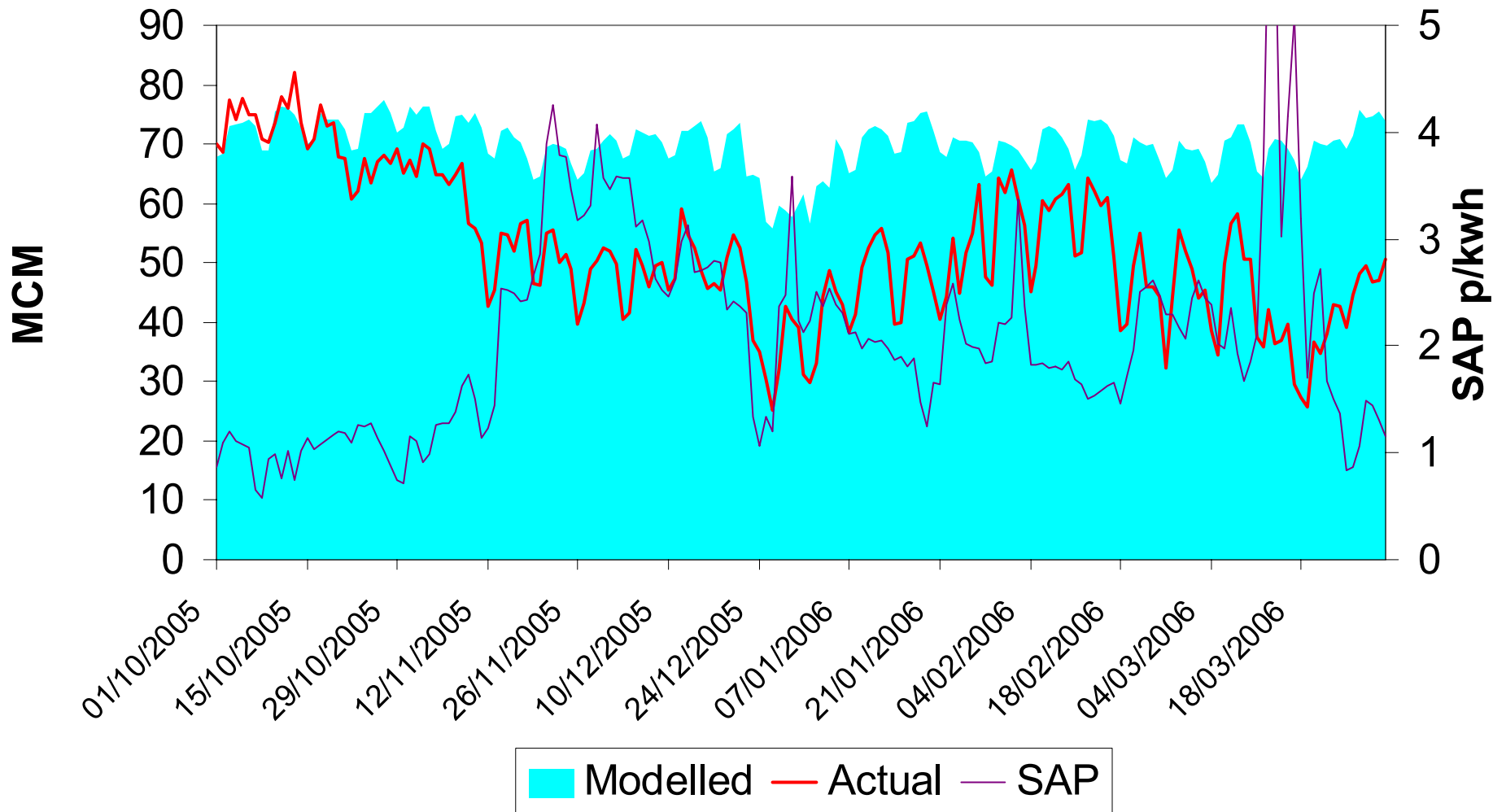
No clear definition of Demand Side Response

In what follows Demand Response is the difference between what might have been expected and what actually happened.

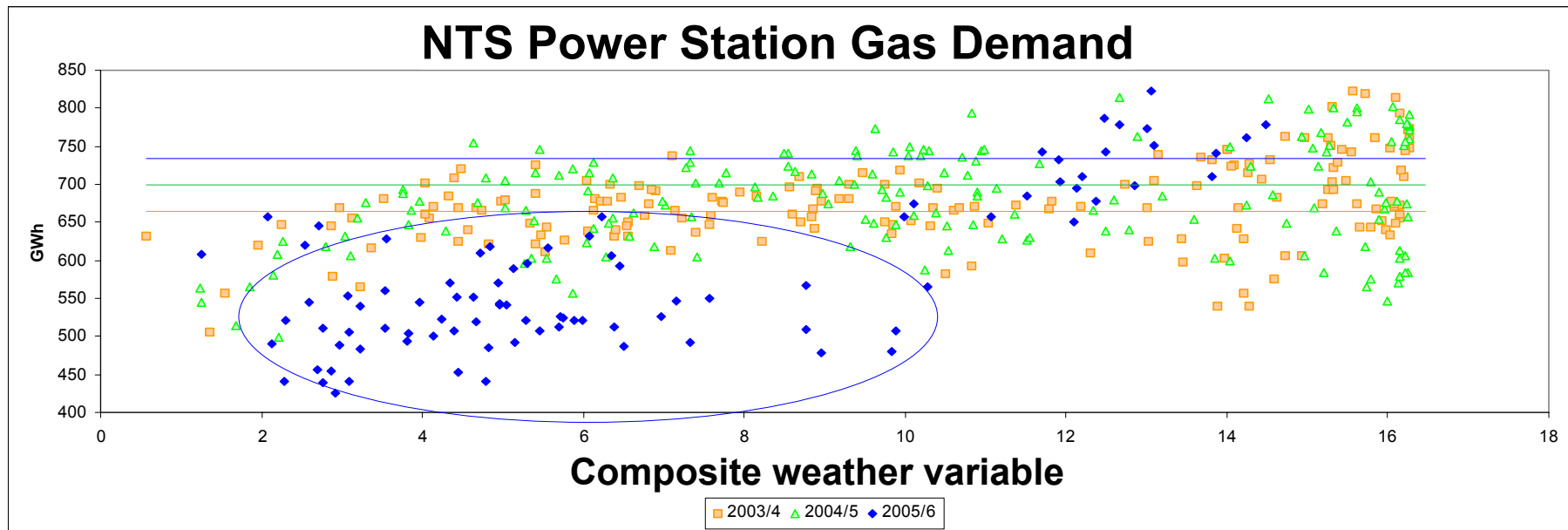
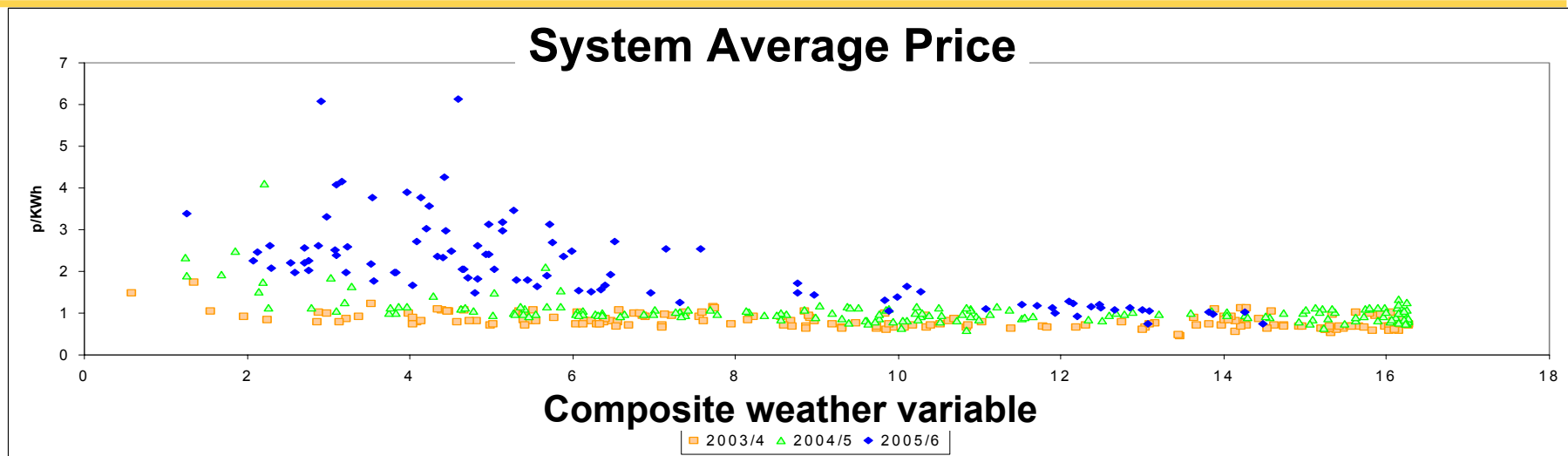
Demand Response Diagram for 2004/5



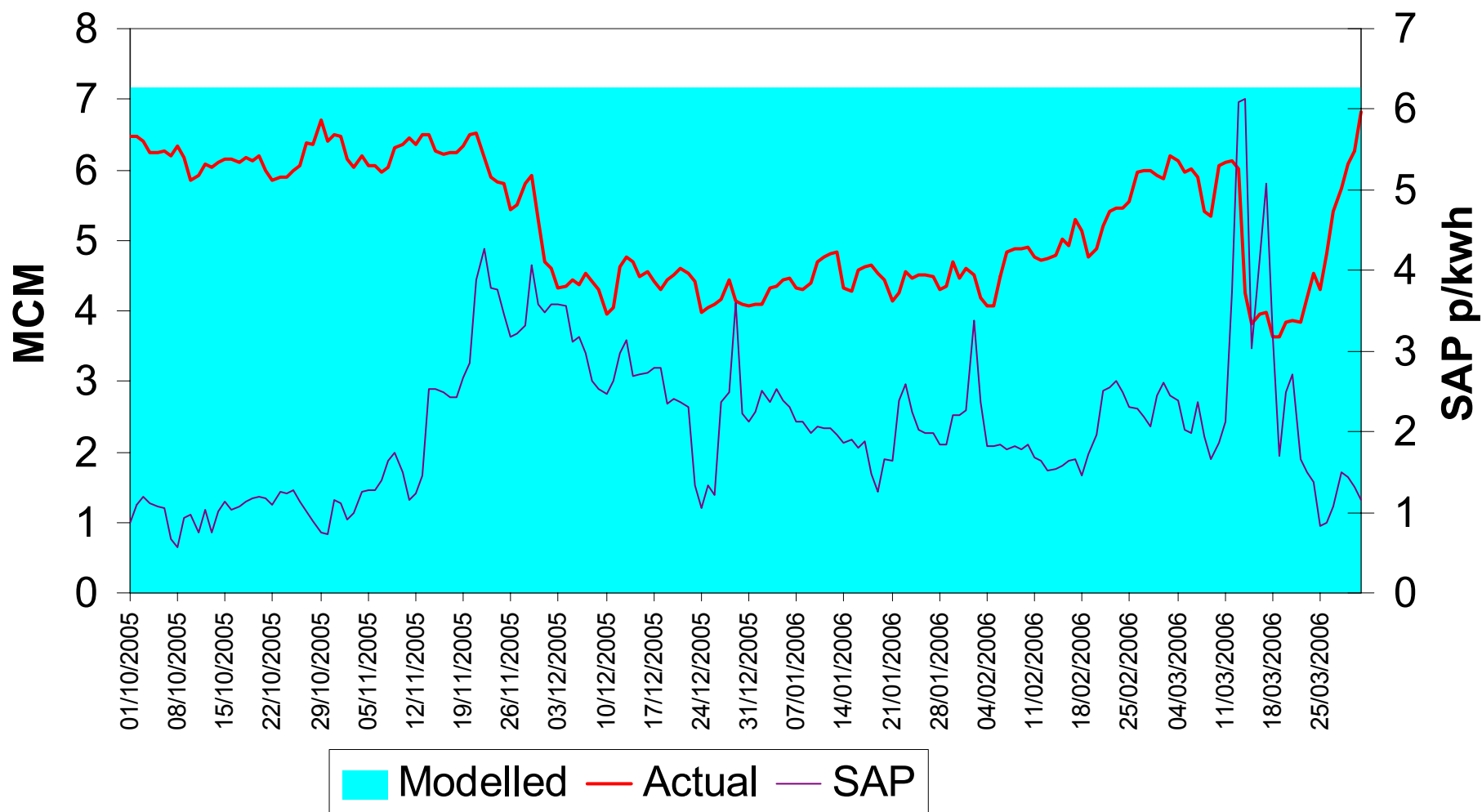
Power Generation



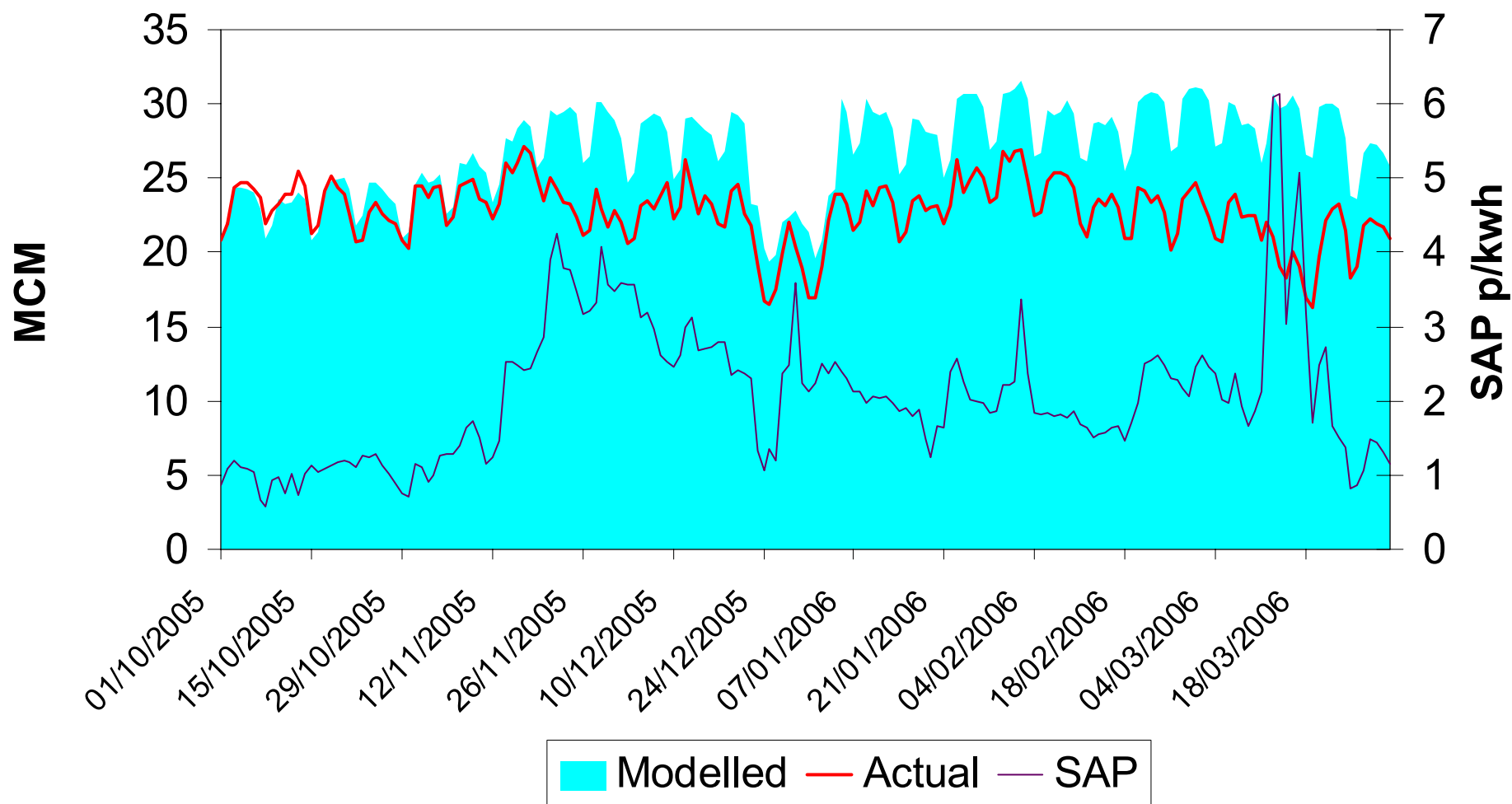
Monday-Thursday non-holiday power station demand



NTS Industrial



LDZ Daily Metered (DM) Interruptible



2005/6 winter demand response (bcm)

	Total Winter Response	Top 100 days response
Power stations connected to national grid electricity transmission system	3.2	2.0
NTS industrials	0.4	0.2
LDZ firm daily metered excluding power stations connected to national grid	0	0
LDZ interruptible daily metered excluding power stations connected to national grid	0.7	0.5

NDM actual demand has been slightly lower than modelled throughout the winter, probably due to higher prices than forecast. The reduction is small in percentage terms but large in volume (1.1 bcm for the winter and 0.6 bcm for the top 100 days).

Demand Response discussion points

- ◆ Is there any future for interruptible contracts?
- ◆ What are the opportunities for switching production to foreign factories?
- ◆ What are the opportunities for using alternative fuels?
- ◆ How do companies cope with reduced gas supplies?
Closure, reduced production, stored gas, alternative fuels, switching to foreign factories?
- ◆ How will supply contracts evolve in the future? Firm demand on annual contracts, interruptible replaced by monthly/daily contracts or price triggers for interruption, long-term investment in generation e.g. Finland's new nuclear power station?
- ◆ Will demand return when more gas is available?

Information Provision – 006 “Close to real time”

- ◆ Consultation feedback on “value of information”
 - ◆ Now on Ofgem website
 - ◆ Highly polarised views
 - ◆ Very little quantifiable evidence of benefits ?
- ◆ NTS info policy
 - ◆ To be “paid and protected”

Will the information enhance market efficiency?

Information issues

- ◆ 006 “near real time information”
- ◆ Website performance and forecasting incentives

Data

- ◆ Data will be provided directly from the iGMS
- ◆ Always 'quality' issues with real time data
- ◆ Use philosophy that the market will see what the control room sees
- ◆ Data quality indicators will be provided
 - ◆ Amended, late, expired etc
- ◆ Download data file will give indicators of data quality
- ◆ Data stored for upto 2 years
- ◆ Data available in original and amended form

Screens

- ◆ Page 1 – provides latest data
 - ◆ Latest 12 minute data in tabular and graphical form
- ◆ Page 2 – provides latest data in graphical context
 - ◆ Up to last 24hrs data in graphical form by terminal / type
- ◆ Page 3 – provides flexible data download facility
 - ◆ Allows user definition of download data
 - ◆ Up to 2 years of data will be available
 - ◆ May need to restrict amount downloaded at any one time
 - ◆ Any combination of sub – terminals can be viewed or downloaded

Example of screen 1

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Instantaneous Flows Report

[Print-friendly version](#)

Instantaneous Flows into the NTS

Current Gas Day : Monday, 30-Jan-06

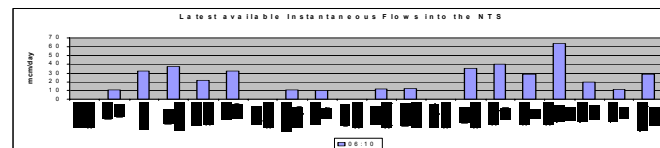
Notes for Today

Click [here](#) for Notes

Flows into the NTS

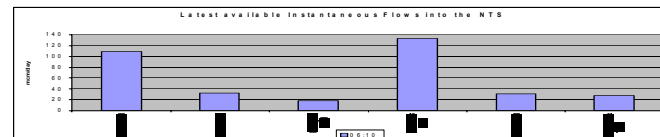
Zone Supply

System Entry Name	Instantaneous Flows (mcm/day)					
	06:00	06:02	06:04	06:06	06:08	06:10
Avonmouth - System Entry	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Bacton - Phillips	9.98755	10.01123	10.11491	10.24526	10.42672	10.61217
Bacton - Shell	30.47342	30.60110	31.87790	32.00558	32.16002	32.31446
Bacton Interconnector	36.81360	36.59040	36.66720	36.79488	36.94932	37.05372
Bacton Seal Subterminal	21.60274	21.65794	21.71314	21.76834	21.82354	21.90850
Barrow	29.85459	31.05459	31.05459	31.05459	31.05459	32.03060
Dynevor - System Entry	0.00000	0.00000	0.00000	0.00000	0.00000	0.00456
Easington - BP Dimlington	10.25160	10.27560	10.29960	10.39560	10.41960	10.44360
Easington - Other	9.85470	10.00015	10.52680	10.20289	10.00578	9.99753
Glenneavis - System Entry	0.10563	0.10563	0.10563	0.11043	0.11043	0.12243
Hornsea - System Entry	11.85620	11.95462	11.82880	11.86542	11.48439	11.94654
Isle of Grain Sub Terminal	12.50343	12.50703	12.50943	12.51183	12.51195	12.51207
Radcliffe - System Entry	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Rough - System Entry	35.40821	35.40821	35.40905	35.40905	35.41075	35.39875
ST Fergus - Mobil	38.65370	38.89370	39.31901	39.35438	38.81527	40.01018
ST Fergus - Shell	24.82600	25.70313	26.55176	27.32563	26.13838	26.58776
ST Fergus - Total Oil Marine	61.09500	61.44000	61.82720	62.43000	63.06348	63.66097
Teesside - Amoco	18.24000	18.46000	18.20000	18.20000	18.56000	19.77250
Teesside - Enron	11.25863	11.47463	11.59943	10.87943	10.84343	10.84583
Theddlethorpe - Conoco	27.99000	28.20600	28.33080	28.25880	28.18360	28.22040



Terminal Supply

Terminal Totals	Instantaneous Flows (mcm/day)					
	06:00	06:02	06:04	06:06	06:08	06:10
Bacton Total	104.69221	105.07667	106.60211	107.05600	107.61648	108.14325
Barrow Total	29.85459	31.05459	31.05459	31.05459	31.05459	32.03060
Easington Total	18.43040	18.57440	18.77120	18.77120	18.73520	18.73280
ST Fergus Total	124.67470	126.03663	127.49797	129.11101	131.03714	132.25890
Teesside Total	29.49863	29.95463	30.55943	30.07943	30.40343	30.61833
Theddlethorpe Total	27.99000	28.20600	28.33080	28.25880	28.18360	28.22040



Total Supply

Total System Supply	Instantaneous Flows (mcm/day)					
	06:00	06:02	06:04	06:06	06:08	06:10
Total System Supply (all zones)	390.52463	394.43482	398.40624	399.93401	402.60078	405.54569

[Entry Zone](#)
[Graphs](#)

[User defined](#)
[download](#)

Definitions

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Click [here](#) to download data

Publish Timestamp : DD/MM/YY HH : MM

Latest available notes
- timestamped and retained for 2 years

Tables of latest data

Definitions of data etc

Example of screen 2

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Entry Zone Graphs

Current Gas Day : Monday, 30-Jan-06

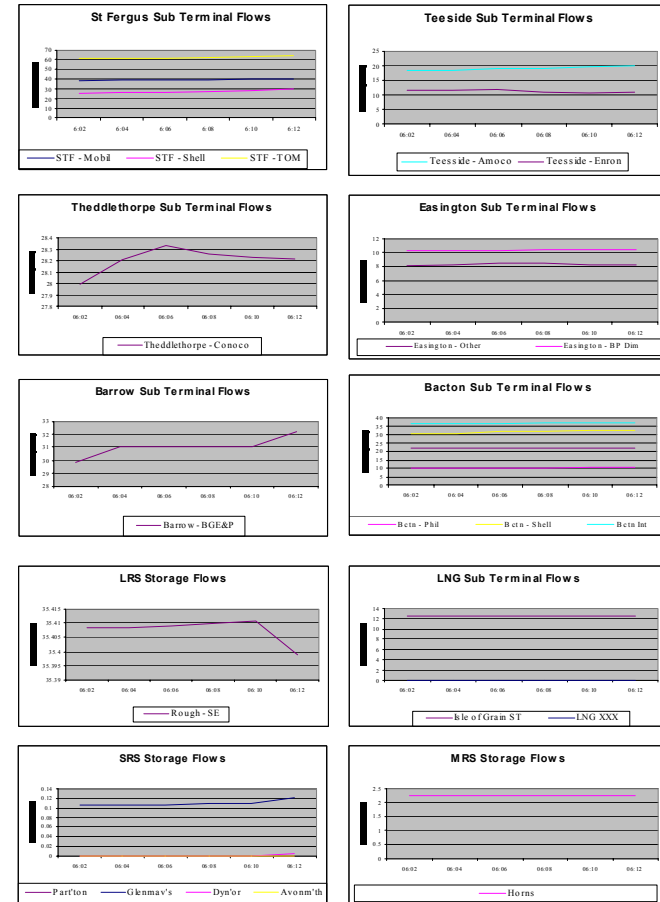
Selectable period

Flows by Entry Zone
(mcm/day)

Select time period

Last Update	X
Last Hour	
Last 24 hrs	

Graphs reflect selection



[User defined
download](#)

[Return to main
Instantaneous
Flows Page](#)

Definitions

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Example of screen 3

User Defined Download

Current Gas Day : Monday, 30-Jan-06

Select time period

Last Update	
Last Hour	
Last 24 hrs	

Or user defined time period

From	06:00	30/01/06
To	06:10	30/01/06

User to select required Terminal or Individual entry zones

Select Zone	System Entry Name
	Avonmouth - System Entry
	Bacton - Phillips
	Bacton - Shell
	Bacton Interconnector
	Bacton Seal Subterminal
	Barrow - BGE&P
	Dynevor - System Entry
X	Easington - BP Dimlington
X	Easington - Other
	Glenmavis - System Entry
	Homsea - System Entry
	Isle of Grain Sub Terminal
	Partington - System Entry
	Rough - System Entry
X	ST Fergus - Mobil
X	ST Fergus - Shell
X	ST Fergus - Total Oil Marine
	Teesside - Amoco
	Teesside - Enron
	Theddlethorpe - Conoco
	All Zones
	Bacton Terminal
	Barrow Terminal
X	Easington Terminal
X	St Fergus Terminal
	Teesside Terminal
	Theddlethorpe Terminal
	All Terminals

Selectable period

Original or latest data

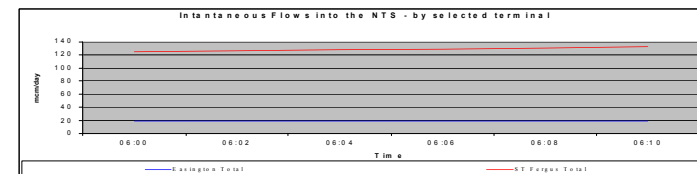
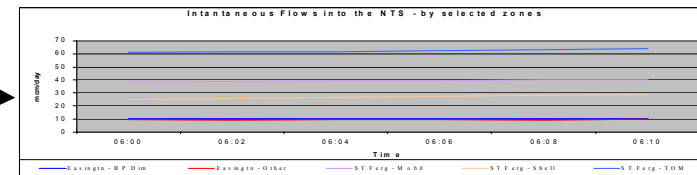
Selectable data

Graphs reflect selections

Latest Available	X
Originally published	

Click [here](#) to update graphs

Click [here](#) to download



[Entry Zone Graphs](#)

[Return to main Instantaneous Flows Page](#)

Definitions

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New information incentives

- ◆ Website performance
 - ◆ What do Users value?
- ◆ Demand Forecasting performance
 - ◆ Key question: what are we trying to forecast?

Opportunities to shape information provision to meet customer requirements