

CODE MODIFICATION PROPOSAL No 0223
Provision of day ahead Gas Flow Nomination data at major Aggregated System Entry Points
Version 1.0

Date: 11/09/2008

Proposed Implementation Date: Q2/3 2009

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 asterisk () when first used. This Modification Proposal*, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.*

Background: National Grid NTS* participates in the European Gas Regional Initiative North West (GRI NW). This was formed under an initiative of European Regulator's Group for Electricity and Gas (ERGEG) of which Ofgem is a member.

One of the key priorities for GRI NW is a transparency project which is aimed at delivering improved and consistent publication of capacity and gas flow data amongst GRI NW members in order to facilitate the requirements of market participants, and to act as a step towards a regional (and ultimately a single European) energy market.

It should be noted that whilst the GRI NW transparency project is concerned only with points of import and export from each Transporters' System, this Proposal seeks to avoid undue discrimination by including all major Aggregated System Entry Points* (ASEP(s)) within its scope.

National Grid NTS already publishes most of the data agreed to be made available to the market as a part of the GRI NW transparency project, but the publication of aggregate day-ahead gas flow Nominations (herein referred to as Nominations) has been identified by the GRI NW as a gap in the information provided.

It is proposed that:

By 18.00 on D-1 National Grid NTS shall publish on its website;

- Aggregate prevailing Input Nominations* for each ASEP excluding those ASEPs which are not capable of flowing more than 10 MCMD per day into the Total System*. Or;
- Where an ASEP (excluding those ASEPs which are not capable of

flowing more than 10 MCMD per day) has an associated System Exit Point* (e.g. due to a Connected System Exit Point* or Storage Connection Point*) then the aggregate prevailing Input Nominations should be combined with any relevant aggregate prevailing Output Nominations* at the associated System Exit Point and the **net** value should be published, including where such values are a negative number.

- Where no nomination(s) is/are provided to National Grid at any relevant System Point then a zero figure will be published.

It is envisaged that by publishing daily aggregate day-ahead Nominations (as described above) Users will be better enabled to make an assessment of any available capacities at these points. It can be argued that such information provision will enable Users to adjust their Nominations to utilise unused capacity and result in a more efficient utilisation of the existing infrastructure.

Consequence of non-implementation

If this Proposal* is not implemented then the benefit identified above will not be realised.

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

Proposal to follow normal Modification Procedures*.

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 subject of this Proposal has been discussed at 3 Transmission Workstreams with a draft Proposal – substantially identical to this presented at the September workstream. No comments from the workstream suggested that the Proposal was not sufficiently developed to proceed to Consultation. It is therefore recommended that the Proposal proceeds directly to the Consultation Phase*.

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 relevant objectives A11.1 (b) the coordinated, efficient and economic operation of the pipe-line system of one or more relevant gas transporters; and (d) the securing of effective competition between relevant shippers and between relevant suppliers as this Proposal increases transparency at key points thus increasing the efficient import of

the gas to the GB System.

In addition, the GRI NW transparency project is a small but important step towards the creation of a more effective European gas market which should result in increased competition.

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

The development of a fully functioning European gas market is generally considered to be positive in terms of security of supply as it should ensure that gas will flow across national boundaries to the points where it can realise its greatest value. This Proposal is a small step towards a better functioning European market.

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

a) The implications for operation of the System:

No material impact identified

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

The capital (system development) cost of implementation will be minimised by including the development work within the scope of an existing project (MIPI phase 2).

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:

It is envisaged that the cost of implementation will be met by National Grid NTS and become part of its MIPI phase 2 project.

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

N/A

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

Minor Gemini changes may be required but these are not expected to impact upon User's systems.

- 7 The implications for Users of implementing the Modification Proposal, including:**
- a) The administrative and operational implications (including impact upon manual processes and procedures)**
N/A
 - b) The development and capital cost and operating cost implications**
N/A
 - 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**
N/A
- 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)**
No material issues identified
- 9 Consequences on the legislative and regulatory obligations and contractual relationships of the Transporters**
N/A
- 10 Analysis of any advantages or disadvantages of implementation of the Modification Proposal not otherwise identified in paragraphs 2 to 9 above**
- Advantages**
- Implementation of the Proposal is required as part of the GRI NW transparency project which is designed as a step towards the development of a better functioning European Gas market.
- Disadvantages**
- There may be some Parties who believe that their confidentiality maybe compromised in some way by this Proposal. The Proposer believes that by publishing data at ASEP level and then only for major ASEPs such issues will be minimised.
- 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)**

N/A

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

N/A

13 Any other matter the Proposer considers needs to be addressed

N/A

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

It is recommended that the proposal is implemented during Q2/3 2009.

15 Comments on Suggested Text

16 Suggested Text

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s) Section V Annex V-1

Proposer's Representative

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Proposer

National Grid NTS