Draft Modification Report
"The Provision of Ex-Post Demand Information for all NTS Offtakes"
Modification Reference Number 0121

Version: 1.0

This Draft Modification Report is made pursuant to Rule 9.1 of the Modification Rules and follows the format required under Rule 9.4

1. Modification Proposal

This proposal requires publication of the previous Day's total physical flows from the National Transmission System (NTS) by individual NTS Exit Point. In particular we would envisage the publication of the previous Day's total physical flow from the NTS for each individual storage site, power station, interconnector, NTS connected industrial load and individual NTS exit point into each LDZ. It is proposed that this information be published on National Grid's Information Exchange website by 12.00pm on the following Gas Flow Day. We do not propose that this modification reveal the quantity of "Own Use Gas" consumed at each compressor on the NTS.

Currently a significant amount of information is available to the market detailing the volume of supplies entering the System both within day and after the day, but there is not a similar level of information detailing the demand being taken off the system. In particular the forecast levels of supply for the day are published hourly through the NTSAFF report on a national basis and aggregated on a North/South basis, physical flows onto the NTS are published hourly through the NTSAPF report on a national basis and aggregated on a North/South basis, and aggregate end of day flows onto the NTS are published after the day by 11.00am through the NTS Entry End of Day Flow Report. This supply data has been further supplemented by the implementation of energywatch's Proposal 0006 which releases real time flows of gas onto the system by terminal and by sub-terminal and entry point capable of flowing greater than 10mcm/day and for all NGG Storage Facilities. In contrast, forecast demand aggregated for the whole system is available through the SISR03 report at the day ahead stage, and then updated hourly from the NB92 report at the within day stage. Aggregate end of day offtake flows for each LDZ and NTS in total are published after the day at 12.00pm through the SISR04 report. There is therefore a discrepancy between the granularity of supply side and demand side information that is available to the market. It is therefore proposed that the LDZ information available in the SISR04 report be supplemented by the addition of total physical flows for all NTS Exit Points.

It should also be noted that the majority of this information is already published through the Gemini meter list, although the NTS Supply Point information is only available to the Registered User at present. This modification will therefore make this information available to the whole industry and resolve some of the current asymmetrical access to information that is present in the industry.

Winter 2005/06 saw a significant reduction in the level of demand in response to high prices, cumulating in a Gas Balancing Alert (GBA) being issued for the gas day 13th March 2006. This proposal will allow all participants in the market to identify the level of demand side response provided on previous Days by the market, allowing it to form a view on any additional levels of demand side

response that may be expected, what additional levels may be required and respond to these signals. Further, as the demand side becomes more active in the market than was the case historically this proposal will release information to all market participants.

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

The following views have been expressed in respect of better facilitation of the relevant objectives (as set out in the Gas Transporter Licence Standard Special Condition A11.1):

(a) the efficient and economic operation of the pipeline system to which the licence relates.

Implementation would provide Shippers with additional information to enable them to better forecast demand. They would therefore be better able to balance their portfolio, resulting in improved balance of the system as a whole. Consequently a reduction would be expected in the extent of balancing actions required by National Grid as residual balancer. Hence efficient and economic operation would be facilitated by implementation of the Proposal.

(b) so far as is consistent with sub-paragraph (a), the coordinated, efficient and economical operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;

No impact on this Relevant Objective would be expected.

(c) so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligation under this licence.

The increased level of information transparency resulting from implementation would present Users with a more accurate picture of supply and demand levels, which would be expected to lead to more efficient purchasing decisions and balancing actions by National Grid. Users and consumers will be able to identify the level of demand side response previously provided by the market and take a view as to whether further response is required and whether to offer this response back to the market at times when it is required most. This information provision would therefore improve price transparency for Users and help secure security of supply.

(d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition: (i)between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;

No impact on this Relevant Objective would be expected.

(e) so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers; and

No impact on this Relevant Objective would be expected..

(f) so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.

No impact on this Relevant Objective would be expected.

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

Appendix 1 is a list provided by the Proposer of NTS Exit Points that may be a useful illustrative reference for this and subsequent sections of this report.

Implementation would provide Users with the appropriate level of information to forecast demand more accurately - of particular importance on tight demand days as Users need to assess the system as a whole in order to make appropriate purchasing decisions. This should reduce the requirement for Residual System Balancing on such days, which would benefit the Security of Supply position.

[1]Implementation would assist Users in ascertaining what proportion of that demand is exported through the interconnectors and consequently aid understanding of the energy outlook during the winter. This should also have a positive impact on Security of Supply.

Implementation may result in improved balance of the system as a whole through provision of information to shippers to enable them to better forecast demand and thus make the appropriate trading decisions to balance their portfolio, with associated physical actions.

4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including

a) implications for operation of the System:

By improving information flow, implementation would enhance User Balancing and there would be less need for residual balancing by National Grid. Implementation would, therefore, have a positive impact for operation of the system.

b) development and capital cost and operating cost implications:

NGG would need to identify the costs required for implementing the required systems were the Proposal to be implemented. It has been suggested that implementation would involve minimal IT costs as the data and platforms on which to present it are already established and can be updated relatively easy.

c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:

Any reductions in operational balancing costs would be reflected in Balancing Neutrality Charges.

d) analysis of the consequences (if any) this proposal would have on price regulation:

No such consequences on price regulation have been identified.

[1] In the absence of implementation of Modification Proposal 0097 and 0097A "Modification to release aggregated ex-post information for pipeline interconnector offtake flows"

5. 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

Implementation should reduce National Grid's risk by providing Users with better information to take more efficient market actions thereby minimising National Grid's involvement in the market as residual balancer.

National Grid NTS would need to ensure that it had procured any necessary rights (if required beyond implementation of the Proposal) for the proposed additional information release.

The Transporters would have the daily offtake from the NTS published by 12 noon on the following Gas Flow Day.

6. 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 UK Link System impacts have been identified. Users may wish to develop systems to take advantage of the additional information available on the basis of the benefit derived.

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

Users may wish to develop systems to retrieve and analyse this data were it to be published. However, these costs are internal and would only be incurred by the User if justified by the benefits of doing so.

Implementation of this Proposal would better allow Users to balance their portfolio, take price reflective balancing actions, and reduce the volatility that Users are exposed to in the market.

Implementation of this Proposal would also release information to consumers and Suppliers that in the past was only available to Registered Users through the Gemini meter list.

Implementation would allow consumers, and Suppliers, to identify the volume of demand side response provided to the market, when required, and identify whether further levels of demand side response may be required. This will therefore encourage further participation in the market by Consumers, and allow them to make decisions as to the requirement for further demand side response services based on market fundamentals.

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

Consumers and Connected System Operators with connections to the NTS would have their daily offtake from the NTS published by 12 noon on the following Gas Flow Day.

9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal

No such consequences have been identified.

10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal

Advantages

- Better aligns after the day demand side data with what is available for the supply side in gas.
- Aligns data transparency in gas with what is available in electricity.
- Increased transparency on demand side, allowing the market to develop a price for gas derived from supply/demand fundamentals, and reduced price volatility.
- Improved security of supply as the market will be able to form a view on the level of demand side response provided to the market, that is potentially available, and whether any further demand side response is required.
- Reduced balancing actions by National Grid as shippers are better able to balance their portfolio, and at appropriate cost as price is developed from supply/demand fundamentals.
- Combined with the electricity information that is available through BM Reports, Users will be able to identify when CCGTs switch fuels and stop taking gas rather than just shutting down production. Currently, it is not possible to identify this behaviour, which is crucial in understanding demand-side management.

Disadvantages

- Cost of implementing required IT solutions

11. Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Workstream Report)

Written Representations are now sought in respect of this Draft Report.

12. The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation

Implementation is not required to enable each Transporter to facilitate compliance with safety or other legislation.

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

Implementation is not required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence.

14. Programme for works required as a consequence of implementing the Modification Proposal

No programme of works has been identified.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

The Proposer seeks implementation as soon as possible.

16. Implications of implementing this Modification Proposal upon existing Code Standards of Service

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

18. Transporter's Proposal

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

19. Text

UNIFORM NETWORK CODE – TRANSORTATION PRINCIPAL DOCUMENT

SECTION V – GENERAL

Amend Annex V-1 by adding the following at the end of the table:

Data	Timing	Format	Presentation	Disclosure
The aggregate physical quantity of gas offtaken from the System in the preceding Gas Flow Day at each NTS Exit Point, (not including the quantity of NTS own use gas).	By 12:00 hours on each Day	Tabular	Viewable	Public

Representations are now sought in respect of this Draft Report and prior to the Transporters finalising the Report

For and on behalf of Relevant Gas Transporters:

Tim Davis
Chief Executive Joint Office of Gas Transporters

APPENDIX 1

NTS Exit Points

LDZ Offtakes

TPCR 4 List

Offtake	Abbreviation	Enduring Baseline
Bacton	EA	3.66
Brisley	EA	3.11
Cambridge	EA	0.00
Great Wilbraham	EA	35.59
Matching Green	EA	83.85
Peterborough Eye/Tree	EA	25.45
Roudham Heath	EA	14.70
Royston	EA	2.67
Whitwell	EA	161.87
West Winch	EA	11.69
Yelverton	EA	84.44
Alrewas	EM	92.15
Blaby	EM	11.03
Blyborough	EM	90.89
Caldecott	EM	11.08
Thronton Curtis	EM	106.64
Drointon	EM	107.51
Gosberton	EM	15.79
Kirkstead	EM	1.21
Market Harborough	EM	9.48
Silk Willoughby	EM	3.53
Sutton Bridge	EM	1.15
Tur Langton	EM	82.52
Walesby	EM	0.93
Asselby	NE	3.64
Baldersby	NE	1.34
Burley Bank	NE	20.31
Ganstead	NE	23.15
Pannal	NE	148.41
Paull	NE	38.14
Pickering	NE	9.38
Rawcliffe	NE	3.42
Towton	NE	81.13
Bishop Auckland	NO	69.26
Coldstream	NO	1.93
Corbridge	NO	0.07
Cowpen Bewley	NO	53.71

Elton	NO	33.26
Guyzance	NO	2.19
Humbleton	NO	0.15
Keld	NO	1.70
Little Burdon	NO	17.75
Melkinthorpe	NO	0.34
Saltwick Pressure Controlled	NO	9.22
Saltwick Volumetric Controlled	NO	69.26
Thrintoft	NO	5.16
Towlaw	NO	0.55
Wetheral	NO	26.86
Horndon	NT	46.41
Luxborough Lane	NT	165.30
Peters Green	NT	348.98
Peters Green South		
Mimms	NT	0.00
Winkfield	NT	15.91
Audley	NW	8.20
Blackrod	NW	136.81
Ecclestone	NW	21.14
Holmes Chapel	NW	20.83
Lupton	NW	16.23
Malpas	NW	0.49
Mickle Trafford	NW	29.58
Partington	NW	96.29
Samlesbury	NW	140.68
Warburton	NW	107.25
Weston Point	NW	30.64
Aberdeen	SC	38.44
Armadale	SC	3.01
Balgray	SC	11.40
Bathgate	SC	24.22
Broxburn	SC	64.37
Careston	SC	3.05
Drum	SC	77.53
St Fergus	SC	0.88
Glenmavis	SC	145.79
Hume	SC	1.22
Kinknockle	SC	2.35
Langholm	SC	0.15
Lauderhill	SC	0.00
Lockerbie	SC	5.70
Netherhowcleugh	SC	0.20
Pitcairngreen	SC	1.59
Soutra	SC	8.94
Stranraear	SC	0.68
Mosside	SC	0.00
Farningham	SE	135.12

Shorne	SE	67.06
Tatsfield	SE	276.46
Winkfield	SE	106.26
Braishfield A	SO	99.23
Braishfield B	SO	46.65
Hardwick	SO	118.68
Ipsden	SO	12.39
Ipsden 2	SO	14.25
Mappowder	SO	47.68
Winkfield	SO	79.91
Aylesbeare	SW	22.75
Cirencester	SW	9.18
Coffinswell	SW	0.00
Easton Grey	SW	30.89
Evesham	SW	6.58
Fiddlington	SW	26.64
Ilchester	SW	33.07
Kenn	SW	70.91
Littleton Drew	SW	2.84
Lyneham	SW	0.00
Pucklechurch	SW	28.38
Ross	SW	4.28
Seabank	SW	57.62
Airewas	WM	130.79
Aspley	WM	84.65
Audley	WM	21.83
Austrey	WM	86.09
Leamington	WM	4.26
Lower Quinton	WM	29.91
Milwich	WM	21.04
Ross	WM	16.52
Rugby	WM	80.08
Shustoke	WM	44.76
Stratford-Upon-Avon	WM	4.68
Maelor	WM	57.56
Dowlais	WS	113.11
Dyffryn Clydach	WS	47.92
Gilwern	WS	46.67
Total	122	

Storage and Interconnector Offtakes

TPCR 4 List Offtake	NGG List Offtake	Enduring Baseline
Hatfield Moor		30.00
Hole House	Hole House Farm	210.00
Partington	Partington	2.40
Glenmavis	Glenmavis	1.60
Barton Stacey	Humbley Grove	100.94
Avonmouth	Avonmouth	2.30
Dynevor	Dynevor Arms	2.60
Garton		211.00
Hornsea	Hornsea	22.00
Rough	Rough	160.00
Bacton IUK	Bacton Interconnector (I(UK)	623.58
Moffat	Beltoft Moffat	433.40
12	**11**	

Power Stations

TPCR 4 List Offtake	NGG List Offtake	Enduring Baseline	Comment
Abson	Seabank	36.59	Seabank Power Station Phase 1
Bacton	Great Yarmouth	20.00	Great Yarmouth
Barking	Horndon Barking	58.60	
Blyborough	Brigg	16.90	Brigg
Blyborough	Cottam	17.60	Cottam
Burton Point	Burton Point	73.20	Connahs Quay
Caldecott	Corby	21.10	Corby Power
Deeside	Deeside	28.50	
Didcot A	Didcot	87.29	
Didcot B		50.50	
Eastoft	Keady Blackstart	2.40	Keadby Blackstart
Eastoft	Keadby	36.10	Keadby
Enron Billingham	Enron	121.50	
Epping Green	Epping Green (Enfield)	18.40	Enfield Energy aka Brimsdown
Gowkhall	Longannet (Gowkhall)	43.30	Longannet
Medway	Medway	38.10	Isle of Grain Power Station
Middle Stoke	Damhead Creek	41.00	Damhead Creek aka Kingsnorth
Peterborough	Peterborough	23.30	
Pickmere		15.40	Winnington Power aka Brunner Mond
Roosecote	Roosecote	14.70	
Rosehill	Saltend	57.80	Saltend Power
Ryehouse	Rye House	38.70	
Saddle Bow	Kings Lynn	18.00	Kings Lynn
Seabank	Seabank 2	19.10	Seabank Power Station Phase 2
Sellafield	Sellafield	12.30	
St Fergus	Peterhead	108.30	Peterhead
St Neots	Little Barford	35.20	Little Barford
Stallingborough	Stallingborough	28.20	
Stallingborough 2	Stallingborough 2	38.40	
Stanford Le Hope	Corytown	36.60	Coryton
Staythorpe PH1		38.20	
Staythorpe PH2		38.20	
Sutton Bridge	Sutton Bridge	37.50	
Thornton Curtis	Thornton Curtis	45.00	Killingholme A
Thornton Curtis		36.30	Killingholme B
Tonna	Baglan Bay	26.80	Baglan Bay
Weston Point	Rocksavage	38.19	Rocksavage
Wragg Marsh	Spalding	42.00	Spalding

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Industrial Loads

TPCR 4 List	NGG List		
Offtake	**Offtake**	**Enduring Baseline**	**Comment**
Billingham ICI	ICI Billingham	43.60	Terra Billingham
Blackness	BP Grangemouth	27.30	BP Grangemouth
Ferry Knoll	AM Paper Ltd	1.10	AM Paper
Goole	Goole Glass	1.60	Guardian Glass
Harwarden	Shotton	11.60	Shotton Paper
Hollingsgreen	Hays Chemicals	3.30	Hays Chemicals
Saltend BPHP	BP Saltend High Pressure	9.10	BP Saltend
Sandy Lane	Blackburm Mill	4.60	Sappi Mill Paper aka Blackburn CHP
Shellstar	Shellstar	14.00	Kemira
Shellstar		2.30	Kemira
Shotwick	Bridgewater	5.50	Bridgewater Paper
Teeside	BASF Industrial	9.70	BASF
Teeside Hydrogen	Teshall (BOC Teesside)	6.60	
Terra Nitrogen	ICI Severnside	13.10	
Thronton Curtis	Immingham	46.90	Humber Refinery aka Immingham
Weston Point	ICI Runcorn	11.70	ICI Runcorn aka Ineos Chlor
Zeneca		0.10	Avecia
	Philips Teeside Winnington		
17	17		