

Mr. Julian Majdanski  
Joint Office of Gas Transporters  
Ground Floor Red  
51 Homer Road  
Solihull  
West Midlands  
B91 3QJ  
[enquiries@gasgovernance.com](mailto:enquiries@gasgovernance.com)  
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Your Ref: UNC 0100

Dear Julian

**Re: Modification Proposal UNC100 'Amendment to OPN/SFN Submission Times': draft Modification Report**

energywatch wishes to comment on the draft Modification Report as follows:

We welcome this modification as a further step towards improving transparency of data in the market. We believe that further transparency and greater accuracy of demand forecasting at relevant times will have the benefit of providing better signals to market participants about the commercial actions they need to take in response. This should lead to more efficient operation of the system, reducing National Grid Gas (NGG)'s costs of balancing, and ultimately reducing the overall costs to consumers. In a tight gas supply market, good quality information will be vital to mitigate the potential for high wholesale gas prices as were seen last winter, with their adverse effect on all consumers but particularly the most vulnerable. We hope this modification will help to avoid a repeat this winter.

Earlier provision of the data sought by NGG should, over time, increase the accuracy of the demand forecast. However, we are disappointed that NGG has only sought to raise this modification to the UNC in anticipation of Ofgem putting in place System Operator quality of information incentive schemes in time for this winter. NGG will obtain financial benefit from more accurate demand forecasting under one scheme. We believe that NGG should improve the quality of data and demand forecasting accuracy as a matter of course, without specific financial incentive. This modification could have been raised earlier in

the interests of more efficient operation of the market without the need for these financial incentives.

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

We agree that the modification will lead to more efficient and economic operation of the pipeline system, meeting Relevant Objective A11.1a.

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

We agree that more efficient operation of the pipeline system will improve security of supply. The costs of providing the data requested earlier should be outweighed by the benefit of lower system operation costs.

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

We anticipate that costs to consumers would come down over time through the use of more accurate demand forecasts.

The draft text appears to be fit for purpose.

If you do wish to discuss our response further please do not hesitate to contact me on 0191 2212072.

Yours sincerely

Carole Pitkeathley  
Head of Regulatory Affairs