



*Promoting choice and
value for all customers*

For the attention of all:
Gas Transporters, Gas Shippers, Customers, Market
Participants and Interested Parties

Your Ref:
Our Ref:
Direct Dial: 020 7901 7412
Email: sonia.brown@ofgem.gov.uk

19 February 2007

**National Grid Gas System Operator Quality of Information Incentives:
January 2007 performance update**

On 5 December 2006 we published our initial proposals consultation 'National Grid Electricity Transmission and National Grid Gas System Operator Incentives from 1 April 2007'. Appendix 11 of that consultation provided an overview of NGG's performance with regard to its quality of information incentives in the first month of their operation¹.

In that document, we committed to publish performance data relating to NGG's quality of information incentives on a monthly basis through winter 2006/07 (as and when it becomes available).

We are now pleased to provide you with an overview of NGG's performance with regard to its quality of information incentives during January 2007.

If you have any questions or would like to discuss these issues please contact me on the above number, or alternatively contact Carlos Martinez on 020 7901 7070.

Yours Sincerely,

Sonia Brown
Director, Wholesale Markets

¹ The Initial proposals document and its appendices can be found at
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/17936_208_06.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/wholesalemarketmonitoring
http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/17951_Initial_proposals_appendices_final_revised.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/wholesalemarketmonitoring

National Grid Gas System Operator Quality of Information Incentives - January Overview

Demand Forecast data

The accuracy of NGG's D-1 demand forecasts (published by 14:00) since the quality of information incentive scheme commenced are shown in Table 1. Error figures show the absolute difference between daily forecast and actual demand, aggregated over each month, as a percentage of monthly demand.

The error for January 2007 of 2.25% is significantly below the errors in November and December 2006, as well as the error in January 2006. Table 1 highlights a downward trend in forecasting errors over the term of the scheme, with the cumulative error from October 2006 to January 2007 declining to 2.87%. This is significantly below the 'benchmark' demand forecasting error of 3.6% specified for Winter 2006/07 as a whole.

Table 1: Summary of Monthly Average Absolute D-1 UNC 14:00 Demand Forecast Error

Month	Monthly MAPE (05/06)	Monthly MAPE (06/07)	Cumulative MAPE (06/07)	Monthly Improvement on 05/06 (%)
October	3.35%	3.52%	3.52%	-5.07%
November	2.60%	3.09%	3.29%	-18.65%
December	4.63%	2.83%	3.12%	38.97%
January	2.73%	2.25%	2.87%	17.70%
February	3.92%			
March	4.02%			

Note: MAPE = mean absolute percentage error, defined as total absolute forecast error divided by total D+5 actual demand for the relevant month

Website performance data

Table 2 contains data on NGG's website performance over January 2007. The data relates to the benchmarks for 'availability' and 'timeliness' in publication of the reports incorporated into the website performance incentive².

In terms of website availability, NGG's average downtime across the four monitored data fields for January 2007 was 106 minutes. While still relatively high, this figure represents a large decrease from 518 minutes of downtime in December 2006. Following the outcomes for December 2006 and January 2007, cumulative downtime since October 2006 now stands at 647.5 minutes, meaning the NGG will not earn incentive payments for website availability this winter (the benchmark is 362 minutes).

NGG's performance in January 2007 across the four monitored data fields in terms of timeliness in publication of the reports was 99.56%. This closely matches its performance in earlier months under the incentive scheme, so that in all months since October 2006 NGG has comfortably exceeded the benchmark of 51.5%. In contrast, NGG's performance against the same measures over Winter 2005/06 was routinely in the order of 50%.

² For definitions of the terms in this table, please refer to the glossary of 'Potential new System Operator quality of information incentive schemes for National Grid Gas: 14 July 2006', http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/15751_12206.pdf.

Table 2: NGG Website Timeliness and Availability Report – January 2007 Data

National Grid Incentive Timeliness and Availability Report - Base Data													Period: 01-Jan-07 to 31-Jan-07			
Date	Availability: Downtime (Minutes)				Availability: Uptime (%)				Timeliness: Publication Times Exceeded (All Reports ≠/24 / SISR03 ≠/6)				Timeliness: Publications On Target (%)			
	NTSAFF	NTSAPF	NB92	SISR03	NTSAFF	NTSAPF	NB92	SISR03	NTSAFF	NTSAPF	NB92	SISR03	NTSAFF	NTSAPF	NB92	SISR03
01/01/2007	0	0	0	0	100.00	100.00	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
02/01/2007	0	4	0	9	100.00	99.70	100.00	99.38	0	0	0	0	100.00	100.00	100.00	100.00
03/01/2007	4	9	9	5	99.70	99.35	99.38	99.67	0	0	0	0	100.00	100.00	100.00	100.00
04/01/2007	5	19	9	4	99.67	98.89	99.41	99.70	0	0	0	0	100.00	100.00	100.00	100.00
05/01/2007	9	9	4	9	99.38	99.38	99.89	99.40	0	0	0	0	100.00	100.00	100.00	100.00
06/01/2007	0	0	0	4	100.00	100.00	100.00	99.70	0	0	0	0	100.00	100.00	100.00	100.00
07/01/2007	4	0	4	0	99.70	100.00	99.70	100.00	0	1	0	0	100.00	95.83	100.00	100.00
08/01/2007	5	0	9	4	99.67	100.00	99.41	99.70	0	0	0	0	100.00	100.00	100.00	100.00
09/01/2007	4	9	13	0	99.70	99.41	99.11	100.00	0	0	0	0	100.00	100.00	100.00	100.00
10/01/2007	0	0	0	0	100.00	100.00	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
11/01/2007	4	0	0	0	99.70	100.00	100.00	100.00	1	1	1	1	95.83	95.83	95.83	83.33
12/01/2007	0	0	0	0	100.00	100.00	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
13/01/2007	0	0	0	0	100.00	100.00	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
14/01/2007	0	0	4	0	100.00	100.00	99.70	100.00	0	0	0	0	100.00	100.00	100.00	100.00
15/01/2007	0	10	0	9	100.00	99.32	100.00	99.40	1	1	1	0	95.83	95.83	95.83	100.00
16/01/2007	0	9	0	0	100.00	99.38	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
17/01/2007	0	0	9	5	100.00	100.00	99.37	99.65	0	0	0	0	100.00	100.00	100.00	100.00
18/01/2007	7	18	7	7	99.53	98.74	99.55	99.54	0	0	0	0	100.00	100.00	100.00	100.00
19/01/2007	0	4	4	0	100.00	99.70	99.71	100.00	0	0	0	0	100.00	100.00	100.00	100.00
20/01/2007	0	0	0	0	100.00	100.00	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
21/01/2007	0	0	0	4	100.00	100.00	100.00	99.70	0	0	0	0	100.00	100.00	100.00	100.00
22/01/2007	9	10	4	9	99.37	99.33	99.89	99.37	0	0	0	0	100.00	100.00	100.00	100.00
23/01/2007	4	0	4	4	99.70	100.00	99.70	99.70	0	0	0	0	100.00	100.00	100.00	100.00
24/01/2007	9	4	8	4	99.41	99.70	99.42	99.70	0	0	0	0	100.00	100.00	100.00	100.00
25/01/2007	8	0	9	4	99.41	100.00	99.38	99.72	0	0	0	0	100.00	100.00	100.00	100.00
26/01/2007	5	9	0	4	99.67	99.37	100.00	99.71	0	0	0	0	100.00	100.00	100.00	100.00
27/01/2007	0	0	0	0	100.00	100.00	100.00	100.00	0	0	2	0	100.00	100.00	91.67	100.00
28/01/2007	4	0	4	0	99.70	100.00	99.70	100.00	0	0	0	0	100.00	100.00	100.00	100.00
29/01/2007	5	4	4	0	99.69	99.70	99.70	100.00	0	0	0	0	100.00	100.00	100.00	100.00
30/01/2007	4	4	0	14	99.70	99.70	100.00	99.08	0	0	0	0	100.00	100.00	100.00	100.00
31/01/2007	4	4	0	0	99.70	99.70	100.00	100.00	0	0	0	0	100.00	100.00	100.00	100.00
Total	94	126	105	99					2	3	4	1				
Average					99.79	99.72	99.76	99.78					99.73	99.60	99.46	99.46
	WAPNt	WAPNt	WAPLt	WAPDFt					WTPNt	WTPNt	WTPLt	WTPDFt				