Joint Office of Gas Transporters

Stage 04: Final Modification Report

0415:

Revision of the Gas Balancing Alert Arrangements

At what stage is this document in the process?

01 Modification

02 Workgroup Report

03 Draft Modification Report

04 Final Modification Report

This modification seeks to introduce revisions to the GBA arrangements, which will provide an improved signal to the industry, for timely market response on days where a Supply/Demand deficit is forecast.

Panel recommended implementation

High Impact:

None

Medium Impact:

None

Low Impact: End Consumers, Transporters and Shippers

Contents

About this document:

This document is a Final Modification Report, presented to the Panel on 20 September 2012. The Authority will consider the Panel's Recommendation and decide whether or not this change should be made.

Any questions?

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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification.

Why Change?

The intent of the GBA arrangements is to inform industry parties of a near term requirement to redress a forecast system imbalance. Feedback following GBAs issued during winter 2010/11 indicated that the arrangements may not be as effective as intended. An issues group was initiated to discuss several potential enhancements to the GBA arrangements and the outcome of discussions resulted in the revisions put forward in this modification.

Solution

This Proposal seeks to introduce revisions to the GBA arrangements as follows:

- Replace the current term 'GBA' with two discrete terms:
  - Proposed replacement term for current Day Ahead signal: **Margins Notice (MN)**
  - Proposed replacement term for current Within Day signal: **Gas Deficit Warning (GDW)**
- Introduce ability to withdraw **GDW**
- Revise the trigger methodologies for the MN and GBA:
  a. Clarification of the MN Trigger Methodology within the UNC
     i) Define within the UNC the 'Expected Available Supply Level'
  b. Revision of the GDW Trigger Methodology
- Introduction of the capability to initiate a **GDW** before the relevant Gas Flow Day

Impacts and Costs

National Grid NTS will need to make minor operational changes to implement the modification.

Implementation

No timescale for implementation is proposed, but it is suggested that it is implemented at the earliest practical opportunity.

The Case for Change

Implementation would improve the information provided to the industry and, as a result, may improve National Grid's ability to efficiently and economically operate the system, through enabling all parties to respond to a potential supply/demand deficit.

2 Why Change?

Principle Drivers for Change

- Timely review triggered by winter 2010/11 GBA days;
- Industry feedback – effectiveness of GBA;
- Output from discussions during the Significant Code Review (SCR) workshops
    - Explore preventative measure pre-declaration of a Gas Deficit Emergency (GDE).

Background

National Grid NTS has a UNC obligation (TPD Section V5.9) to alert system Users of an End of Day (EoD) System Supply/Demand imbalance via a Gas Balancing Alert (GBA). These GBA arrangements were introduced as part of Modification 0061 – 'Facilitating Further Demand Side Response in the Event that a Gas Balancing Alert is Triggered', implemented in December 2005.

The intent of the GBA is to inform parties of a near term requirement to redress a forecast system imbalance. However, following the winter 2010/11 GBA events, feedback has indicated that some aspects of the GBA signal could be improved.

Additionally, enhancements to the GBA arrangements, as a pre-emergency preventative measure, featured in discussions within Ofgem's Security of Supply (SoS) Significant Code Review (SCR) meetings. During January and February 2011, Ofgem lead discussions predominantly focused on exploring potential refinements to, or revisions of, the GDE arrangements. As part of that debate, it was suggested that there was merit in exploring pre-emergency 'preventative measures' that may mitigate the likelihood of entering Stage 1 of a GDE. In particular refinement of the GBA arrangements was considered such that they provide an improved and more informative signal, to both Shippers and other industry parties, for timely demand and/or supply side response on days where there is a significant System Supply/Demand deficit forecast for the relevant Gas Flow Day.

GBA Definition

Despite the separate UNC definitions of a Within Day and Day Ahead GBA, it may not be clear to the industry what level of severity of system status a GBA is signalling; under which methodology National Grid NTS has determined the GBA; or what corrective action is required. The single term 'GBA' may not be sufficiently granular to provide a clear indication of the severity, and time criticality, of the forecast supply/demand deficit. This has, on occasions, resulted in Users responding to a GBA only to find that the System has closed with a gas surplus. As a result, there are concerns regarding the efficacy of the prevailing GBA arrangements, particularly regarding the risk that Users may respond inappropriately to GBAs initiated under the current provisions.

In respect of existing GBA arrangements, National Grid NTS has limited scope for discretion when applying the day ahead trigger methodology, but has a level of discretion when determining the current within day Alert.

Prevailing Day Ahead GBA

Under prevailing arrangements, National Grid NTS Gas Network Control Centre (GNCC) calculates a D-1 GBA trigger level, which represents a view of total forecast system supply. In compliance with Code the D-1 GBA trigger level is assessed daily against forecast demand (Round UP) to determine if a supply/demand imbalance is forecast for the coming gas day.

The GNCC runs this process daily to ensure the latest available storage deliverability is included within the D-1 trigger level. The D-1 GBA trigger level is then published on the National Grid website.

Where the forecast Demand exceeds the D-1 GBA trigger level, a GBA on D-1 is issued, along with the publication of additional information on the National Grid website and via ANS handsets.

The UNC states that the D-1 trigger is determined via the provision described below:

'UNC TPD Section V5.9.3

*National Grid NTS shall issue (by means of publication on its website) an alert (a "**Gas Balancing Alert**") where, after forecasting demand for a Gas Flow Day in accordance with Section H 5.2.3 and Section H5.2.4 on the preceding Day, the Forecast Total System Demand for the Gas Flow Day in question is greater than or equal to the Forecast Total System Supply for such Gas Flow Day.*

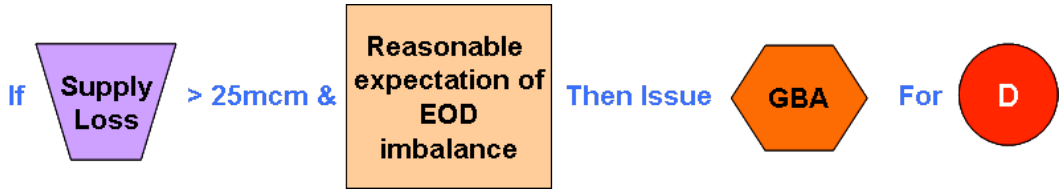
UNC TPD Section V5.9.6 states:

> *(a) "**Forecast Total System Supply**" means the anticipated maximum daily supply to the Total System for the Gas Flow Day in question incorporating only the sum of the quantity of gas that could be withdrawn in aggregate from relevant Storage Facilities and delivered to the Total System on such Gas Flow Day without breaching the Two Day Ahead Minimum Storage Deliverability Amount;'*

Rather than provide a view of supply based on maximum daily supplies, National Grid NTS believes that a more accurate determination of supplies based on supplies that would normally be expected on a high demand day will provide a better view of expected system conditions.

Prevailing Within Day GBA

The Within Day GBA process is triggered by a single or aggregated supply loss during a gas day that is greater than 25mcm. Following notification of supply loss, the GNCC will make a decision on whether it is appropriate to issue a GBA. The decision is currently based on the revised Delivery Flow Notification (DFN) supply forecast, the latest available within day forecast demand, and the Predicted Closing Linepack (PCLP).



National Grid NTS has discretion on whether to issue a within day GBA only when the system has experienced a 25mcm supply loss.

The current arrangements can restrict the ability to issue a within GBA, e.g. where a supply loss of less than 25mcm may cause a system issue. It is also noted that currently, no demand side trigger exists; therefore, where a change in demand is forecast to provide a significant end of day system imbalance, National Grid NTS cannot publish a GBA. Therefore it is believed that revising the within day trigger methodology will improve the ability for National Grid NTS to publish within day alerts, providing improved information to the industry.

At present, a within day GBA cannot be issued until the start of the gas flow day. However, National Grid NTS may become aware of information that will impact system imbalance on a specific gas day before the gas day starts. It is believed that providing Users with system warning information as soon as possible will allow Users to appropriately respond to such signals. Therefore, it is believed that providing the ability for National Grid NTS to be able to issue a within day GBA prior to the gas day will improve information to the industry.

Inability to Withdraw a Within Day GBA

Under prevailing arrangements, once issued, a GBA remains in place until the end of the Gas Flow Day to which it relates; this is the case for both the Day Ahead and the Within Day GBA.

Since the introduction of the GBA arrangements there have been a number of instances where, following the issue of a GBA (in accordance with UNC TPD Section V5.9.3 and V5.9.4), the Transmission System has closed 'heavy' on a Gas Flow Day.

Where updated information indicates that the forecast system imbalance has reduced to acceptable levels, there may be benefit in informing Users that National Grid NTS no longer forecast a critical system imbalance. Therefore, developing the potential to withdraw a within day GBA will better inform the industry.

Compliance with European Regulation

'REGULATION (EU) No 994/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL - concerning measures to safeguard security of gas supply and repealing Council Directive' was published on 20 October 2010.

The European Regulations identify a number of 'crisis levels' which the European Council Directive would expect to be in place to in order that risks associated with Security of Gas Supply within the respective Transportation systems are mitigated.

It is considered that the current arrangements could be improved to better meet the European Regulation requirement. It is believed that the proposed arrangements,

combined with arrangements already in place (such as emergency procedures) comply with the measures set out in the European regulation Article 10 – Emergency Plans and Crisis levels paragraph 3:

'Article 10 - Emergency Plans and Crisis Levels

3. The three main crisis levels shall be as follows:

(a) early warning level (early warning): when there is concrete, serious and reliable information that an event may occur which is likely to result in significant deterioration of the supply situation and is likely to lead to the alert or the emergency level being triggered; the early warning level may be activated by an early warning mechanism;

(b) alert level (alert): when a supply disruption or exceptionally high gas demand occurs which results in significant deterioration of the supply situation, but the market is still able to manage that disruption or demand without the need to resort to non-market measures;

(c) emergency level (emergency): in the event of exceptionally high gas demand, significant supply disruption or other significant deterioration of the supply situation and in the event that all relevant market measures have been implemented but the supply of gas is insufficient to meet the remaining gas demand so that non-market measures have to be additionally introduced with a view, in particular, to safeguarding supplies of gas to protected customers according to Article 8.'

http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:295:0001:0022:EN:PDF

3 Solution

Summary of proposed changes

This Proposal seeks to introduce revisions to the following areas of the GBA arrangements:

This Proposal seeks to introduce revisions to the GBA arrangements as follows:

1. Replace the current term 'GBA' with two discrete terms):
    - Proposed replacement term for current Day Ahead signal: **Margins Notice (MN)**
    - Proposed replacement term for current Within Day signal: **Gas Deficit Warning (GDW)**

2. Withdrawal capability for GDW

3. Revise the trigger methodologies for the MN and GDW:
    a. Clarification of the MN Trigger Methodology within the UNC
        i) Define Expected Available Supply Level

    b. Revision of the GDW Trigger Methodology

4. Introduction of the capability to initiate a GDW before the relevant Gas Flow Day

More detailed overview of the proposed changes is outlined below:

1. Replace the current term 'GBA' with two discrete terms

National Grid NTS considers that the prevailing single term, 'GBA', does not provide the industry with a sufficiently granular indication of the severity and time criticality of the forecast system supply/demand deficit.

Therefore, National Grid NTS proposes to replace the single reference with the following two defined terms:

1. For the Day Ahead Signal, National Grid NTS will issue a notice: **Margins Notice (MN)**, issued via its web site and ANS service, if the Expected Available Supply Level is less than or equal to day ahead forecast demand; and

2. For the Within Day signal, National Grid NTS will issue a warning: **Gas Deficit Warning (GDW)** which may be issued on or before the gas flow day.

2. Withdrawal Capability for GDW

Under prevailing arrangements, once issued, a GBA remains in place until the end of the Gas Flow Day to which it relates; this is the case for both the Day Ahead and the Within Day GBA.

We believe that introducing the ability to withdraw a GDW will provide an improved signal to the market, thereby better informing the industry of the status of the system,

through which Users may be better placed to appropriately respond to the system status.

To facilitate this objective, National Grid NTS propose the introduction of a GDW withdrawal Notice. It is not proposed to withdraw the Margins Notice once issued.

3. Revise the Trigger Methodologies for the MN and GDW

National Grid NTS proposes revisions to both MN and GDW trigger methodologies as follows:

Day Ahead Trigger: National Grid NTS proposes to revise the UNC definition such that it provides greater clarity of the Day Ahead trigger methodology currently undertaken.

Within Day Trigger: This proposal seeks to broaden the events that would have the potential to trigger a GDW, such that both supply and demand events may constitute an event. Additionally National Grid NTS proposes greater discretion in the determination of whether or not to issue a GDW.

3a. Trigger for a Margins Notice

Proposed revision to D-1 trigger

It is proposed to introduce a new defined term 'Expected Available Supply' for the purposes of the D-1 MN signal. The D-1 system imbalance trigger level will be assessed against day ahead demand forecast. If the day-ahead demand forecast is greater than or equal to the D-1 Expected Available Supply, a MN will be issued (only one notification will be issued per day).

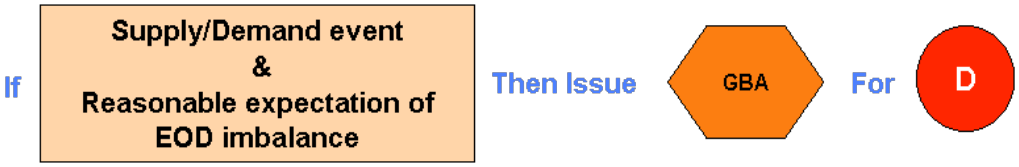
We propose that the Expected Available Supply will represent National Grid NTS's view of typical winter supply on a high demand day.

Once issued the notification will remain in place until the end of the Gas Flow Day it is applicable, unless it is superseded by a Gas Deficit Warning (GDW).

3b. Trigger Methodology for Gas Deficit Warning

Proposed Within Day trigger methodology

This Proposal will update the current methodology to include the impact of both demand side and supply side shocks that result in a forecast end of day system imbalance. In addition, the proposal will remove the greater than 25mcm loss trigger to provide greater discretion.



4. Introduction of the capability to initiate a GDW before the relevant Gas Flow Day

Timescale for issue of a GDW

National Grid NTS believes that there may be instances, prior to entering the Gas Flow Day, where National Grid NTS becomes aware of reliable information, which represents an event that would trigger a Within Day Alert before the start of the Gas Flow Day. To ensure that the Within Day Alert is sufficiently flexible to accommodate such instances, we propose that the GDW may be issued before the Gas Flow Day. National Grid NTS considers that this would allow Users to appropriately respond to the Alert at the earliest opportunity.

4 Relevant Objectives

Impact of the modification on the **Relevant Objectives:**	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	Positive
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards… are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	Positive

a) Efficient and Economic Operation of the Pipeline System
b) Coordinated, efficient and economic operation of
(i) the combined pipe-line system, and/ or
(ii) the pipe-line system of one or more other relevant gas transporters.

Improved clarity of information relating to the status of the system during times of significant system supply/demand imbalance will provide improved signals upon which Users may confidently take appropriate steps to mitigate a system issue and mitigate the risk of entering into a Gas Deficit Emergency. If Users take more appropriate steps, this would reduce the need for System Operator action and hence make maintenance of system balance more economic and efficient, positively impacting both NTS and DN system operation. In addition to the clarity offered by identifying day ahead and within day alerts separately, National Grid NTS has indicated that further information will be provided to the industry as and when any Gas Deficit Warning or Margins Notice is issued. This has been provided as an Appendix to this report.

g) Compliance with European Regulation

The proposed arrangements increase compliance with the measures set out in the European regulation Article 10, Emergency Plans and Crisis levels, paragraph 3 (see Section 3 above for details), since it recognises the specified three stages (with an early warning level in addition to the existing alert and emergency level).

5 Impacts and Costs

Consideration of Wider Industry Impacts

None identified.

Costs

Indicative industry costs – User Pays
Classification of the modification as User Pays or not and justification for classification
No UK Link system changes will be required as a result of the implementation of this modification. The changes anticipated are likely to be achieved through revisions to operational procedures, replacing existing processes with revised arrangements; therefore this modification does not fall in the Users Pays classification.
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification
N/A
Proposed charge(s) for application of Users Pays charges to Shippers
N/A
Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve
N/A

Impacts

Impact on Transporters' Systems and Process	
Transporters' System/Process	Potential impact
UK Link	• None anticipated
Operational Processes	• Amendments to National Grid NTS operational procedures will be required.
User Pays implications	• None anticipated

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	• Users may require revisions to operational procedures associated with responding to the revised system alerts.
Development, capital and operating costs	• None anticipated

Impact on Users	
Contractual risks	• None anticipated
Legislative, regulatory and contractual obligations and relationships	• None anticipated

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	• It is anticipated that, if implemented, this modification will improve the System Operator's ability to manage days of otherwise significant system imbalance deficit.
Development, capital and operating costs	• The proposed revision to the System Alerts arrangements will be achieved through the development of revised operational procedures seeking to replace existing processes. Minor development costs are anticipated, but no additional operating costs.
Recovery of costs	• None anticipated
Price regulation	• None anticipated
Contractual risks	• None anticipated
Legislative, regulatory and contractual obligations and relationships	• None anticipated
Standards of service	• None anticipated

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	• None anticipated
UNC Committees	• None anticipated
General administration	• None anticipated

Impact on Code	
Code section	Potential impact
TPD Section V5.9 Operational and Market Data	• Code revision required

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	• None anticipated
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	• None anticipated
Storage Connection Agreement (TPD R1.3.1)	• None anticipated
UK Link Manual (TPD U1.4)	• None anticipated
Network Code Operations Reporting Manual (TPD V12)	•
Network Code Validation Rules (TPD V12)	• None anticipated
ECQ Methodology (TPD V12)	• None anticipated
Measurement Error Notification Guidelines (TPD V12)	• None anticipated
Energy Balancing Credit Rules (TPD X2.1)	• None anticipated
Uniform Network Code Standards of Service (Various)	• None anticipated

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	• No Safety Case change would be required as a result of this modification. It is anticipated that the revision of System Alerts arrangements will provide improved signals to inform Users to initiate responses that may help to avoid further deterioration of the System, and therefore avoid entering into the Stage 1 of a GDE. During the Ofgem Significant Code Review (SCR) Cash out Reform consultation, the HSE stated that it would welcome clearer GBA signals to help avoid further deterioration of the System.
Gas Transporter Licence	• None anticipated

Other Impacts	
Item impacted	Potential impact
Security of Supply	• None anticipated
Operation of the Total System	• It is anticipated that, if implemented, this modification will provide Users with improved D-1 and Within Day information, such that they may take steps to respond to a System supply/demand deficit; it is anticipated that this will facilitate improved efficiency in the operation of the Total System.
Industry fragmentation	• None anticipated
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	• The introduction of improvements in the definition and status of System Alerts brings the opportunity for daily metered customers and Shippers to agree contracts for demand side response when the System is forecast to be in deficit.

6 Implementation

The Workgroup did not propose a timescale for implementation of this modification, but suggested that it is implemented at the earliest practical opportunity.

Although implementation could occur almost immediately, EDF believed that implementation should be preceded by a period of communicating and explaining the impact of these changes to the industry. This should help to avoid some of the confusion, misunderstanding and mis-reporting that has occurred historically when Gas Balancing Alerts were first issued.

EDF also drew attention to the fact that sufficient lead time may be required by Shippers to ensure these new arrangements are incorporated into I&C supply contracts.

7 The Case for Change

Nothing in addition to that identified above.

8 Legal Text

Suggested Text

The following Suggested Legal Text has been considered by the Workgroup and no issues were raised regarding its content.

TPD Section D

Amend Section D as follows:

3.1.2 Subject to paragraph 4.1.1, National Grid NTS may only enter into Non-Trading System Transactions only in relation to a Gas Flow Day in respect of which a Gas Deficit Warning is in place.

…

4.1.1 Where a User makes a Market Offer or a Non-Trading System Offer to National Grid NTS in relation to a Gas Flow Day in respect of which a Gas Deficit Warning is in place and up to six (6) subsequent consecutive Gas Flow Days…

TPD Section V

Amend paragraph 5.9 as follows:

5.9 Operational and Market Data

5.9.1 Subject to the provisions of paragraph 5.9.2 and the other provisions of the Code, National Grid NTS shall arrange for the data referred to in Annex V-1, ("**Operational and Market Data**") to be published or made available in the manner specified in Annex V-1.

5.9.2 National Grid NTS shall not be obliged to publish or make available operational and market data pursuant to paragraph 5.9.1 where that data is not available to National Grid NTS.

5.9.3 National Grid NTS shall issue (by means of publication on its website) a notice (a **"Margins Notice"**) where, after forecasting demand for a Gas Flow Day in accordance with Section H 5.2.3 and Section H5.2.4 on the Preceding Day, the Forecast Total System Demand for the Gas Flow Day in question is greater than or equal to the Expected Available Supply for such Gas Flow Day.

5.9.4 Where a Margins Notice is issued, it shall remain in force until the end of the Gas Flow Day to which it is applicable, unless superseded by a Gas Deficit Warning.

5.9.5 National Grid NTS may issue (by means of publication on its website) a warning ("**Gas Deficit Warning"**) where during or before a Gas Flow Day, an event affecting either supply or demand, for the Gas Flow Day in question is notified to National Grid NTS, or National Grid NTS otherwise becomes aware of circumstances, that may (in the reasonable opinion of National Grid NTS) result in the quantities of gas on the Total System being insufficient for the purpose of meeting the Forecast Total System Demand.

5.9.6 Where a Gas Deficit Warning is issued, it shall remain in force until National Grid NTS issues a GDW Withdrawal Notice.

5.9.7 For the purposes of the Code:

(a) **"Expected Available Supply"** shall mean the sum of:

(i) the amount of gas that NG NTS reasonably expects could be delivered onto the Total System from non-storage sources (taking into consideration all information available to it) from time to time as published on its website; and

(ii) the qualifying Storage Deliverability from relevant Storage Facilities over two (2) full Days at maximum withdrawal rates;

(b) "**Two Day Ahead Minimum Storage Deliverability Amount**" means, a quantity of gas from the Safety Monitor for all Storage Facility Types that could be withdrawn from all relevant Storage Facility Types in two (2) Days at their respective maximum withdrawal rates; and

(c) "**GDW Withdrawal Notice**" means a notice from National Grid NTS issued where National Grid NTS determines (in its reasonable opinion) that:

(i) there is no longer an actual or imminent risk to system safety; or

(ii) circumstances in which the quantities of gas on the Total System will be insufficient for the purpose of meeting the Forecast Total System Demand have ceased to exist.

For the purposes of this paragraph a Storage Facility will be a **"relevant"** Storage Facility if (i) it is a Storage Facility whose deliverability and/or storage space National Grid NTS has used in the calculation of the Safety Monitor and (ii) the quantity of gas stored in that Storage Facility and available for withdrawal is greater than or equal to the quantity of gas that could be withdrawn from that Storage Facility in two (2) Days at its maximum withdrawal rate.

9 Consultation Responses

Representations were received from the following parties:

Company/Organisation Name	Support Implementation or not?
EDF Energy	Support
ExxonMobil Gas Marketing Europe Ltd	Support
National Grid Distribution	Support

Of the 3 representations received implementation was unanimously supported.

Summary Comments

EDF Energy support the proposed amendments to the GBA arrangements which incorporate learning and experience regarding GBAs.

EDF Energy also note the interactions with Ofgem's Gas Significant Code Review (SCR) decision, and the discussions had through the SCR given the original intentions for the GBA and Ofgem's desire to encourage more commercial interruptible contracts. The introduction of two different notification arrangements may support this decision and encourage more effective and efficient contracting arrangements between Suppliers and Consumers.

ExxonMobil believe that in providing National Grid with greater flexibility to determine the triggers it is important that they exercise that responsibility with due care and attention. ExxonMobil would like to see National Grid provide more detail on how it intends to conduct its operations in order to be able to demonstrate to shippers that it is at all times acting prudently and responsibly.

10 Panel Discussions

The Panel Chair summarised that the modification seeks to create two types of gas balancing alert rather than the present single definition. This would allow notice of potential system balancing issues to be issued both on the day and at the day ahead stage. The modification also defines methodologies for when these notices will be issued, and creates flexibility by allowing notices to be withdrawn when appropriate to do so.

Members recognised that the modification seeks to improve the information made available to the market at times of potential system distress. This improved market information would be expected to lead to parties taking informed actions in light of the potential system imbalance, with an expectation that these may address any issues and so avoid the need for intervention by the system operator. By avoiding system operator actions and facilitating the market addressing system issues, implementation of this modification would be consistent with facilitating economic and efficient operation of the system.

Members noted that implementation would be consistent with the requirements of European Regulation Article 10, Emergency Plans and Crisis levels, by recognising an additional stage of emergency - with an early warning level in addition to the existing alert and emergency level). As such, implementation would be consistent with facilitating the relevant objective of compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Members then unanimously determined to recommend implementation of Modification 0415.

11 Recommendation

Panel Recommendation

Having considered Modification Report 0415, the Panel recommends:

- that proposed Modification 0415 should be made.

12 Appendix A

Additional Information Provision in Conjunction with Modification 0415

While not forming part of this modification, such that information provision requirements will not be incorporated within the UNC, National Grid NTS has provided the following explanation of their intentions.

Margins Notice Information

National Grid NTS currently publishes information outlining the separate components that make up the supply trigger level. This is currently made up of NSS (non-storage supplies) and storage supplies. In discussion with the industry, it was agreed that additional information on the make up of the NSS would provide additional clarity on the assumptions that National Grid NTS uses in determining the trigger level.

Therefore, National Grid NTS agreed to provide a break down of the NSS. This will be made up of the following components:

- UKCS
- LNG
- Norway
- BBL
- IUK.

This information will be included in the Daily GBA and Safety Monitor Position Report under the Summary Data section. The rationale for any changes to the any of the assumptions used to determine the NSS level will be outlined in the Report.

Margins Notice Trigger Level

Currently, historical changes or trends in the Margins Notice trigger level are not accessible to the industry. National Grid NTS will look at options to make historical trigger levels and trends available within the reports.

Gas Deficit Warning (GDW) Information

To better inform the industry as to the rationale for the issuing of a GDW, National Grid NTS will publish additional information outlining the reasons for the publication.

This additional information will take three forms:

- Additional information included in the ANS message - National Grid NTS will provide additional information in the ANS message that is sent when issuing a GDW. This information will provide a high level overview of the reasons behind the issuing of a GDW.
- Post GDW, National Grid NTS will publish an outline of the rationale behind the publication of the GDW. This will generally take the form of a less than one page overview of the reasons for the GDW being issued.
- The GDW will also be discussed at the Shippers Operational Forum, where additional detail will be provided.