

**Draft Modification Report**  
**Modification to release aggregated ex-post information for pipeline interconnector offtake flows**  
**Modification Reference Number 0097/0097a**  
Version 1.0

This Draft Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 9.6.

**1. The Modification Proposals**

**Modification Proposal 0097**

Version 2.0 of Proposal 0097 was as follows:

"This proposal requires that the previous day's aggregate actual offtake flows for each pipeline interconnector be included on the Gemini Meter Energy List and published on the Gemini system as per the current arrangements. In addition this revised Gemini Meter Energy list (both input and offtake) data shall be published by 11.00am on the following day on NGG's website. Although exactly where the information is published on the NGG website would be at NGG's discretion it is suggested that it should be placed under the "Operational data" section. In particular it is suggested that Irish and UK-Continental interconnector historical export flows could be represented graphically. Such a graphical representation could form part of the Daily Summary Report<sup>1</sup> or be linked to it in some way.

It is important for shippers that interconnector offtake flows are published on the Gemini system so that they can easily download such data into their risk management and forecasting systems. Nevertheless, publication on the website should not be delayed by any system development work reasonably deemed to be necessary for implementation of the 'Gemini solution'. If necessary the publication of interconnector offtake data on the NGG website should be implemented first preferably in early Winter 06/07. Implementation of the Gemini solution would then follow as soon as is reasonably practicable.

It is important that the industry does not solely rely on a single forecast and so publicising aggregated interconnector flows after the day will provide Users with the appropriate level of information to forecast demand more accurately and as a result, reduce price volatility through enabling the market to better understand price movements, building confidence and facilitating security of supply. This is of particular importance on tight demand days as Users need to assess the system as a whole in order to make appropriate purchasing decisions.

Winter 2005/06 saw a material reduction in the level of demand, in response to the prevailing high prices. This proposal will assist Users in ascertaining what proportion of

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<sup>1</sup> Overall historical 'demand' is already shown on the Daily Summary Report and interconnector exports could be represented in a similar way.

A graph splitting up overall historical demand as follows might prove useful to shippers and customers alike:

- UK gas consumed (including shrinkage)
- Irish Interconnector Exports
- UK Continental Interconnector exports
- Storage Injections

that demand is exported through the interconnectors and consequently aid understanding of the energy outlook during the winter.

NGG have stated in their 2005 Ten Year Statement, with respect to the Irish interconnector, that ‘...any factors impacting upon existing demands, or the scale and timing of new gas-fired developments, will tend to have an effect on the accuracy of the forecast. Although growth in the Irish economy has slowed recently, it is forecast to increase over the forecast period with the rate of growth being a significant forecast sensitivity.’

Owing to the substantial forecasting sensitivities surrounding demand through the Irish interconnector, there is a clear benefit associated with publishing ex-post data for aggregated interconnector offtakes from the NTS so Users can better understand and assess system demand as a whole.

Given the importance of this information to the market we would ask that NGG and its system provider think how it can best support a low cost system solution to publish interconnector offtake data without delay. This may mean not being unduly constrained by system release dates or existing practices or demarcation with regard to the management of offtake as opposed to delivery data.”

#### **Modification Proposal 0097a**

Alternate Proposal 0097A was as follows:

*“Where capitalised words and phrases are used within this Modification Proposal, those words and phrases shall usually have the meaning given within the Uniform Network Code (unless they are otherwise defined in this Modification Report). Key UNC defined terms used in this Modification Proposal are highlighted by an asterisk (\*) when first used. This Modification Proposal, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.*

UNC 0097 “Modification to release aggregated ex-post information for pipeline interconnector offtake flows” has been raised by E.ON requiring the publication of the previous days aggregated offtake flows for each pipeline interconnector to be published on both the Gemini system and National Grid’s website.

National Grid NTS, as an alternative, proposes that the previous day’s net physical offtake flow for each pipeline interconnector at 11:00 on D+1 be published on National Grid’s website only.

National Grid NTS recognises the importance of the disclosure of this information to the market. By publishing the information on the National Grid’s website it will ensure that all interested parties will have access to the information at the same time and in the same location.

In addition National Grid NTS consider that the systems modification work required in order to amend both our website system and Gemini would be an inefficient and unnecessary investment. This alternate Proposal involving modifications to the website systems only therefore represents a more economic and efficient solution to achieve the same aim of Modification Proposal 97.”

## **2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives**

The Proposers presented the following reasons why implementation of these Proposals would better facilitate the relevant objectives:

### **A11.1 (a) the efficient and economical operation of the pipe-line system**

The Proposer of Proposal 0097 believed that implementation would facilitate the achievement of this objective “through providing shippers with the appropriate level of information to enable them to better forecast demand and thus make the appropriate trading decisions to balance their portfolio, with associated physical actions, resulting in improved balance of the system as a whole.”

The Proposer of Alternative Proposal 0097A believed its implementation would “enable Users of the system to improve their forecast demand and this would be reflected in improving the balance of the system. By publishing on only the website and not duplicating, this will reduce implementation and maintenance costs and therefore improve efficient operation over that of Modification 97.”

### **A11.1 1(c) so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee’s obligations under this licence**

The Proposer of Proposal 0097 believed that implementation would facilitate the achievement of this objective “with respect to security of supply through assisting shippers in better forecasting demand, enabling them to make more efficient purchasing decisions, consequently reducing price volatility and facilitating security of supply. The publication of further data on NGG’s website will assist customers in making their own assessments as to the overall balance between supply and UK demand taking into account any transit flows. This improved information transparency may enhance large customers’ willingness to offer ‘demand side’ response under tight supply conditions, which in turn should improve security of supply and under extreme circumstances reduce the chance of emergency procedures being invoked.”

The Workstream Report for Proposal 0097 stated that the “publication of further data on NGG’s website will assist customers in making their own assessments as to the overall balance between supply and UK demand taking into account any transit flows. This improved information transparency may enhance large customers’ willingness to offer ‘demand side’ response under tight supply conditions, which in turn should improve security of supply and under extreme circumstances reduce the chance of emergency procedures being invoked.”

The Proposer of Alternative Proposal 0097A believed that its implementation would facilitate the achievement of this objective by improving information transparency, which in turn would assist Users in forecasting demand and will be reflected in decisions relating to security of supply.

### **A11.1 1(d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition: (i) between relevant shippers, (ii) between relevant suppliers...**

The Proposer of Proposal 0097 believed that implementation would facilitate the achievement of these objectives by “providing a level playing field where all shipper /

suppliers have the same information available to them, provided through an established, consistent and transparent basis.”

The Proposer of Alternative Proposal 0097A believed that its implementation would facilitate the achievement of this objective “through providing a level playing field regarding access to the information.”

**3. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

The Proposer of Proposal 0097 suggested that "publicising aggregated interconnector flows after the day will provide Users with the appropriate level of information to forecast demand more accurately and as a result, reduce price volatility through enabling the market to better understand price movements, building confidence and facilitating security of supply.”

The Proposer of Alternative Proposal 0097A suggested that its implementation “would enable Users to ascertain what proportion of demand is being exported through the interconnectors which will be utilised in forecasting demand.”

**4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including**

**a) implications for operation of the System:**

The Workstream Report for Proposal 0097 stated that the “requirement for Residual System Balancing by the System Operator might be reduced if Users were able to balance their portfolios more accurately.”

The Proposer of Alternative Proposal 0097A stated that the Proposal would “not effect the operation of the system”.

**b) development and capital cost and operating cost implications:**

The Workstream Report for Proposal 0097 stated that it “is anticipated that the direct costs associated with the publication of one additional data item per day would be small. Indirectly, any reduction in the requirements for Residual System Balancing on tight demand days might be expected to reduce SO costs.”

The Proposer of Alternative Proposal 0097A in respect of the Alternative Proposal, estimated system costs of £120,000 which it considered would be “less than Modification Proposal 097. Costs for the Gemini element of Modification Proposal 97 are currently being assessed by xoserve. These Gemini costs will be avoided by this Proposal.”

**c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:**

The Proposer of Alternative Proposal 0097A suggested, in respect of that Proposal, costs would be “recovered as part of National Grid NTS system operator cost.”

**d) analysis of the consequences (if any) this proposal would have on price regulation:**

No such consequences were identified in either of the Proposals.

**5. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal**

No such consequences were identified in either of the Proposals. However, the Workstream Report for Modification Proposal 0097 stated that “National Grid NTS would need to ensure that it had procured any necessary rights (if required beyond implementation of the Proposal) for the proposed additional information release.”

**6. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users**

The Workstream Report for Modification Proposal 0097 stated that “The Proposer has suggested a minor change to an existing part of Gemini, which is part of the UK Link System.”

The Proposer of Alternative Proposal 0097A stated, in respect of that Proposal, no impact on the UK Link System would be anticipated.

**7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk**

Both Proposers have identified that by publishing the information, Users should be able to forecast demand more accurately.

**8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party**

No such implications were identified in either of the Proposals. However the Workstream Report for Modification Proposal 0097 stated that “Parties involved in the export of gas from GB through interconnectors would need to consider the need to change their arrangements with their customers in order to facilitate compliance with the UNC. Representations on this issue from the parties concerned would be particularly welcome, but Transmission Workstream attendees suggested that Modification 0006 provided a model which could be followed.”

**9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal**

No such consequences were identified in either of the Proposals. However the Workstream Report for Modification Proposal 0097 stated that “some consequences on these contractual relationships are anticipated in order that the information may be provided to National Grid NTS for release to Users.”

**10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

The Workstream Report for Modification Proposal 0097 noted the following advantages and disadvantages:

Advantages:

- Improved information available to Users to balance their portfolios, thereby facilitating improved system balancing and security of supply

- Creates level playing field for Users in terms of information availability
- Reduced costs for Users in collecting data

Disadvantages:

- Increases Transporter costs

The Proposer of Alternative Proposal 0097A suggested the following advantages:

- “Provide Users and other interested parties, with the information which will be utilised to forecast demand more accurately.
- Reduce price volatility through enabling the market to understand price movements.
- Increase Users ability to assess the system as a whole in order to make appropriate purchasing decisions.”
- “Implementation of the alternate modification will cost less than Modification Proposal 097.”

The Proposer of Alternative Proposal 0097A suggested the following disadvantage

- “Requires investment to modify website system, however this investment will be considerably less than that required in order to implement Modification Proposal 097.”

#### **11. Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)**

Written representations are now invited on this Draft Modification Report.

To date one written representation has been received in respect of Proposal 0097. This can be viewed on the Joint Office website ([0097 Bord Gais Representation](#))

#### **12. The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation**

No such requirements were identified in either of the Proposals.

#### **13. The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence**

No such requirements were identified in either of the Proposals.

#### **14. Program for works required as a consequence of implementing the Modification Proposal**

In respect of both Proposals, the Transporters would need to implement website changes. In respect of Proposal 0097 additional changes would be required to UK Link which would be subjected to UK Link governance.

#### **15. Proposed implementation timetable (including timetable for any necessary information systems changes)**

Whilst the Proposer of Proposal 0097 has not put forward a specific implementation timetable, they suggest that “publication on the website should not be delayed by any

system development work reasonably deemed to be necessary for implementation of the 'Gemini solution'. If necessary the publication of interconnector offtake data on the NGG website should be implemented first preferably in early Winter 06/07. Implementation of the Gemini solution would then follow as soon as is reasonably practicable."

The Proposer of Alternative Proposal 0097A believes that Proposal 0097A "should be considered in parallel to UNC 097."

The SME notes that in respect of Proposal 0097 a later implementation date could be anticipated due to the UK Link requirement. The UNC requires notice to be given of proposed UK Link changes. If the change request was presented to the November UK Link Committee meeting, this would be the latest date for including the change in the June 2007 release, unless the Committee decided to use its discretion.

**16. Implications of implementing this Modification Proposal upon existing Code Standards of Service**

No such implications have been identified for either Proposal.

**17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel**

**19. Text**

**Modification Proposal 0097**

**UNIFORM NETWORK CODE - TRANSPORTATION PRINCIPAL DOCUMENT  
SECTION V – GENERAL**

*Amend Annex V-1 to read as follows:*

**Annex V-1: Table of Operational and Market Data**

<b>Column</b>	<b>Name</b>	<b>Description</b>
1	Data	data definition and indication of the time period to which the data corresponds
2	Timing	initial publication timing and where appropriate, timing of updates if the data is subject to any change
3	Format	tabular, graphical, other
4	Presentation	downloadable, viewable or both
5	Disclosure	public or restricted (and if restricted, list of entities to whom the data can be released)
6	<u>Method</u>	<u>Details of where the information should be published; i.e. National Grid website, UK Link or both</u>

<b>Data</b>	<b>Timing</b>	<b>Format</b>	<b>Presentation</b>	<b>Disclosure</b>	<b>Method</b>
The rate of flow of gas (in MSCM per Day) over a 2 minute period into the NTS from each National Grid LNG Storage Facility	Every 12 minutes, in respect of the six 2 minute periods commencing 24 minutes before the time of publication and ending 12 minutes before the time of publication	Tabular	Viewable	Public	<u>Website</u>
The rate of flow of gas (in MSCM per Day) over a 2 minute period into the NTS at each Individual System Entry Point capable of flowing (in aggregate) more than 10 MSCM per Day of gas into the System .	Every 12 minutes, in respect of the six 2 minute periods commencing 24 minutes before the time of publication and ending 12 minutes before the time of publication.	Tabular	Viewable	Public	<u>Website</u>
The rate of flow of gas (in MSCM per Day) over a 2 minute period into the NTS at each Aggregate System Entry Point capable of flowing (in aggregate) more than 10 MSCM per Day of gas into the System .	Every 12 minutes, in respect of the six 2 minute periods commencing 24 minutes before the time of publication and ending 12 minutes before the time of publication.	Tabular	Viewable	Public	<u>Website</u>
<u>The aggregate quantity of gas offtaken from the System in the Preceding Gas Flow Day at the</u>	<u>By 11:00 hours on each Day</u>	<u>Tabular</u>	<u>Viewable</u>	<u>Public</u>	<u>Both</u>

<u>Connected System Exit Point in respect of each pipeline interconnector by which gas is transported to another country</u>					
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**Modification Proposal 0097a**

**UNIFORM NETWORK CODE - TRANSPORTATION PRINCIPAL DOCUMENT  
SECTION V – GENERAL**

*Amend Annex V-1 by adding the following at the end of the table:*

<b>Data</b>	<b>Timing</b>	<b>Format</b>	<b>Presentation</b>	<b>Disclosure</b>
The aggregate physical quantity of gas offtaken from the System in the Preceding Gas Flow Day at the Connected System Exit Point in respect of each pipeline interconnector by which gas is transported to another country	By 11:00 hours on each Day	Tabular	Viewable	Public

***Representations are now sought in respect of this Draft Report and prior to the Transporters finalising the Report***

Joint Office of Gas Transporters

Subject Matter Expert sign off:

*I confirm that I have prepared this modification report in accordance with the Modification Rules.*

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

**Tim Davis**  
**Chief Executive, Joint Office of Gas Transporters**

Signature:

Date :