

CODE MODIFICATION PROPOSAL No. 0097A

“Publication of Aggregated ex-post information for pipeline interconnector offtake flows”
Version 1.0

Date: 27/09/2006

Proposed Implementation Date: 01/12/2006

Urgency: Non-Urgent

Proposer’s preferred route through modification procedures and if applicable, justification for Urgency

(see the criteria at http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf)

This Proposal has been raised as an alternate for Modification Proposal 97 and is therefore requested to follow the same consultation timeframe.

Nature and Purpose of Proposal (including consequence of non implementation)

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.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence

- The Proposal would improve *“the efficient and economic operation of the pipe-line system”* (A11.1a) by publishing the information it will 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.

- The Proposal would improve “*the efficient discharge of the licensee’s obligations under their licence*” (A11.1c) by improving information transparency this will lead to assisting Users in forecasting demand and will be reflected in decisions relating to security of supply.
- The Proposal would facilitate “*the securing of effective competition (i) between relevant shippers (ii) between relevant suppliers*” through providing a level playing field regarding access to the information.

Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text

a. Proposed implementation timetable

National Grid NTS believes that this Proposal should be considered in parallel to UNC 097.

b. Proposed legal text

To be provided in the DMR.

c. Advantages of the Proposal

- 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.

d. Disadvantages of the Proposal

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

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

Implementation of the Proposal would enable Users to ascertain what proportion of demand is being exported through the interconnectors which will be utilised in forecasting demand.

f. The implication for Transporters and each Transporter of implementing the Modification Proposal, including

i. implications for operation of the System

This Proposal will not effect the operation of the system.

ii. development and capital cost and operating cost implications

It is anticipated that this alternate proposal is currently estimated as a cost of £120,000 in system costs which will 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.

iii. extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs

Costs will be recovered as part of National Grid NTS system operator cost.

iv. analysis of the consequences (if any) this proposal would have on price regulation

No such consequences are anticipated.

g. 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 are anticipated.

h. 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

No impact on the UK Link anticipated.

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

None identified

Code Concerned, sections and paragraphs

UNC Principal Document Section V

Proposer's Representative

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Proposer

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Signature

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