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### **Modification Proposal 0223: Provision of day ahead Gas Flow Nomination data at major Aggregated System Entry Points**

Dear John,

RWE npower provides the following comments with regard to the above Proposal.

Whilst we support the overall aim of ERGEG's GRI NW transparency project and see merit in delivering improved and consistent publication of capacity and gas flow data amongst GRI NW TSOs, we question the extent to which the Proposal fulfils ERGEG's stated rationale for requiring this data to be published. We are also unsure of the extent to which the Proposal will have any real impact in better facilitating the relevant objectives of the UNC, bearing in mind the level of information transparency that currently prevails in the GB gas market.

The rationale for publishing daily aggregate day ahead nominations at cross border interconnection points in the NW gas region is that it "enables customers to make an assessment of available capacities at each interconnection point" .... which .... "would enable customers to adjust their nominations to utilise unused capacity and result in more efficient utilisation of the existing infrastructure".

On face value the ERGEG rationale seems to be making reference to capacity within the interconnector/LNG Import Facility itself and ensuring this can be efficiently utilised, not capacity at the NTS Entry Point where the gas is imported into the NTS. We understand however that customers for primary, secondary, interruptible or UIOLI capacity at these interconnection points already receive details about the availability of such capacity day ahead, thus enabling them to nominate or re-nominate accordingly. The aggregated results of their nominations and re-nominations are then published for all ASEPS on NG NTS's website from about 15:00 day ahead, and throughout the day itself.

Each month National Grid NTS update the amount of Available Daily Capacity for that month and publish this information on their website. To the extent any of this is sold through the Daily NTS Entry Capacity auctions ahead of and throughout the day, this information is also published. National Grid NTS also publish the amount of Daily Interruptible NTS Entry Capacity available ahead of the day and invite shippers to apply for this through the Daily Interruptible NTS Entry Capacity auctions. Therefore to the extent any unused capacity is available at an ASEP

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shippers are regularly informed of this and have the opportunity to acquire it subject to established UNC auction procedures.

With this in mind we struggle to see how a shipper at an interconnection point could more efficiently utilise existing interconnection infrastructure or ASEP capacity by having access to the aggregated net day ahead nominations at the ASEP the interconnection point flows into (or out of). This is particularly true at the Bacton and Easington ASEPs, where gas from other offshore facilities co-mingles with gas imported through the interconnection points, and at Milford Haven where two separate LNG Import Facilities import gas into a single ASEP. Also the Moffat interconnector, which is one of the seven interconnection points National Grid NTS have included within the scope of the GRI NW transparency project, will effectively be excluded from providing this data item by virtue of the fact that it is not an ASEP.

With regard to the relevant objectives, whilst we would not disagree with National Grid NTS's contention that increased transparency and better informed energy markets will tend towards greater efficiency thus facilitating competition between relevant shippers, the incremental impact of providing market participants with day ahead aggregated net daily nominations at each ASEP must, at best, be slight bearing in mind aggregate daily input/output/linepack data is already published before and throughout the day, and near real time input data is published at each sub terminal.

The GRI NW transparency project is targeted specifically at interconnection points, however National Grid NTS have extended the scope of information release to all ASEPs capable of flowing at greater than 10 mcm per day. Whilst this has been done to avoid any supposed undue discrimination it puts shippers at ASEPs with only a single gas stream in an invidious position compared to those shippers at ASEPs with multiple gas streams. Whether the Proposal is facilitating competition for shippers at single stream ASEPs is therefore open to question.

To the extent this information is felt to sufficiently facilitate competition between relevant shippers to justify its implementation we agree that it is logical to incorporate this into phase 2 of the MIPI project so as to minimise the cost of implementation. However based on the current MIPI implementation timescale it seems unlikely that this information could be released in Q2/Q3 2009, as stated in the Proposal, and Q4 2009 seems a more likely release date.

Yours sincerely,

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