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Dear Tim,

Consultation Response: Code Modification Proposal 0097 & 0097a – Publication of Aggregated ex-post Information for Pipeline Interconnector Offtake Flows

As proposer of Modification Proposal 0097, we continue to support Mod 0097 in preference to the alternative, Mod 0097a.

Mod 0097

We are pleased to see that National Grid Gas (NGG) agrees with us on the significance of providing aggregated ex-post information for pipeline interconnector flows by raising Mod 0097a, which agrees with the need for this data to be published. As highlighted in our proposal, 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. This will 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.

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This proposal will assist Users in ascertaining what proportion of that demand is exported through the interconnectors and consequently aid understanding of the energy outlook during winter. In addition, 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.

The relevant objectives

A11.1 (a) the efficient and economic operation of the pipeline system

This Modification provides shipper / suppliers 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.

A11.1 (c) the efficient discharge of the licensee's obligations under their licence

This Modification will aid security of supply through assisting shipper / suppliers in better forecasting demand, enabling them to make more efficient purchasing decisions, consequently reducing price volatility and facilitating security of supply. The publication of the 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.

A11.1 (d) the securing of effective competition (i) between relevant shippers and (ii) between relevant suppliers

Currently, Shippers at the relevant exit points are believed to have access to information at present which is not available to all Users. This modification provides a level playing field where all shipper / suppliers have the same information available to them, provided through an established, consistent and transparent basis. Shippers at the relevant exit points are believed to have access to information at present which is not available to all Users.

Mod 0097a

Although we consider that Mod 0097a does better facilitate the relevant objectives, it is our view that Mod 0097a, by publishing aggregate ex-post information for pipeline interconnector flows on NGG's website alone, does not go far enough. Therefore, we support Mod 0097 in preference.

Our 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*, we requested that the

revised Gemini Meter Energy list (both input and offtake) data be published by 11.00am on the following day on NGG's website. Implementation of the Gemini solution would then follow as soon as is reasonably practicable. The Mod also 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 or be linked to it. We continue to support all of these proposals.

It is extremely disappointing that NGG have dismissed the opportunity to publish this key data using Gemini, without having first obtained a completed, detailed quote for the cost of system change from xoserve. Without this information, we do not believe that NGG is able to come to an informed position as to the relative merits, in terms of costs versus benefits, of Mod 0097 compared to Mod 0097a.

Our view, as set out in Mod 0097, is that any change required to Gemini would be relatively minor and would involve amending an existing part of the system (Gemini Meter Energy List). Overall historical 'demand' is already shown on the Daily Summary Report and interconnector exports could be represented in a similar way.

Consequently, E.ON UK continues to request that Aggregated Interconnector Offtake information be published on *both* the Gemini system and the NGG website. We are happy to accept that this information could be published first on the website with Gemini publication to follow within a reasonable amount of time. However, as highlighted in Mod 0097, publication on the website should not be delayed by any system development work reasonably deemed to be necessary for implementation of the "Gemini Solution".

In support of Mod 0097 and to counter the proposal made in 0097a, we would like to explain why we believe there is proportionate value to publishing the requested information on Gemini:

1. Gemini provides an Industry-standard template which better facilitates the download of Offtake flows into risk management and forecasting systems.
2. As a result, shipper / suppliers would face fewer problems with processing the data.
3. Availability of critical daily data is not subject to NGG website function.
4. Gemini provides an enduring solution and the new functionality could be easily transferred to any successor to the Gemini system as part of an overall system migration.
5. Historical data will more easily be stored and accessed by shipper / suppliers on Gemini. There is clearly a limit to which a website can hold masses of data and archiving would therefore be required. Publication on the website alone could, therefore, constrain availability of useful historical data.

The relevant objectives

A11.1 (a) the efficient and economic operation of the pipeline system

Mod 0097a, in publishing data on the website alone, does *not* provide shipper / suppliers with what we deem to an appropriate level of, and platform for, information to enable them to better forecast demand and thus make the appropriate trading decisions to balance

their portfolio.

A11.1 (c) the efficient discharge of the licensee's obligations under their licence

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.

A11.1 (d) the securing of effective competition (i) between relevant shippers and (ii) between relevant suppliers

This modification does contribute towards a level playing field where all shipper / suppliers have the same information available to them. The Gemini system would, however, be a more equitable solution for the shipper / supplier community where used in conjunction with the website.

Conclusion

E.ON UK continues to support Modification Proposal 0097 in full. We believe that the offtake data requested will benefit the gas industry by providing accessible and consistent information to the shipper / supplier community and transparency of information to customers. We do not support National Grid Gas' alternate proposal 0097a, to the extent that publishing the requested data on their website is not sufficient to meet the needs of shipper / suppliers as well as customers. We continue to request that this data be published using the Gemini system as well as on the NGG website and are disappointed that NGG chose to reject this option without first obtaining detailed cost analysis from xoserve. On this basis, we consider that Mod 0097a is unjustified until it can be demonstrated *unequivocally* that the cost of enhancing Gemini to accommodate this data would be disproportionate to the clear operational benefits it would bring to shipper / suppliers.

If you have any questions regarding this response or would like any further information, please do not hesitate to contact me.

Yours sincerely

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