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2nd March 2005

Mr J. Majdanski
Contracts Compliance Manager and
Secretary, Modification Panel
National Grid Transco
NGT House
Warwick Technology Park
Gallows Hill, Warwick
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Dear Julian

Re: Network Code Modification Proposal 727 – Publication of Near Real-Time Data at UK sub-terminals

Thank you for the opportunity to comment on this Modification Proposal. British Gas Trading (BGT) has long held the view that markets operate more efficiently where there is optimal release of information to all parties. As such we have been publicly supportive of initiatives such as that brokered by the DTI and UKOOA to allow Transco to receive and disseminate information more widely to the market. However, after careful consideration we do not support this proposal in its current form.

When considering information release we need to consider very carefully not only the practical details of what information can be released, but try and understand how the information could be used by any market participants and how it can be disseminated. There then needs to be clear examination of the impact assessment to reinforce the decision.

In respect of this proposal we are not convinced that it has been clearly demonstrated that any of the issues and concerns have been met or overcome at this stage. In particular:

- a) What data is proposed to be released? It is not clear from the proposal what the exact expectation is of what Transco should publish.
- b) It is therefore unclear who owns this data and any issues of confidentiality or liability that are associated with the proposal cannot be resolved (although Transco clearly identify major issues with the draft proposal).
- c) The proposer has not explained what use they expect the market to make of the data that they wish to see released. However, on an initial assessment, we do not believe that the information proposed to be released has any value to the market as it neither explains why a flow may have varied nor does it compare it with expected flows.
- d) The method of release has not been discussed. One of the current issues regarding data release by Transco to the market is the poor quality of the method of release, on different platforms, with differing standards of quality and resilience etc. There are benefits that can be

simply achieved by learning the lessons from the electricity market where there is a single database, not operated by the TSO.

- e) The benefits are not clearly articulated. Whilst certain values have been quoted for improvements to markets from greater information release (although without any empirical support), there is no direct correlation between those figures and this proposal. Nor is there any recognition of benefits that might be allocated to other initiatives (ie. the DTI/UKOOA information release initiative).
- f) The Draft Modification Report – it is clear from the DMR that the transporter (the party that has to facilitate this Modification should it be approved) has identified significant issues with it. As such it is unclear how it could be implemented. On this point we would comment that we do not support any proposal that imposed additional costs on Users without much greater clarity on the benefits that will be delivered.

As previously stated on many occasions, BGT support the publication of increased relevant information. As such we would welcome an open and frank discussion regarding the requirements of the market in this matter. This could be carried out under the auspices of a Network Code (or UNC) Modification proposal or an Ofgem initiative, linked to their current consultation on Offshore Gas Production Information, BGT is of the view that a detailed appraisal is more likely to bring forward proposals that are likely to meet the relevant objectives and be achievable. Any such initiative would need to consider:

- what information is being requested (in exact detail)
- who owns the data
- how could it be provided to a central point for publication
- what use could/would the market make of the information
- the consequences of publication on any party

This would need to include both supply side and demand side information to maintain a balance in the market and to recognise the role that the demand side has in the future.

We note the continuing references to and comparison with the electricity market. However, since both the nature of the product, its source and the associated balancing regimes are totally different we do not accept any relevance to such actions.

Once these questions have been answered it should be easier for solutions to be identified which address these legitimate concerns.

Since the DTI/UKOOA initiative has not been fully delivered, as yet we would recommend that this work be carried out to a timeframe such that after an appropriate time to assess the impact of the initiative (say 6 months), the merits of any proposals can be more clearly seen.

In conclusion we would confirm that we do not support this Modification Proposal for the reasons outlined above. However, we would fully welcome and support Transco initiating a debate to try and identify any improvements that could be made to the release of information to the market.

Should you wish to discuss any aspect of this response please do not hesitate to contact me.

Yours faithfully,

Simon Goldring
Head of Transportation

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