



Consumers and their  
representatives, gas  
transporters, gas shippers, gas  
suppliers and other interested  
parties

---

*Promoting choice and value for  
all gas and electricity customers*

Our ref: 57/11  
Direct Dial: 020 7901 7255  
Email: martin.crouch@ofgem.gov.uk

Date: 06 May 2011

Dear Colleague

**Authority's approval of "relevant points" of a transmission system for the purposes of Article 18 (4) Gas Regulation (EC) No 715/2009 and consultation questions on additional technical capacity information published by National Grid**

On 18 January 2011 Ofgem issued a consultation<sup>1</sup> on what points should be considered as "relevant points" of a transmission system for the purposes of Article 18 (4) of Gas Regulation (EC) No 715/2009. This provision requires the competent authorities to approve, after consultation with network users, the relevant points of a transmission system on which certain information must be made public. Interested parties were also asked, as part of the consultation, whether they agreed that the information published by National Grid under its European transparency project met the requirements of the Gas Regulation. This consultation ended on the 01 March 2011, and the Authority sets out its decision in this letter.

**Background**

Article 6(4) of Gas Regulation (EC) No 1775/2005 required the competent authority to approve, after consultation with network users, the relevant points of a transmission system on which certain information must be made public. Ofgem, after consultation, published, in November 2010, a list of relevant points<sup>2</sup>, which was based on all the points listed in National Grid Gas's transporter licence<sup>3</sup>.

With Gas Regulation (EC) No 1775/2005 having been repealed on 03 March 2011 it is necessary for the competent authority to approve, after consultation with network users, the relevant points for the purposes of Article 18(4) of Gas Regulation (EC) No 715/2009.

---

<sup>1</sup>[http://www.ofgem.gov.uk/Networks/Trans/GasTransPolicy/Documents1/consultation\\_on\\_relevant\\_points\\_Final%20180111.pdf](http://www.ofgem.gov.uk/Networks/Trans/GasTransPolicy/Documents1/consultation_on_relevant_points_Final%20180111.pdf)

<sup>2</sup> The Authority's approval of "relevant points" of a transmission system for the purposes of Article 6(4) Gas Regulation (EC) No 1775/2005:  
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=41&refer=Networks/Trans/GasTransPolicy>

<sup>3</sup> Annex A of Special Condition C8E outlines the exit points. Annex A of Special Condition C8D outlines the entry points.

## **The proposal**

In the January consultation Ofgem proposed that all entry and all exit points, with the exception of exit points connected to a single final customer, be considered as relevant points with information for single final customers published in aggregate format. It was proposed that aggregation of single final customers should be aggregated into two groups: Industrial Connects and Power Stations, with each group being considered as a relevant point.

Consistent with the Uniform Network Code (UNC) requirements, Ofgem proposed in the consultation that GB should continue to report ex-post demand information for directly connected exit points at an individual point level, as well as aggregated into the two categories: "Industrial Connects" and "Power Stations" rather than as a single aggregate value. Ofgem said in the consultation that it believed that this split by category remained appropriate for the publication of ex-ante demand information.

Although the Gas Regulation (EC) No 715/2009 allows information from single producers to be aggregated, Ofgem noted that GB already published a great deal of information at a disaggregated level. We therefore did not believe it was meaningful, in a GB context, to aggregate single producer sites supplying the national transmission system (NTS).

## **Responses**

Four responses were received to the consultation, from the Association of Electricity Producers (AEP), E.ON, National Grid and British Gas Trading Limited (BGTL). The majority of respondents supported the proposal that all entry and exit points, with the exception of exit points connected to a single final customer, should be considered as relevant points with information for single final customers published in aggregate form.

BGTL agreed that the proposal achieved an appropriate balance between providing market information and protecting the commercial position of users. It agreed that including NTS connected system exit points (CSEPs) in the aggregation of exit points was pragmatic though noted that there are likely to be situations when a user's position is exposed where only 2 or 3 customers exit gas at the CSEP.

National Grid supported the proposal but wanted the alignment of relevant points with entry and exit points in its licence as they may, from time to time, be updated. It therefore suggested a minor change to the list, with Caythorpe in Table 1 being changed to Burton Agnes (Caythorpe) as stated in its licence.

AEP also supported the proposal. AEP believes that it is important to establish a process for defining new entry or offtake points - whether they are relevant points or not - as well as defining to which customer group they belong. For example, AEP said Combined Heat and Power points could fit into both generation or industrial offtake. With respect to Ofgem's question whether National Grid's transparency project meets the requirements of the Gas Regulation; AEP highlighted the issue it raised in relation to the consultation on Regulation (EC) No 1775/2005: there is a lack of a technical capacity publication. It also said it was not aware of the publication by National Grid of a detailed description of the methodology and process for calculating technical capacity, as required under Annex 3.1.2(m) of Regulation (EC) No 715/2009.

AEP also raised the following concerns about what is published, though conceding it may not have found the right information (which highlights whether the system is user friendly enough):

- It was not aware of real time flow being published at relevant exit points;

- It was not aware of the publication of procedures agreed by National Grid at interconnection points;
- Capacity information was not published for a period of at least 18 months ahead;
- Calorific values were published by local distribution zone (LDZ) rather than by relevant point;
- It did not believe the requirement to publish day ahead forecasts of the maximum flexibility is part of UNC proposal 337, though it believed the proposed inter day linepack product would appear to be flexibility service according to the Regulation; and
- AEP also questioned whether the requirement to publish system linepack and a forecast of it at the end of the day is met.

E.ON supported the proposal for aggregating exiting points for power stations and industrial connects. It however argued that the entry point, Burton Point, is served by a single producer so should be excluded from the relevant point list. E.ON argued that Ofgem had recognised Burton Point's unique position in agreeing an exemption from UNC modification proposal 006 - "Publication of near real time data at UK sub-terminals" and argued the same principle should be applied here, fearing commercially sensitive information would be signalled to the market if real time actual entry flow were to be published for this entry point.

### **Authority's approval decision**

The Authority has considered and taken into account the responses to the consultation. The Authority has concluded that the points listed in Annex 1 of this letter should be approved as "relevant points" for the purposes of Article 18 (4) of Gas Regulation (EC) No 715/2009.

With respect to information published at each relevant point, Ofgem considers that all the information required to be published under the Gas Regulation is made available by National Grid, except for two items under (a) and (b) below. We are also seeking stakeholders' views on additional information now published by National Grid with respect to one further item in (c) below.

#### **a) Exit capacity information for a period of at least 18 months ahead**

National Grid should ensure that exit capacity information is published for a period of at least 18 months ahead beyond the current 12 months currently shown for the exit capacity reports under the transitional exit regime<sup>4</sup>. National Grid has stated that published information is reflective of the current booking arrangements and that is updated monthly as soon as the information becomes available to National Grid. National Grid has committed, by the end of May 2011, to include indicative values for the additional 6 months ensuring 18 months of information is published going forward and the indicative values are revised once final values are known.

#### **b) Historical data for five years on a rolling basis**

Ofgem has noted that not all historical information per relevant point is published for five years as is now required under the Gas Regulation. However, our understanding is that, given that a number of European transmission system operators (TSOs) do not have five years' data for every data set required under the Gas Regulation, the approach being adopted by European TSOs is to build up to five years' historical data on a rolling basis<sup>5</sup>. We believe this is a pragmatic approach.

<sup>4</sup> <http://www.nationalgrid.com/uk/Gas/Data/TransitionalExitCapacityReports/>

<sup>5</sup> As highlighted in discussions and presentations at the European Network of Transmission System Operators for Gas (ENTSOG) Transparency Workshop held in Brussels on 14th September 2010: ([http://www.entsog.eu/publications/index\\_g\\_transparency.html](http://www.entsog.eu/publications/index_g_transparency.html) ).

With respect to new data items<sup>6</sup> provided since November 2010, National Grid has committed to build this up such that the full 5 years' of historical data will be available from November 2015. With respect to data published prior to the entry into force of chapter 3 of Annex I of Gas Regulation (EC) 715/2009, National Grid has already begun building up this historical data such that five years' of historical data for these items will be available from September 2013.

#### c) Technical capacity data

Ofgem notes that National Grid Gas publishes data on baseline capacities. We also note that on the 3rd March 2011 and 17th March 2011 National Grid published two documents which (i) highlight how National Grid determines technical capacity; and, (ii) informs customers where it might reasonably be expected that there may be underutilised system exit capability under certain assumptions<sup>7</sup>. Given some stakeholders raised concerns about published technical capacity in response to the consultation, we ask stakeholders whether they are satisfied that the additional information now published meets the technical capacity requirement under requirement under Amended paragraph 3.3 (1)(a) of Gas Regulation (EC) No 715/2009 addressing the concerns raised in consultation responses.

Furthermore we also ask stakeholders how often National Grid should be reasonably expected to update the information on where it might be expected that there may be underutilised system exit capacity.

### **Reasons for the Authority's approval decision**

#### Relevant points

Transparency is an essential requirement for the functioning of an effective market. We believe that the publication of the required data for the relevant points as defined in Annex 1 ensures that information required to be published for each relevant point by Article 18(4) of the Gas Regulation is published. Given the size of the GB system, we believe aggregating information for exit points connected to a single final customer protects the commercial confidentiality of single end users while ensuring important exit information continues to be made available to the market.

With respect to entry points, we have considered E.ON's request to exclude Burton Point from the list as it is served by a single producer. Under point 3.2(2) of Annex I of Gas Regulation (EC) 715/2009 information for a single production facility, that is excluded from the definition of relevant points, is still required to be published in aggregate. Ofgem does not believe it would be meaningful to aggregate information for a single point and therefore the Burton Point entry point remains in Table 1 of Annex 1 in this letter. However, in the event that another relevant point should qualify for this form of exclusion, we would give due consideration to instructing NG to aggregate the relevant information from that point forward.

Caythorpe in table 1 of Annex 1 in the original consultation letter has been amended to Burton Agnes (Caythorpe) in table 1 below to ensure consistency with National Grid Gas's transporter licence.

With respect to CHP points, our understanding is that given the nature of CHP it is not always easy to categorise a point into industrial offtakes or power stations. National Grid does however on its website show the site type<sup>8</sup>. Users can therefore see how each site is

---

<sup>6</sup> Enhanced data publication from November 2010 was highlighted in Table 1 of the consultation letter published on 18<sup>th</sup> January 2011:

[http://www.ofgem.gov.uk/Networks/Trans/GasTransPolicy/Documents1/consultation\\_on\\_relevant\\_points\\_Final%20180111.pdf](http://www.ofgem.gov.uk/Networks/Trans/GasTransPolicy/Documents1/consultation_on_relevant_points_Final%20180111.pdf)

<sup>7</sup> <http://www.nationalgrid.com/uk/Gas/Charges/statements/Technical+Capacity/>

<sup>8</sup> Available on the "Actual Offtake Flow" report in "Report Explorer", found in Energy-Daily Reports/After day (<http://marketinformation.natgrid.co.uk/gas/ReportExplorer.aspx>).

categorised. National Grid has been asked to outline on the website how the categorisation of points is determined.

With respect to approving future relevant points, Ofgem intends to consult on what points should be considered as "relevant points" of a transmission system for the purposes of Article 18 (4) of Gas Regulation (EC) No 715/2009 together with any licence consultation for new entry/exit points. With respect to exit points, if the proposal is for the exit point to be added to table 3 below (aggregate exit points) the proposed categorisation will also be stated in the consultation as well as the reason for it. Stakeholders' views on the appropriateness of the categorisation will be considered through such consultation.

#### Information published at relevant points

With respect to some concerns expressed by respondents about the quality of data published or data they could not find:

*Exit physical flow data* - National Grid is publishing daily ex-post physical flows per relevant point at D+1. We believe this meets the requirement set out in the Gas Regulation<sup>9</sup>. The publishing of live within day flows for entry arose from a specific request from the GB market under UNC Modification 006. We believe that the appropriate way to explore whether exit physical flows should be published within day would be through a UNC modification proposal, should industry participants wish to propose this enhanced obligation.

*Capacity information which must be published for a period of at least 18 months ahead* - Ofgem was unable to find available exit capacity beyond one year from certain reports published under the transitional exit capacity regime. National Grid has stated that published information is reflective of the current booking arrangements and that is updated monthly as soon as the information becomes available to National Grid. National Grid must ensure that exit capacity information is published for a period of at least 18 months ahead (beyond the current 12 months currently shown for the exit capacity reports under the transitional exit regime). National Grid has committed, by the end of May 2011, to include indicative values for the additional 6 months ensuring 18 months of information is published going forward and the indicative values are revised once final values are known.

*Calorific values (CV)* - AEP in its response noted that the CVs were published by LDZ. Our understanding is that CVs are also published per entry point in the following reports by National Grid: In "Data Item Explorer"<sup>10</sup> CVs are listed by LDZ in the CV Report but they are listed per entry point in the Supply Report. In "Report Explorer" the CV per offtake is found in the Actual Offtake Flow report<sup>11</sup>. We believe National Grid should consider publishing CVs by entry point in the CV report as well.

*Historical data* - Ofgem has noted that not all historical information per relevant point is published for five years as is now required under the Gas Regulation. Our understanding is that, given that a number of European TSOs do not have five years' data for every data set required under the Gas Regulation, the approach being adopted by European TSOs is to build up to five years' historical data on a rolling basis.

With respect to new data items<sup>12</sup> provided since November 2010, National Grid will build this up such that the full 5 years' of historical data will be available from November 2015. With respect to data published prior to the entry into force of chapter 3 of Annex I of Gas Regulation (EC) 715/2009, National Grid has already begun building up this historical data

---

<sup>9</sup> Under 3.3(1) of Chapter 3 of Annex I to Regulation (EC) No 715/2009.

<sup>10</sup> <http://marketinformation.natgrid.co.uk/gas/DataItemExplorer.aspx>

<sup>11</sup> <http://marketinformation.natgrid.co.uk/gas/ReportExplorer.aspx>

<sup>12</sup> Enhanced data publication from November 2010 was highlighted in Table 1 of the consultation letter published on 18<sup>th</sup> January 2011:

[http://www.ofgem.gov.uk/Networks/Trans/GasTransPolicy/Documents1/consultation\\_on\\_relevant\\_points\\_Final%20180111.pdf](http://www.ofgem.gov.uk/Networks/Trans/GasTransPolicy/Documents1/consultation_on_relevant_points_Final%20180111.pdf)

beyond existing requirements such that there will be a five years of historical data for these items available from September 2013.

*Procedures for interconnection points* – A summary of National Grid's approach to interconnectors is provided in a document in the European section of the supplementary help page on National Grid's website. It includes some of the terms and explanations that might otherwise be difficult to find on its website<sup>13</sup>. National Grid has said that interconnectors are currently treated in the same way as normal connected system points. Any party that wishes to connect to National Grid's system must enter into a bi-lateral agreement called a Network Entry Agreement or a Network Exit Agreement<sup>14</sup>. It should also be noted that National Grid does not at present undertake TSO to TSO processes such as matching nominations and the use of operational balancing actions.

*Linepack* - National Grid publishes both the opening linepack and the predicted closing linepack which is updated throughout the gas day. These can be found in the prevailing view<sup>15</sup>. There is also a linepack report available in Data Item Explorer<sup>16</sup>. National Grid does not currently offer a flexibility service so therefore there is no data published under point 3.4(4) of Annex I of the Gas Regulation.

*Requirement to publish technical capacity data* – As highlighted above, Ofgem notes that National Grid Gas publishes data on baseline capacities. We also note that on the 3rd March 2011 and 17th March 2011 National Grid published two documents which now highlight how National Grid determines technical capacity and informs customers where it might reasonably be expected that there may be underutilised system exit capability under certain assumptions<sup>17</sup>.

## Questions

We ask stakeholders whether they are satisfied that the additional information published by National Grid in March 2011 on technical capacity meets the requirement under Amended paragraph 3.3 (1)(a) of Gas Regulation (EC) No 715/2009.

Furthermore we also ask stakeholders how often National Grid should be reasonably expected to update the information on where it might be expected that there may be underutilised system exit capacity.

## Responses

If you have any comments or questions on this letter, please contact Paul O'Donovan on +44 20 7901 7414 or [gas.transmissionresponse@ofgem.gov.uk](mailto:gas.transmissionresponse@ofgem.gov.uk) in the first instance.

Please respond to the additional questions with respect to technical capacity by 17 June 2011. Please put any confidential material in the appendices to your response.

Unless marked confidential, all responses will be published on Ofgem's website [www.ofgem.gov.uk](http://www.ofgem.gov.uk) and placed in its library. Respondents may request that their response is kept confidential. Ofgem shall respect your request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

---

<sup>13</sup> <http://www.nationalgrid.com/NR/rdonlyres/B05C0A16-C34A-4725-A9CB-DDB0AEB1B753/45702/TableforEuropeanMIPIsection010312.doc>

<sup>14</sup> Further information on this can be found through accessing the connections site <http://www.nationalgrid.com/uk/Gas/Connections/ntsentry/>. Detailed procedures listed in 3.1.2(I) of Annex I of the Gas Regulation are also described in the Uniform Network Code (<http://www.gasgovernance.co.uk/code>).

<sup>15</sup> <http://marketinformation.natgrid.co.uk/gas/frmPrevailingView.aspx>

<sup>16</sup> <http://marketinformation.natgrid.co.uk/gas/DataItemExplorer.aspx>

<sup>17</sup> <http://www.nationalgrid.com/uk/Gas/Charges/statements/Technical+Capacity/>

Respondents who wish to have their responses remain confidential, should clearly mark the document/s to that effect and give the reasons for confidentiality.

Yours Sincerely

Martin Crouch  
Partner, European Strategy

## Annex A: Relevant Points

**Table 1: Relevant entry points**

Albury
Avonmouth
Bacton
Barrow
Barton Stacey
Burton Agnes (Caythorpe)
Burton Point
Cheshire
Dynevor Arms
Easington
Fleetwood
Garton
Glenmavis
Hatfield Moor (onshore)
Hatfield Moor (storage)
Hole House Farm
Hornsea
Isle of Grain
Milford Haven
Moffat
Palmers Wood
Partington
St. Fergus
Tatsfield
Teesside
Theddlethorpe
Winkfield
Wytch Farm



**Table 2: Relevant exit points**

Aberdeen
Alrewas (EM)
Alrewas (WM)
Armadale
Aspley
Asselby
Audley (NW)
Audley (WM)
Austrey
Avonmouth Max Refill
Aylesbeare
Bacton
Bacton (Baird)
Bacton (BBL)
Bacton (IUK)
Baldersby
Balgray
Barrow (Bains)
Barrow (Gateway)
Barton Stacey Max Refill (Humbly Grove)
Bathgate
Bishop Auckland
Blaby
Blackrod
Blyborough
Braishfield A
Braishfield B
Brisley
Broxburn
Burley Bank
Caldecott
Cambridge
Careston
Caythorpe
Cirencester
Coffinswell
Coldstream
Corbridge
Cowpen Bewley
Crawley Down
Dowlais
Drointon
Drum
Dyffryn Clydach
Dynevor Max Refill
Easton Grey
Ecclestone
Elton

Evesham
Farningham
Farningham B
Fiddington
Ganstead
Garton Max Refill (Aldbrough)
Gilwern
Glenmavis
Glenmavis Max Refill
Gosberton
Great Wilbraham
Guyzance
Hardwick
Hatfield Moor Max Refill
Hole House Max Refill
Holford
Holmes Chapel
Horndon
Hornsea Max Refill
Humbleton
Hume
Ilchester
Ipsden
Ipsden 2
Keld
Kenn
Kinknockie
Kirkstead
Langholm
Lauderhill
Leamington
Little Burdon
Littleton Drew
Lockerbie
Lower Quinton
Lupton
Luxborough Lane
Lyneham (Choakford)
Maelor
Malpas
Mappowder
Market Harborough
Matching Green
Melkinthorpe
Mickle Trafford
Milwich
Moffat (Irish Interconnector)
Mosside
Netherhowcleugh

Pannal
Partington
Partington Max Refill
Paull
Peterborough Eye (Tee)
Peters Green
Peters Green South Mimms
Pickering
Pitcairngreen
Pucklechurch
Rawcliffe
Ross (SW)
Ross (WM)
Roudham Heath
Rough Max Refill
Royston
Rugby
Saltwick Pressure Controlled
Saltwick Volumetric Controlled
Samlesbury
Seabank (DN)
Shorne
Shustoke
Silk Willoughby
Soutra
St Fergus
Stranraer
Stratford-upon-Avon
Stublach (Cheshire)
Sutton Bridge
Tatsfield
Thornton Curtis
Thrintoft
Towlaw
Towton
Tur Langton
Walesby
Warburton
West Winch
Weston Point
Wetheral
Whitwell
Winkfield (NT)
Winkfield (SE)
Winkfield (SO)
Yelverton

**Table 3: Relevant exit points (to be published as two aggregate exit points, one for Power Stations and the other for Industrial Offtakes)**

	Power Station	Industrial Offtake
Abernedd Power Station	Y	
Abson (Seabank Power Station phase I)	Y	
Bacton (Great Yarmouth)	Y	
Barking (Horndon)	Y	
Barrow (Black Start)		Y
Billingham ICI (Terra Billingham)		Y
Bishop Auckland (test facility)		Y
Blackness (BP Grangemouth)		Y
Blyborough (Brigg)	Y	
Blyborough (Cottam)	Y	
Brine Field (Teesside) Power Station	Y	
Burton Point (Connahs Quay)	Y	
Caldecott (Corby Power Station)	Y	
Carrington (Partington) Power Station	Y	
Centrax Industrial		Y
Coryton 2 (Thames Haven) Power Station	Y	
Deeside	Y	
Didcot A	Y	
Didcot B	Y	
Drakelow Power Station	Y	
Eastoft (Keadby Blackstart)	Y	
Eastoft (Keadby)	Y	
Enron Billingham	Y	
Epping Green (Enfield Energy, aka Brimsdown)	Y	
Ferny Knoll (AM Paper)		Y
Goole (Guardian Glass)		Y
Gowkhall (Longannet)	Y	
Grain Power Station	Y	
Harwarden (Shotton, aka Shotton Paper)		Y
Hatfield Power Station	Y	
Hollingsgreen (Hays Chemicals)		Y
Langage Power Station	Y	
Marchwood Power Station	Y	

Medway (aka Isle of Grain Power Station, NOT Grain Power)	Y	
Middle Stoke (Damhead Creek, aka Kingsnorth Power Station)	Y	
Pembroke Power Station	Y	
Peterborough (Peterborough Power Station)	Y	
Phillips Petroleum, Teesside		Y
Pickmere (Winnington Power, aka Brunner Mond)	Y	
Roosecote Power Station (Barrow)	Y	
Rosehill (Saltend Power Station)	Y	
Ryehouse	Y	
Saddle Bow (Kings Lynn)	Y	
Saltend BPHP (BP Saltend HP)		Y
Sandy Lane (Blackburn CHP, aka Sappi Paper Mill)		Y
Seabank (Seabank Power Station phase II)	Y	
Sellafield Power Station	Y	
Shellstar (aka Kemira, not Kemira CHP)		Y
Shotwick (Bridgewater Paper)		Y
Spalding 2 (South Holland) Power Station	Y	
St. Fergus (Peterhead)	Y	
St. Fergus (Shell Blackstart)		Y
St. Neots (Little Barford)	Y	
Stallingborough (phase 1)	Y	
Stallingborough (phase 2)	Y	
Stanford Le Hope (Coryton)	Y	
Staythorpe PH1	Y	
Staythorpe PH2	Y	
Sutton Bridge Power Station	Y	
Teesside (BASF, aka BASF Teesside)		Y
Teesside Hydrogen		Y
Terra Nitrogen (aka ICI, Terra Severnside)		Y
Thornton Curtis (Humber Refinery, aka Immingham)		Y
Thornton Curtis (Killingholme)	Y	
Tonna (Baglan Bay)	Y	

Upper Neeston (Milford Haven Refinery)		Y
West Burton Power Station	Y	
Weston Point (Castner Kelner, aka ICI Runcorn)		Y
Weston Point (Rocksavage)	Y	
Wragg Marsh (Spalding)	Y	
Wyre Power Station	Y	
Zeneca (ICI Avecia, aka 'Zenica')		Y