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Dear Julian,

Re: Modification Proposal 0100: “Amendment to OPN/SFN Submission Times”

The Association of Electricity Producers welcomes the opportunity to provide comments on this Modification Proposal. We do not support this proposal.

The Association notes that the recently introduced quality of information incentive is the main driver of this proposal. Whilst we acknowledge the importance of accurate demand forecasts we remain sceptical that this incentive based on total system demand is appropriate. This is because NTS connected load may renominate its demand at any time and may do so in a manner that is not easy to predict. Indeed a brief review of the daily summary report shows that total demand is not well correlated with demand implied by the composite weather variable.

The proposer assumes that the earlier provision of OPNs and SFNs by 1200 will provide it with more accurate information than the shipper DM output nominations at 1300. At the transmission workstream meeting on 3 August National Grid (NG) reported that OPNs/ SFNs had been found to be more reliable than DM nominations. No analysis was presented to support this view. If this is the case it may be that OPNs / SFNs are more accurate because they are provided several hours after the initial DM nominations. It is therefore not self evident that earlier provision of OPNs /SFNs will enable transporters to provide more accurate demand forecasts at 1400 D-1 than at present.

Linked to this are further issues concerning how the demand forecasts are established. Currently as only DM nominations are available before the 1400 D-1 forecast, are these used routinely and mechanistically or is there some other process? Also in this regard is there a risk that more than one forecast might be made available to shippers and consumers via the website or Gemini systems? If this is a potential unintended consequence of these proposals then the implications of this should be explored further before this proposal is implemented to assist in NG meeting its incentives.

The Association also considers that as this proposal might lead to more OPNs / SFNs being submitted as anticipated offtake flows are updated that this proposal, if implemented, should be implemented at the same time as the systems to facilitate electronic submission of OPNs to mitigate against any increased administrative burden that might otherwise arise for consumers and shippers.

Extent to which implementation of the proposed modification would better facilitate the relevant objectives

It is clear that the main driver for this proposal is the new quality of information incentive. However we are unsure whether the proposal meets the required test of furthering the relevant objectives. NG demand forecasts *may* improve if OPNs are provided earlier but it is by no means certain that forecasts *will* improve.

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

There will clearly be consequences for the operational procedures of these parties. In some cases where there is a simple relationship between the downstream party and the shipper (for example in the case of a power station operator and shipper being part of the same company) earlier provision of an OPN may be achieved easily. In other cases where there are more complex relationships these timings may be included in contracts which will need revision which may not be practical in the short implementation timescale being sought. A particular example of this was flagged at the workstream meeting in relation to the IUK interconnector, where there are interactions with downstream contracts and many parties involved at the offtake. On a more general point interactions with the harmonisation of nomination procedures across the EU North West markets, a target identified under the ERGEG regional gas markets initiative, needs to be considered in this context.

Yours sincerely

Julie Cox
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Association of Electricity Producers