

Representation For. 0062
"Introduction of a Gas Balancing Alert"
Version 1.0

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Slant: For
Strictly Confidential: No
Abstract

EDF Energy welcomes the opportunity to respond to urgent modification 061 "Introduction of a Gas Balancing Alert ". We support the implementation of this modification as we believe it will further the relevant objectives of National Grid Gas's GT licence. However, we are concerned that there has been a suite of urgent modifications raised recently which highlight risks in the regime which apparently were not highlighted earlier. We believe that piecemeal modifications such as this one will not disrupt the regime significantly so close to winter but radical and fundamental proposals such as mod 61 will only serve to create more uncertainty and thus risk for the UK gas market.

EDF Energy believes that the issuing of a GBA will provide a useful market signal that demand-side response is needed when there is a risk that supplies will not satisfy demand. We understand that National Grid will only have 2 windows of opportunity to publish a GBA, at 14:00hrs and 02:00hrs D-1 when demand figures for day ahead are available. However, it is not clear whether NG can also issue a GBA at say 6pm D-1 when they receive extra day ahead information or whether they would have to wait for the 02:00hrs window of opportunity. We believe that NG should have the ability to issue a GBA as soon as it is in possession of information that warrants so and therefore should not have to wait until the next available time. Clarification on this issue would be welcomed.

EDF Energy understands that the demand figure which NG will use to determine whether or not to issue a GBA is around 477mcm as their Winter Outlook Report forecast show there is insufficient supplies to meet this demand or where there has been a total of 25mcm decrease at terminal inputs. However, it is not clear whether this modification permits NG to publish a GBA when demand is at 444mcm for example where a loss of 25mcm beach gas has been identified. We would welcome clarification on this point also.

We welcome the work the DSWG has undertaken in designing this proposal and look forward to working with them in future in preparation for next winter.

We hope our comments have been useful but please contact me on the number below if you wish to discuss further.

Regards

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