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Dear Julian

**EDF Energy Response to UNC Modification 108 “Publication of Near Real Time Data at GB Storage Sites”**

EDF Energy welcomes the opportunity to respond to this modification, and recognise the unique position that Centrica Storage Limited (CSL) has been placed in by releasing near to real time data. We believe that this position is unique to the CSL Storage facility within the UK and therefore do not believe that this modification is the best route for overcoming this potential discrepancy, and note that some “protection” to CSL will be available through normal market mechanisms. We are therefore opposed to the implementation of this proposal.

EDF Energy welcomes and supports the transparency that CSL has provided to the market by providing the information recommended within the Guidelines for Good Practice for Storage System Operators (GGPSSO) and the work that CSL devoted to producing these guidelines. However we note that CSL continues to be the only storage site in Europe that has implemented these recommendations and that they continue to be a voluntary agreement. If CSL were to be detrimentally impacted by the publication of this information, and continued to be the only storage site to publish this, then EDF Energy would fully support CSL if it were to cease to publish the nomination information ahead of, and within the day, in order to avoid any potential commercial exposure. Given that CSL is the only storage site in the UK and Europe to publish this information EDF Energy fails to understand how other storage facilities will be exposed by the publication of near to real time data, and why this modification should be implemented.

We are also aware that as part of its undertakings when purchasing the Rough storage facility, a requirement was placed on CSL to publish its nomination information; however this is not mentioned within the UNC proposal. EDF Energy would therefore note that it is disappointing that this issue has not been addressed during the long consultation process associated with the release of near to real time data, and that a workaround solution has not been developed to deliver near to real time information whilst ensuring CSL is not potentially exposed. EDF Energy, along with other shippers and consumers have long supported the release of near to real time data to overcome the asymmetrical access to market information and ensure that sufficient information is available to the market to ensure that price is developed based on supply and demand fundamentals and not market rumour. We therefore welcome the increased transparency that this data will provide, and would encourage Ofgem to ensure that the sound fundamentals on which the modification was

approved on are maintained. We believe that Rough is, and will continue to, represent a unique and significant source of gas to the UK market, and so real time flows for this facility should continue to be published.

EDF Energy also believes that some protection will be provided to CSL through normal market mechanisms as participants are anonymous on the OCM market, and CSL only publishes its nominations at D-1 16.00 and within day at 12.00, 15.00 and 18.00. Therefore if real time data showed a sudden drop in production it would not be immediately clear whether there was a telemetry error, whether it was the effect of a renomination or whether there was a problem with the Rough storage facility. We believe that this could provide CSL with up to 6 hours protection to go to the market as an anonymous participant and secure their gas requirements before the market became aware of their position. We would further note that CSL would benefit from the time delay between a problem occurring on the storage facility and it registering as a reduced flow on the meters, although we are aware that this delay is not as significant as some offshore fields will experience. We also believe that if it were a significant problem (such as the fire that occurred on 16 February 2006) CSL would be protected on subsequent days through the declaration of force majeure. It should further be noted that historically when there has been an incidence on Rough, CSL have actively informed the market and the shippers who have purchased storage within its facility of the incident, and yet has managed to procure the gas to fulfil its obligations to fulfil its nominations whole for that day.

EDF Energy would also note that the only medium range storage facility that will have its real time flows published is the Hornsea storage facility that is owned by Scottish and Southern Energy (SSE), with the other medium range facilities aggregated into a “medium range storage flow”, and yet SSE are not signatories to this proposal.

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

EDF Energy notes that the Proposer has failed to identify which of the relevant objectives, specified in the Standard Special Conditions A11.1 or 2 will be facilitated by the implementation of this proposal, and we do not believe that any of these objectives will be achieved.

We continue to recognise that CSL may be uniquely impacted by the release of real time data, but continue to believe that the normal market mechanisms will continue to provide CSL with some protection, and note that according to this proposal the source of this exposure is a voluntary agreement that CSL is the only facility in Europe to comply with. We therefore believe that the best remedy for this position is for the modification to be rejected and for CSL to withdraw from the voluntary agreement. We are dismayed that this proposal has failed to identify whether CSL is impacted by competition commission undertakings, and if this is the case, that alternate solutions have not been developed alongside the long consultation process that this proposal underwent.

Yours sincerely

Stefan

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