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UNC Modification 104: CIA response

The CIA supports the implementation of Modification 104, and we believe that this information could be published through a workaround until an enduring system solution is developed. We would like to stress that National Grid is not obliged to publish or make available operational or market data where this is not made available to it.

Last November chemical sites were severely impacted from gas prices when the weather turned cold and imports from LNG were below the level expected as stated in the Winter Outlook Report. Prices spiked and valuable gas from Rough storage was flowed to meet demand. Furthermore, CIA members note that LNG is vital to the UK supplies for this winter, and represents around 4% of UK demand.

CIA is surprised that the publication of ex-post information would increase the likelihood that deliveries of LNG would be sent to locations other than GB, and would reduce willingness to invest in facilities to enable the importation of gas to this country. Furthermore, it is stated in the draft modification report that this could lead to higher gas prices and reduced security of supply. We do not believe that ex-post data could have such a fundamental impact on LNG.

We agree with the following points made in the Draft Modification Report, that implementation:

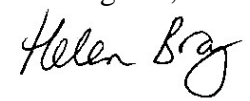
- would provide Shippers with the appropriate level of information to enable them to better forecast demand and thus make appropriate trading decisions to balance their portfolio, with associated physical actions resulting in improved balance of the system as a whole.
- would assist Shippers in better forecasting demand, enabling them to make more efficient purchasing decisions, consequently reducing price volatility and facilitating security of supply.
- would provide a level playing field where all Shippers and Suppliers would have access to the same information, provided through an established, consistent and transparent basis; and
- may assist Consumers in being “as aware as possible of market conditions to determine if they can or wish to sell back gas/interrupt as part of demand side response.”



CIA members are committed to Responsible Care

If you require any clarification please do not hesitate to contact me.

Kind regards,

A handwritten signature in black ink that reads "Helen Bray". The signature is written in a cursive style with a large, looped 'B'.

Helen Bray
Head of Competitiveness and Utilities