

Modification Panel Secretary
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Dear Julian

Draft Modification Report 0182: "Information Provision at LNG Facilities" consultation

As the proposer of UNCI04, energywatch is concerned about the potential implications of this modification. There is a real risk that the value of the information provided currently on gas in store as a result of UNCI04 will be lost if National Grid NTS finds that it is unable to obtain relevant data once more than one LNG importation facility becomes operational.

We note the words quoted from the Ofgem Impact Assessment for UNCI04 on page 1 of this report, namely, "...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." (our emphasis added).

This suggests to us that there are no strong reasons why NGG should not be able to obtain the relevant information to calculate an aggregate gas in store position. If such reasons do become apparent, we believe that Ofgem must investigate whether there are genuine reasons for failing to provide the requisite information. Confidentiality of the data is, in our view, insufficient reason for failing to provide the data as the data will be aggregated before publication, so no individual facility's position will be exposed (even if this is a relevant consideration at all – it appears not to be currently when there is only one facility involved).

NGG is entitled to seek clarification of when it is appropriate for it to publish data which is complete and when it is inappropriate for it to publish data because it may be misleading. However, Ofgem must ensure that the beneficial impact of increased information transparency for consumers which the data being provided through UNCI04 is intended to achieve is not being lost. This is particularly the case given Ofgem's continually publicly-stated emphasis on the contrast it believes exists between more competitive GB energy markets and opaque and illiberal energy

markets in Europe. It is essential that Ofgem must uphold this position and ensure that the impact and benefit of UNCI04 is not diluted in any way.

Going forward, and particularly in keeping with proposed changes through the Third Package of measures being developed in Europe, we believe that there may be good cause for seeking a further change to the current arrangements which allows the publication of data about gas in store on an individual basis rather than on an aggregate basis. Those who operate and use LNG importation facilities must allow a more open regime in terms of the data provided about gas in store, as these facilities will play an increasingly large role in the gas supply both in Britain and across Europe. This information becomes critical in terms of the price impact on consumers. We believe that rational price discovery requires greater openness which adds stability.

In conclusion, while we understand NGG's desire for clarity on publication of the relevant data, it is essential that the objective behind UNC 104 must not be diluted in any way.

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