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NSG&P/PP/sc/004/05

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**Julian Majdanski**  
**Contract Compliance & Development**  
**Transco**  
**NGT House**  
**Gallows Hill**  
**Warwick**  
**CV34 6DA**

**BY POST AND EMAIL**

Dear Mr Majdanski

**Response to Draft Modification Proposal 0727 - "3<sup>rd</sup> Party Proposal: Publication of Near Real Time Data at UK sub-terminals"**

In this letter, Eni UK Limited ("Eni UK") sets out its views in response to the draft modification proposal 0727, raised by energywatch.

Eni UK understand that energywatch are proposing that Transco should publish real time flow data for each sub-terminal for the purpose of informing third parties via the Transco website. energywatch state that the benefits, using Ofgem and DTI estimates for BETTA, would be a reduction of 0.5% in end user prices.

Eni UK is supportive of industry efforts to improve the provision of information regarding gas supply and demand in the National Transmission System (NTS) providing that there are real benefits to the industry and that the affected industry stakeholders will not be required to breach confidentiality agreements, contractual provisions or indeed the law.

Eni UK has a number of reservations about the modification proposal and agrees with Transco in being opposed to the implementation of the modification.

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Eni UK believe the industry through the DTI, Ofgem, Transco and UKOOA programme of 2003-4 have already addressed the issue of sharing production data and that it would seem opportune to review the benefits of this programme before considering any further change. Eni UK considers that the proposed modification would cut across the agreements reached in the four-party discussions referred to. If the modification were accepted, Eni UK would necessarily have to consider its position within the terms of the undertakings given by the company at the conclusion of those discussions in March 2004. Eni UK further considers that, in permitting the modification to proceed, OFGEM would be acting contrary to its letter of 23 October 2003 to all interested parties in the industry, and to statements made during the course of the four-party discussions concerning the appropriate protection of commercially confidential information provided to Transco.

The implementation of the modification will require the resolution of substantial contractual, legal and technical issues. Transco have stated that “the disclosure of this category of information by Transco, without the consent of the third party would place it in breach of its Utilities Act (Section 105) duties and its Gas Transporters Licence obligations. It would also leave Transco exposed to liabilities from breaches of various bilateral confidentiality agreements, typically contained within Network Entry Agreements and Storage Connection Agreements.”

Ofgem’s letter of the 23 March 2004 showed concern for this issue “In particular, Ofgem noted that in deciding whether to implement a network code modification, consideration would need to be given as to whether the proposal better facilitates the relevant objectives of Transco’s network code. Ofgem considered that a proposal which required Transco to breach confidentiality obligations to third parties withholding information hitherto provided to Transco on a voluntary basis would be unlikely to fulfil that criterion.”

Technically the provision of real time data presents additional costs to the industry and concern over the quality of the data that would be provided, indeed Eni UK would support the view expressed by the DTI “...immediate but inaccurate information is less useful to the market than less rapid but accurate information.” A Consultation on concerns about Gas Prices and Possible Improvements to Market Efficiency (Nov 2001).

The monetary benefit proposed by energywatch of a 0.5% decrease in end user prices is based upon Ofgem and DTI estimates that relate to the electricity rather than the gas market. The modification does not make any attempt to quantify the benefit of the proposed phase III information disclosure programme and indeed Eni UK believe that the quantified benefit of 0.5%, if indeed realistic, involves a double counting of the existing programme.

In summary, Eni UK does not support the implementation of this modification proposal.

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We hope our comments will be given due consideration before a final decision is made with regards to the publication of real time data.

Yours sincerely,



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