

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

Date of Communication: 21/11/2005
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Slant: For
Strictly Confidential: No

Abstract

I refer to the above modification proposal raised by National Grid NTS. It proposes to introduce into the Uniform Network Code the concept of a Gas Balancing Alert (GBA) which will be issued at D-1 when forecast supplies are anticipated to be insufficient to meet demand.

Shell Gas Direct (SGD) supports this proposal with some qualifications. SGD is supportive of industry efforts to improve demand side participation particularly where this contributes to security of supply. SGD believes that the introduction of a GBA will provide additional information to customers who may be willing to turn down their gas consumption in order to contribute to system security and ensure that emergency interruptions are avoided.

Where SGD qualifies its support is our concern, which we have raised previously, that these changes may not have been introduced sufficiently early for customers to consider the impact and how to respond. However, this proposal can only improve information to customers and the industry which can help contribute to security of supply this winter.

SGD does not consider that the implementation of a within day GBA would be helpful. Most customers prefer to turn down gas in an orderly manner as can be effected by a D-1 GBA as well as better information at D-2 and earlier on the outlook for the system. We are also concerned that the implementation of a within-day GBA could have the impact of create a degree of "panic" in the market, undermining orderly conduct.

SGD agrees with the proposer that this proposal will further the relevant objective of improving the efficient and economic operationa of the pipe-line system. For this reason, we support the proposal.

Yours sincerely

Tanya Morrison
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