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The Joint Office, Relevant Gas
Transporters and other interested
parties

Our Ref: Net/Cod/Mod/UNC0104
Email: industrycodes@ofgem.gov.uk

09 August 2006

Dear Colleague,

Rejection of urgent status for modification proposal UNC104: '3rd Party Proposal: Storage Information at LNG Importation Facilities'.

Following consideration of the request from energywatch that its modification proposal 104 '*3rd Party Proposal: Storage Information at LNG Importation Facilities*' follow urgent modification procedures, we have decided not to agree to that request. Ofgem does not consider that this proposal satisfies the criteria for granting urgent status to a modification proposal, as set out in our [published guidelines](#)¹. Instead, it should follow the ordinary modification procedures, starting with referral to the UNC Modification Panel meeting of 17 August 2006.

The [modification proposal](#)² seeks the daily publication, on National Grid's website, of the physical gas in storage levels allocated to LNG Importation Users at such importation facilities. The proposer considers that data that would be made available by this proposal would allow market participants to make more appropriate purchasing decisions, reducing costs and potentially facilitating a greater demand side response, which may assist the security of supply situation.

In reaching our decision on whether to grant this proposal urgent status, we have considered the proposer's justification for urgency. Crucially, the proposal does not appear to be linked to any date related event, by which a decision may be required. Further, whilst we agree that increased transparency generally allows for better informed purchasing decisions and improved market efficiency, there is insufficient evidence for us to conclude that there will be a significant commercial impact upon market participants if this proposal follows the normal modification procedures. Equally, there is no evidence to suggest that the safety and security of the network is likely to be impacted by this decision.

For the avoidance of doubt, in rejecting this request for urgency Ofgem has made no assessment of the merits of the modification proposal and nothing in this letter in any way fetters the discretion of the Authority in respect of this modification proposal.

¹www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11700_Urgency_Criteria.pdf

²www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/16053_UNCModProposal104.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/gasgovernance

If you have any queries in relation to the issues raised in this letter, please feel free to email industrycodes@ofgem.gov.uk

Yours sincerely,

A handwritten signature in black ink, appearing to read 'N. Simpson', written over a horizontal line.

Nick Simpson
Director, industry Codes and Licensing