

CODE MODIFICATION PROPOSAL No 0182
Information Provision at LNG Importation Facilities
Version 2.0

Date: 10/12/2007

Proposed Implementation Date:

Urgency: Non Urgent

1 The Modification Proposal

a) Nature and Purpose of this Proposal

Where capitalised words and phrases are used within this Modification Proposal, those words and phrases shall usually have the meaning given within the Uniform Network Code (unless they are otherwise defined in this Modification Proposal). Key UNC defined terms used in this Modification Proposal are highlighted by an (*) when first used. This Modification Proposal*, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.

Following implementation of UNC Modification Proposal 0104 - Storage Information at LNG Importation Facilities* on 1 October 2007, there is a requirement for National Grid NTS to publish data showing the aggregate physical LNG stocks across all LNG Importation Facilities held at 05:59 (the end of the gas day). This information is published on National Grid NTS's website by 16:00 on the following Gas Day*.

This Proposal is seeking to clarify what should be published in the event that National Grid NTS does not receive information from one or more LNG Importation Facilities and therefore is not in the position to calculate the aggregate stock levels for all operational LNG Importation Facilities.

During the consultation process for UNC Modification Proposal 0104, Ofgem published an Impact Assessment (1 March 2007). In this document Ofgem stated that (para. 3.34) *“...in the unlikely event that the operators of new LNG importation facilities are not willing to provide the relevant data to NGG, it will not be in a position to calculate aggregate stock levels. In these circumstances, we would expect it to indicate that the levels are unknown rather than publish partial, and potentially misleading, data from those facilities that have made stock information available.”*

National Grid NTS supported the Ofgem view on this issue and this Proposal is intended to formalise the position. It is therefore proposed that in the event that National Grid NTS does not receive all applicable LNG stock information from all operational LNG Importation Facilities, then National Grid NTS would indicate that the aggregate LNG stock levels are unknown. At the relevant publication time (16:00 on D+1), National Grid NTS will publish “unknown”.

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

N/A

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.

The Proposer seeks that this Modification Proposal proceeds to consultation, in accordance with Section 7.2.3 of the Modification Rules in the UNC.

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

Implementation of this proposal would better facilitate the following relevant objective A11.1 (f) the promotion of efficiency in the implementation and administration of the uniform network code as this proposal seeks to clarify actions to be taken in the event that partial information is received from the LNG Importation Facilities.

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

It was believed that the implementation of Modification 104 would assist in providing a more efficient market response, which could in the short term actually reduce risks to security of supply. Implementation of this further Proposal would ensure that decisions are not made on potentially misleading data.

No adverse implications in respect of industry fragmentation have been identified.

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

a) The implications for operation of the System:

The Proposer does not believe this Proposal, if implemented, would affect the operation of the System.

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

The Proposer believes this Proposal, if implemented, would not have any capital cost or operating cost implications.

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:

The Proposer does not believe there are any additional costs of implementing this proposal.

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

The Proposal does not change the level of contractual risk it simply seeks to clarify the actions that National Grid NTS should take in the event of it having incomplete information.

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)

N/A

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

No impact on the UK Link system has been identified. Users may choose to amend their system in order to capture that levels of stock at LNG Importation facilities may be unknown.

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

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

Users may choose to amend their processes and procedures in order to capture the occasions when levels of stock at LNG Importation facilities are unknown.

b) The development and capital cost and operating cost implications

The Proposer believes this Proposal, if implemented, would not have any capital cost or operating cost implications.

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

The Proposer believes that the level of contractual risk for Users is unaffected by this Proposal.

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)

The Proposal will benefit all users of the National Grid NTS web site by ensuring

that the LNG stock data published is not incomplete or misleading.

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

The Proposer believes that the level of contractual risk for Transporters is unaffected by this Proposal.

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

Advantages

Improved information available to market participants, where information is not available for National Grid NTS to calculate the aggregate stock levels an indication that stock levels are unknown is more appropriate to be published than potentially incomplete misleading information, as Users may be making purchasing decisions based on the LNG stock information.

Disadvantages

The Proposer does not believe that there are any disadvantages to this Proposal.

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)

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

13 Any other matter the Proposer considers needs to be addressed

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

This Proposal will have no practical affect until more than one LNG Importation Facility becomes operational. A second facility is due to be commissioned in early 2008.

15 Comments on Suggested Text

16 Suggested Text

**UNIFORM NETWORK CODE - TRANSPORTATION PRINCIPAL
DOCUMENT**

SECTION V – GENERAL

Amend Annex V-1 to read as follows:

Data	Timing	Format	Presentation	Disclosure
The aggregate physical LNG in store (in kWh) at LNG Importation Facilities at 05:59 hours on the Preceding Gas Flow Day: <u>provided that, where not all LNG Importation Facilities have provided such data to National Grid NTS by the time specified in the next column as being the time for publication, then National Grid NTS shall publish that such aggregate is unknown (and shall not be required to publish the information received from any LNG Importation Facility).</u>	By 16:00 hours on each Day	Tabular	Viewable	Public

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s) Section V General

Proposer's Representative

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Proposer

National Grid NTS