

## **BOC Process Gas Solutions (BOC) response to Ofgem re-consultation “Modification 006”**

BOC welcomes the opportunity to respond to the Ofgem consultation on the above subject, which we believe is very important. BOC provided its views on the initial consultation in March 2005.

BOC, as well as being an industrial natural gas user, is one of the largest industrial electricity users in the UK. Presently the change in the price of natural gas continues to have a direct relationship to the electricity price. This being the case BOC believes that a properly functioning wholesale gas market is a necessary condition for a properly functioning electricity market.

The prices reported from the gas and electricity market continue to show very high volatility. Market information on supply and demand matters over short and longer time periods are essential to understand price movements and make the best commercial decisions.

It is important; therefore that all players directly or indirectly participating or effected by the wholesale market should have equal access to information. That is the same information at the same time. BOC believes any other approach to be unfair and in some markets, such as equity stock markets, acting on “inside information” is unlawful.

It’s BOC’s view that a licensed and/or legislative regime of information disclosure would be preferable to voluntary arrangements.

BOC is happy to see voluntary schemes in place as interim measures while the necessary information infrastructure systems are put in place. BOC would continue to look askance at any party withdraws data from such a scheme which we understand has happened in relation to the withdrawal of the confidentiality derogation from Transco’s licence.

BOC believes that the present DTI phase 3 scheme is unlikely to provide sufficient near real time data to correct the existing information deficit between the offshore gas producers and integrated supply companies and the customers.

BOC believes that Ofgem should therefore take all necessary steps to provide the greatest and most timely information disclosure.

In addition BOC should like to make a comment on the legal text of the modification which I understand has been drafted by National Grid. BOC believe that the present drafting of paragraph 5.9.2 (b) allows NG not to publish any data if NG have an agreement outside the UNC that would not allow it. BOC believes this should not be the case as it is not correct that NG should be able to avoid the obligation to publish information by making bi-lateral agreements with third parties.

Hugh Mortimer, 11 November 2005