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**Response to the Impact Assessment "3<sup>rd</sup> Party Proposal : Publication of Near Real Time Data at UK sub-terminals Mod Ref No UMC 006 (0727)"**

Thank you for the opportunity to respond to the impact assessment document in regard to the release to the market place of real time information provided to Transco for the operation of its transportation system.

We must again object most strongly to the proposals, which seek to extend the agreement that was reached with the DTI in the development of the 2005 Framework Agreement between the UK and Norwegian Governments by introducing the publication of commercially sensitive operational data to satisfy market factors as opposed to operational needs.

We would add the comment that an Ofgem Director was in attendance at two meetings with the DTI and Transco where this issue was discussed and a solution and process agreed whereby the Norwegian side would be able to comply with current proposals.

Thereafter in order to finalize the treaty document considerable time was spent by Gassco in persuading upstream parties to grant a dispensation to allow us to provide aggregated information to Transco for the operation of the NTS. This is now in place on a voluntary basis with the Norwegian parties complying in all respects with the DTI's proposal as shown in your table 2.1. Many of the dispensations would be cancelled if Gassco provide information beyond that agreed necessary to comply with the DTI request.

With regard to the Impact assessment it is not in our opinion demonstrably proven that any further benefits would be forthcoming through the acceptance of this modification. It would appear that the language used in the document is extremely non-committal even vague in respect of what benefits could accrue from publishing disaggregated data whilst dismissing the consequential commercial downsides. There is great potential for real time information to be misleading and result in many of the participants addressing the same problem not knowing the extent to which they are individually affected and perhaps even when they are not affected at all, particularly since allocations normally will not take place until after the event. This will encourage "hunting" effects on the balancing of the system. And I am sure Transco can confirm that the accurate interpretation of terminal inputs will possibly not be understood by market participants even after a long period of education.

Many of the assumed benefits are questionable, their magnitude speculative whilst the consequences at sub-terminals where a single field or a large field is dominant are ignored. The staggering difference in benefit between the quoted respondents in respect of the reduction in spread price demonstrates how fictional some of the claims in the responses are. One is left wondering how the publication of real time data will serve to reduce daily indices and not have the opposite effect, since it could be used to the benefit of those who create the index rather than those who are exposed to it.

In our response to the previous consultation “Offshore Gas Production Information Disclosure” we stated our commitment to the DTI scheme and we continue to support such a scheme. We stated however that should disaggregation take place we would reconsider our position and would withdraw from the scheme until an acceptable solution could be found. As we have no mandate from our shippers to participate in any scheme other than the DTI proposal as currently being introduced it is not clear how long we might need to renegotiate our agreements with the shippers.

In addition, the Standard Terms and Conditions for transporting gas from the Norwegian Continental Shelf would require amendment to address confidentiality issues. Any changes are then required to be approved by The Ministry of Petroleum and Energy.

We would conclude by stating that we do not support disclosure of information at sub-terminal level in real time but will continue to support the DTI proposal for as long as it is felt that parties using the Norwegian infrastructure are not commercially exposed.

Regards

David Turner  
Gassco AS