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Modification Panel Secretary Joint Office of Gas Transporters Ground Floor Red 51 Homer Road Solihull West Midlands B91 3QJ

02 March 2007

Dear Julian,

Modification Proposal 0130: The Provision of Ex-post Demand Information for all NTS Offtakes

Thank you for providing SGN with the opportunity to comment on the above Modification Proposal. Whilst SGN is supportive of the principle behind the proposal and information transparency, it is important that transparency should not be to the detriment of any individual or group of participants, it should be demonstrated that actions are required and proportionate and the release of information should bring real and tangible benefit. As no cost benefit case has been provided in this case, we can only give qualified support at this point. In particular SGN would wish to see further information on the cost of implementing the required IT solution.

This Mod proposal 0130 has been raised as an alternate to proposal 0121; Mod 0121 required the previous days total physical flows from the National Transmission System be published by individual NTS Exit Point e.g. for storage site, power station, interconnector, NTS/LDZ Offtake, by 12.00pm on the following Gas Day on National Grid's Information Exchange website. This proposal requires publication of the previous Day's total physical flow divided into four categories of:

- i) Aggregated ex-post LDZ offtake flows;
- (ii) Aggregated ex-post power generation offtake flows;
- (iii) Aggregated ex-post storage site offtake flows;
- (iv) Aggregated ex-post industrial load offtake flows.

SGN supports the changes raised in this proposal 130 compared to 121:

- firstly requiring the information to be published at 11:00am rather than 12:00pm

- secondly that this excludes interconnector flows, as this information will be provided under Mod 97a and will eliminate duplication and

- thirdly we believe this alternate proposal has removed the most significant concern associated with Modification Proposal 0121, associated with commercial sensitivity by proposing to aggregate the physical offtake flow data into four categories. We believe this will ensure the same quality of information is released to the market that would not in any way be detrimental to understanding demand, whilst protecting individual's market position and avoiding any potential disadvantage to NTS connected customers relative to DN connected customers. It would also help protect DN's positions at individual offtakes should capacity become constrained, particularly under an enduring regime.

We note that information relating to NTS/LDZ offtakes is currently published on Gemini. However GDNs don't generally have access to Gemini, as such the suggestion that information be published on National Grid's Information Exchange websites would help improve transparency for all participants.

However SGN considers that whilst as a general principle transparency may be desirable; it should be proportionate and should provide real and tangible benefits. Benefits should outweigh any potential cost or detriment to any individual or group. As with our comments on Modification Proposal 0121 we still do not believe there will be real or tangible benefits associated with providing access to such information as far as better understanding and forecasting demand is concerned. As such we do not believe the proposed changes will result in any significant improvements in the efficient or economic operation of the pipeline system or efficient discharge of the Licensees obligations under licence. No evidence has been provided to support this. As such we can only give qualified support to this proposal, particularly given lack of cost information associated with implementation of required IT solutions.

On a detailed drafting point, within the Modification Proposal, one of the four categories used for reporting is by "LDZ offtake". We believe the correct terminology should be by NTS/LDZ Offtake to ensure consistency with the UNC TPD (see Section B) and also to ensure consistency with Appendix 1 of the Modification Proposal.

We hope you find these comments helpful.

Yours sincerely

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