

CODE MODIFICATION PROPOSAL No 0130
“The Provision of Ex-Post Demand Information for NTS Offtakes”
Version 2.0

Date: 05/02/2007

Proposed Implementation Date: 01/10/2007

Urgency: Non Urgent

1 The Modification Proposal

a) Nature and Purpose of this Proposal

UNC Modification Proposal 0121 requires publication of the previous Day’s total physical flows from the National Transmission System (NTS) by individual NTS Exit Point. In particular, the publication of the previous Day’s total physical flows from the NTS for each individual storage site, power station, interconnector, NTS connected industrial load and individual NTS exit point into each LDZ.

E.ON UK, as an alternative, proposes publication of the previous Day’s total physical flows from the National Transmission System (NTS) divided into four categories of:

- (i) Aggregated ex-post LDZ offtake flows**
- (ii) Aggregated ex-post power generation offtake flows**
- (iii) Aggregated ex-post storage site offtake flows.**
- (iv) Aggregated ex-post industrial load offtake flows**

For information on which individual NTS Exit Point would belong in which category detailed above, please refer to Appendix 1. It should be noted that this Appendix is for information only and should not be treated as a definitive list upon which this Modification Proposal should rely. In determining the appropriate category for each NTS Exit Point, particularly where there are “grey” areas, the Proposer has applied the following test:

Power generation offtake flows include those sites where the gas is used wholly or substantially for power generation and industrial load offtake flows include those sites where the gas is for industrial and commercial use or a mixed usage of industrial and generation (e.g. CHP facilities).

The Proposer has made use of National Grid’s Transportation Charging Statement to collate the most recent view of NTS Exit Points which should be included in the categories of power generation, storage sites and industrial loads. For the list of LDZ offtakes, the Proposer has referenced the Transmission Price Control Review documents. It is suggested that in future, these documents (or any such replacements) should be used as the appropriate reference materials, in accordance with the test described above, to determine into which category any new Exit Points should fit for the purposes of information reporting required by this Modification Proposal, if implemented.

The Proposer is not suggesting that interconnector offtake flows should be published under this specific Modification Proposal. This Modification Proposal complements Modification Proposal 0097 / 0097a– ‘Modification to release aggregated ex-post information for pipeline interconnector offtake flows’ and therefore we do not consider that it is necessary to include the category of ‘aggregated ex-post interconnector offtake flows’ because this would be duplicating information already due to be made available.

It is proposed that this information be published on National Grid’s website by 11:00am on the following Gas Flow Day, under the “Operational Data” section. 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 Registered Users at present. This Modification Proposal will therefore make this information available to the whole market.

E.ON UK believes that the level of information proposed to be released under this Proposal is sufficient to ensure the more efficient operation of the market by creating greater information transparency. This should enable the market to form a view on any additional levels of demand-side response that may be expected, what additional levels may be required and the necessary response to these signals.

By aggregating the physical offtake flow data into four distinct categories, this Modification Proposal does not adversely impact I&C consumers by publishing detailed information on gas consumption by individual NTS Exit Point. By publishing physical demand data for all individual NTS Exit Points which are I&C consumers and not publishing physical demand data for similar I&C consumers who are DN-connected, Modification Proposal 0121 is unduly discriminating, whereas this Modification Proposal is not. Where direct NTS connected and DN connected consumers are in competition in the same market, DN connected consumers will be able to monitor when their NTS connected competitor(s) is producing and therefore gain an unfair competitive advantage. In response to the concerns of our customers, we are therefore raising this Modification Proposal to remove the unfair commercial disadvantages that would be placed on them by the implementation of Modification Proposal 0121.

b) Justification for Urgency and recommendation on the procedure and timetable to be followed (if applicable)

This Proposal has been raised as an alternative Modification Proposal to Modification Proposal 0121 and is therefore requested to follow a timetable as close as possible to 0121 to ensure that Ofgem are able to make a decision on both proposals within a reasonable timeframe.

c) Recommendation on whether this Proposal should proceed to the review procedures, the Development Phase, the Consultation Phase or be referred to a Workstream for discussion.

E.ON UK seeks this Modification Proposal to proceed direct to consultation.

2 Extent to which implementation of this Modification Proposal would better facilitate the achievement (for the purposes of each Transporter’s Licence) of the Relevant Objectives

This Proposal will better facilitate the following relevant objectives:

A11.1 (a) the efficient and economic operation of the pipeline system to which the Licence relates. Through providing Shippers with the appropriate level of information to enable them to better forecast demand they will be better able to balance their portfolio, resulting in improved balance of the system as a whole; thereby reducing the balancing actions required of National Grid NTS.

A11.1 (c) so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee’s obligation under this licence. This level of information transparency will also present Users with a more accurate picture of supply and demand levels, which should lead indirectly to more efficient purchasing decisions and balancing actions by NG. Users and consumers will be able to identify the level of demand-side response already provided by the market and take a view as to whether further response is required, which would aid security of supply. This Modification Proposal will not compromise the commercial arrangements of I&C consumers by the Transporter releasing additional information to the market which will adversely impact them. Therefore, this Proposal is consistent with the efficient discharge of the Licensee’s obligations.

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

E.ON UK believes that implementation of this Modification Proposal will have a positive impact on security of supply and operation of the total System, as a more transparent view of the supply/demand balance will be available both for aggregate usage and for segments of the market. This will encourage the market to take the appropriate balancing actions at a cost-reflective price, aiding security of supply. Furthermore, less balancing actions should be required of NG as residual system balancer, with any balancing actions taken on a cost-reflective basis.

4 The implications for Transporters and each Transporter of implementing this Modification Proposal, including:

a) The implications for operation of the System:

E.ON UK believes implementation, by improving information flow, will enhance User balancing and there will be less need for operational balancing by NTS. Implementation will, therefore, have a positive impact on efficient operation of the System.

b) The development and capital cost and operating cost implications:

E.ON UK are not in a position to identify the costs associated with implementation of this proposal, and look to NG to identify the costs

implementation of this proposal, and look to NG to identify the costs required for implementing the required systems for the provision of this information. We believe, however, that this will involve minimal IT-related costs as the data and platforms on which to present it are already established and can be updated relatively easy. We believe that the benefits of implementing this proposal, particularly in reduction in operational balancing costs and demand-side response, will greatly outweigh the costs associated with it.

c) Whether it is appropriate to recover all or any of the costs and, if so, a proposal for the most appropriate way for these costs to be recovered:

No proposal is made for the specific recovery of implementation costs. Any reductions in operational balancing costs would be reflected in balancing neutrality charges.

d) The consequence (if any) on the level of contractual risk of each Transporter under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal

No additional risk identified.

5 The extent to which the implementation is required to enable each Transporter to facilitate compliance with a safety notice from the Health and Safety Executive pursuant to Standard Condition A11 (14) (Transporters Only)

Not applicable.

6 The development implications and other implications for the UK Link System of the Transporter, related computer systems of each Transporter and related computer systems of Users

It is proposed that this information be published on National Grid’s website by 11:00am on the following Gas Flow Day. Given that Interconnector flow information will now be available at 11:00am following approval of Mod 0097a, it would be highly preferable to have all other demand data (as required by this Proposal) to be published at the same time and in the same place in order to maximise the value of this data to the market.

7 The implications for Users of implementing the Modification Proposal, including:

a) The administrative and operational implications (including impact upon manual processes and procedures)

The Proposer does not envisage any adverse impact on processes or procedures. The Proposal provides additional information which should benefit Users. Since the data is aggregated it should be easier to understand and be more reflective of what is happening in the whole market, which would not necessarily be the case if all data for each individual NTS exit

point is published.

b) The development and capital cost and operating cost implications

Users would be free to choose how, and to what extent, they use this additional information and incorporate it into their operational systems.

c) The consequence (if any) on the level of contractual risk of Users under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal

None identified.

8 The implications of the implementation for other relevant persons (including, but without limitation, Users, Connected System Operators, Consumers, Terminal Operators, Storage Operators, Suppliers and producers and, to the extent not so otherwise addressed, any Non-Code Party)

This Modification Proposal removes the adverse commercial impact on some consumers, which would be created by implementation of Modification Proposal 0121; for the reasons highlighted previously in the document. Modification Proposal 0130 would release sufficient information to consumers, which currently is only available to Registered Users through restricted resources, such as the Gemini Meter list. This will enhance the opportunity for consumers to react to market conditions and therefore make more accurate decisions in respect of the need for demand-side response.

9 Consequences on the legislative and regulatory obligations and contractual relationships of the Transporters

The Transporter would be required to publish additional data over and above what is already required under the Uniform Network Code. However, the Proposer believes that the additional burden is comparatively small compared to the overall benefits in terms of market efficiency.

10 Analysis of any advantages or disadvantages of implementation of the Modification Proposal not otherwise identified in paragraphs 2 to 9 above

Advantages

- Provides protection to consumer’s commercial interests by not revealing the gas demand of individual consumers and thereby exposing unfairly their market position to DN-connected or foreign competitors.
- Increased transparency on the 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 have a more informed view of the level of demand-side response provided to the market than is currently available, and whether any further demand side response is required.
- Reduced balancing actions from NG as shippers would be better able to balance their portfolio.

- Will better align after the day demand-side data with what is available for supply side in gas.
- More efficient solution – Lower cost of implementing the required IT solution compared to Modification Proposal 0121, because less detailed and more aggregated information would be published. It is the understanding of the Proposer that some of the aggregated information is also readily available to NG without additional work, which would otherwise be required by Mod 0121.

Disadvantages

The cost of implementing required IT solution, although the benefit of providing this information to the market will greatly outweigh the implementation costs.

11 Summary of representations received as a result of consultation by the Proposer (to the extent that the import of those representations are not reflected elsewhere in this Proposal)

Following the Transmission Workstream on 01/02/2007, the Proposer agreed to clarify into which category individual Exit Points would fit, particularly in regard of CHP. As a result, this Modification Proposal has been amended accordingly to provide this detailed information (see Appendix 1).

12 Detail of all other representations received and considered by the Proposer

Written representations now sought.

13 Any other matter the Proposer considers needs to be addressed

The Proposer considers that no further matters need to be addressed.

14 Recommendations on the time scale for the implementation of the whole or any part of this Modification Proposal

To be implemented on 01/10/2007.

15 Comments on Suggested Text

No additional comments.

16 Suggested Text

Amend Section V, Annex V–1 by adding the following at the end of the table:

Data	Timing	Format	Presentation	Disclosure
The physical quantity of gas offtaken from the System in the preceding Gas Flow Day, categorised by: <ul style="list-style-type: none"> (i) Aggregated ex-post LDZ offtake flows (ii) Aggregated ex-post power generation offtake flows (iii) Aggregated ex-post storage site offtake flows. (iv) Aggregated ex-post industrial load offtake flows. 	By 11:00 am each day	Tabular	Viewable	Public

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s) V - General

Proposer's Representative

Richard Fairholme (E.ON UK)

Proposer

Peter Bolitho (E.ON UK)

APPENDIX 1

LDZ Offtakes:

Bacton GDN (EA)
Brisley GDN (EA)
Cambridge GDN (EA)
Great Wilbraham GDN (EA)
Matching Green GDN (EA)
Peterborough Eye/Tee GDN (EA)
Roudham Heath GDN (EA)
Royston GDN (EA)
Whitwell GDN (EA)
West Winch GDN (EA)
Yelverton GDN (EA)
Alrewas GDN (EM)
Blaby GDN (EM)
Blyborough GDN (EM)
Caldecott GDN (EM)
Thornton Curtis (DN) GDN (EM)
Drointon GDN (EM)
Gosberton GDN (EM)
Kirkstead GDN (EM)
Market Harborough GDN (EM)
Silk Willoughby GDN (EM)
Sutton Bridge GDN (EM)
Tur Langton GDN (EM)
Walesby GDN (EM)
Asselby GDN (NE)
Baldersby GDN (NE)
Burley Bank GDN (NE)
Ganstead GDN (NE)
Pannal GDN (NE)
Paull GDN (NE)
Pickering GDN (NE)
Rawcliffe GDN (NE)
Towton GDN (NE)
Bishop Auckland GDN (NO)
Coldstream GDN (NO)
Corbridge GDN (NO)
Cowpen Bewley GDN (NO)
Elton GDN (NO)
Guyzance GDN (NO)
Humbleton GDN (NO)
Keld GDN (NO)
Little Burdon GDN (NO)
Melkinthorpe GDN (NO)
Saltwick Pressure Controlled GDN (NO)
Saltwick Volumetric Controlled GDN (NO)
Thrintoft GDN (NO)

Towlaw GDN (NO)
Wetheral GDN (NO)
Horndon GDN (NT)
Luxborough Lane GDN (NT)
Peters Green GDN (NT)
Peters Green South Mimms GDN (NT)
Winkfield GDN (NT)
Audley GDN (NW)
Blackrod GDN (NW)
Ecclestone GDN (NW)
Holmes Chapel GDN (NW)
Lupton GDN (NW)
Malpas GDN (NW)
Mickle Trafford GDN (NW)
Partington GDN (NW)
Samlesbury GDN (NW)
Warburton GDN (NW)
Weston Point GDN (NW)
Aberdeen GDN (SC)
Armadale GDN (SC)
Balgray GDN (SC)
Bathgate GDN (SC)
Broxburn GDN (SC)
Careston GDN (SC)
Drum GDN (SC)
St Fergus GDN (SC)
Glenmavis GDN (SC)
Hume GDN (SC)
Kinknockie GDN (SC)
Langholm GDN (SC)
Lauderhill GDN (SC)
Lockerbie GDN (SC)
Netherhowcleugh GDN (SC)
Pitcairngreen GDN (SC)
Soutra GDN (SC)
Stranraer GDN (SC)
Mosside GDN (SC)
Farningham GDN (SE)
Shorne GDN (SE)
Tatsfield GDN (SE)
Winkfield GDN (SE)
Braishfield A GDN (SO)
Braishfield B GDN (SO)
Hardwick GDN (SO)
Ipsden GDN (SO)
Ipsden 2 GDN (SO)
Mappowder GDN (SO)
Winkfield GDN (SO)
Aylesbeare GDN (SW)
Cirencester GDN (SW)

Coffinswell GDN (SW)
Easton Grey GDN (SW)
Evesham GDN (SW)
Fiddington GDN (SW)
Ilchester GDN (SW)
Kenn GDN (SW)
Littleton Drew GDN (SW)
Lyneham GDN (SW)
Pucklechurch GDN (SW)
Ross GDN (SW)
Seabank (DN) GDN (SW)
Alrewas GDN (WM)
Aspley GDN (WM)
Audley GDN (WM)
Austrey GDN (WM)
Leamington GDN (WM)
Lower Quinton GDN (WM)
Milwich GDN (WM)
Ross GDN (WM)
Rugby GDN (WM)
Shustoke GDN (WM)
Stratford-upon-Avon GDN (WM)
Maelor GDN (WN)
Dowlais GDN (WS)
Dyffryn Clydach GDN (WS)
Gilwern GDN (WS)

Storage Sites:

Avonmouth
Barton Stacey
Dynevor Arms
Garton
Glenmavis
Hatfield Moor
Hole House Farm
Hornsea
Partington
Rough

Power Generation:

Baglan Bay PG
Barkin PG
Brigg PG
Brimsdown PG
Connah’s Quay PG

Corby PG
Coryton PG
Cottam PG
Deeside PG
Didcot PG
Great Yarmouth PG
Keadby PG
King’s Lynn PG
Kingsnorth PG
Little Barford PG
Longannet PG
Medway PG
Peterborough PG
Peterhead PG
Rocksavage PG
Roosecote PG
Rye House PG
Saltend PG
Seabank PG
Sellafield PG
Spalding PG
Stallingborough PG
Staythorpe PG
Sutton Bridge PG
Teeside PG
Thornton Curtis PG

Industrial Loads:

AM Paper
BASF Teeside
BP Grangemouth
BP Saltend HP
Bridgewater Paper
Brunner Mond
Goole Glass
Hays Chemicals
ICI Runcorn
Kemira Ince
Phillips Seal Sands
Sappi Paper Mill
Shotton Paper
Teeside Hydrogen
Terra Billingham
Terra Severnside
Zeneca
Immingham CHP