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Sonia Brown
Director, Wholesale Markets
Ofgem
9 Millbank
London
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3rd Party Proposal: Publication of Near Real Time Data at UK sub-terminals. UNC 006

Dear Sonia,

We welcome the opportunity to respond to the Impact Assessment on the publication of Near Real Time Data at UK sub-terminals. ExxonMobil International Limited is responding on behalf of its various affiliates with interests as offshore operator and producer, deliver facility operator, pipeline importer and shipper of gas in the UK.

ExxonMobil supports transparency and the provision of information to the market, where the information is provided; on a timely basis, consistent with the balancing period; non-discriminatory, where no individual company commercial position is exposed to the market; and; promotes efficient and effective competitive market.

ExxonMobil remains committed to the agreements reached between UKOOA, National Grid Gas, DTI and Ofgem in March 2004 to the release of the three phases of information. Our view is that the agreement to provide the market with aggregated terminal flows at a National level, and further divided between the North and South, on an hourly basis is sufficient for the various participants in the market to assess the supply position. The information provided under this agreement is consistent with a market that is primarily traded at the NBP, where balancing is required on a daily basis and consistent with other sources of information on demand for supply and demand forecasting.

We remain of the view that sub-terminal information at a frequency less than the balancing period has little benefit and in some case detrimental effects to an efficient, non-discriminatory and competitive market in the UK.

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In responding to the draft Impact Assessment in March 2005 ExxonMobil expressed reservations over the analysis and benefits claimed by Ofgem to the release of the additional sub-terminal information at a frequency of less than hourly. We again question the appropriateness of the analysis to adequately reflect the impact of the **additional** information being suggested under UNC 006 compared to the information already available. It is the effect of dis-aggregation and publication in less than one hour that should be analysed.

When Ofgem develop models or modeling techniques that are being used to evaluate or support conclusions on how the regulatory regime is to be changed we encourage full and early consultation on all the modeling assumptions and model design before publication of the conclusions. This is to ensure adequate industry comment and representation to adequately support the conclusions that Ofgem may reach. In this particular case we find the assumptions used and the conclusions reached to be difficult to substantiate and we cannot therefore support the conclusion and the overall Impact Assessment.

Finally, we do not believe that the benefits obtained from the analysis are reasonable. We are concerned that the latest Impact Assessment has still not robustly demonstrated the incremental benefits. We are aware of the response submitted by UKOOA where they make detailed points on the analysis and highlight some of the conclusions that were provided by an independent consultant – Oxera. We support the position and comments made by UKOOA.

We trust that our views will be taken into consideration. If you require any further clarification please do not hesitate to contact me.



Chris Crane