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Publication of Near Real Time Data at UK Sub-Terminals (UNC Modification Proposal 006)
- Ofgem Impact Assessment - Case Study

Comments on the above from Ian Dobson CIPS Energy Committee.

Concern is expressed by all buyers as to why the gas price has suddenly reacted – usually upwards. The reasons for this reaction are many and varied, but more often than not we are unable to obtain an answer as to why the price reacted at any particular time. More recently, better information has been available to help our understanding and this is welcome.

In the two examples given I can only suggest how I feel that most of our members would react, indeed many of them would not react at all since energy is not their main purchasing commodity. Those members who are large users would certainly find this information of use however. The information coming two days behind the occurrence would give a late explanation to the price increases and would help the buyer make an informed decision if they were about to conclude a longer term contract. If the buyer was actually trading on a day by day basis (and there are very few of our members in this situation) they would require the information at the time of occurrence or certainly within a two hour window of the occurrence and not delayed by two days.

Because those who would be interested in the real time data are dealing with large quantities of gas the cost implications would be quite great – in the region of tens of thousands of pounds.

In the examples given, the first example would be of more interest since the price variation is significantly higher than that in example 2. Indeed, with such a variation in price as in example 1 it is almost critical to have the reasons for the price fluctuation as soon as possible and anything greater than 2 hours delay would have a huge financial penalty.

The need for real time data is perhaps not fully justified, however a delay of about 2 hours in both examples would enable decisions to be made that could not only save the buyer significant sums of money, but also have an impact on the line pack situation which may enable a quicker recovery.

There is no doubt that having the information within two hours of the occurrence would have a significant benefit over the current status of a two day delay.

I trust that you will find the above comments of use.

Ian Dobson
CIPS Energy Committee