

Representation For. 0006(0727)

"3rd Party Proposal : Publication of Near Real Time Data at UK sub-terminals"
Version 2.0

Date of Communication: 02/03/2005
External Contact: Kerri Flitcroft (Transco LNG & Storage)
Slant: Against
Strictly Confidential: No

Abstract

FAO the Modification Panel Secretary

Please can the following storage specific concerns be considered within the Final Modification Report for Modification Proposal 0727. LNG Storage do not support the modification as we feel the extent of information to be published via the DTi initiative is sufficient.

If storage operators are providing an "allocation whole" service, then the storage operator is normally compelled to buy or sell gas to meet the differences between physical flows and aggregate net nominated flows. If the physical flow data is published "in real time", then the market participants will be able to see where the flows differ from that nominated. This would leave the storage operator exposed to selling or buying gas dependant upon if we were ahead or behind in injection / withdrawal. The storage operator would then be a "distressed" seller or buyer, and the market would be aware of his position and exposure. The principle of holding storage nominations whole is therefore incompatible with the publication of real-time gas flows and most storage operators and storage users would argue that having an allocation whole service is more important and valuable to customers than any form of real-time information on gas flows. (The suggested aggregated 'north / south' publication of real-time information should be sufficient - publication at each and every entry point would seem excessive with no significant additional benefit).

It is also worth mentioning that this specific issue (publication of real-time flow info) was debated through the GGPSSO (Guidelines for Good tpa Practice for Storage System Operators") process in Europe, in conjunction with GTE & ERGEG. It has now been agreed to remove the requirement for storage operators to publish real-time information, within the voluntary guidelines, as the allocation whole service was seen to be more valuable.

Regards,

Kerri Flitcroft
Regulatory Development Manager
Interconnector and LNG Operations
National Grid Transco

Office: 01926 655437
Mobile: 07714 346642
Fax: 01926 656581

Email: kerri.flitcroft@ngtuk.com