

Colin Hamilton
European Policy Advisor (Gas)

colin.j.hamilton@uk.ngrid.com
Direct tel +44 (0)1962 65 34 23
Mobile +44 (0)7971 76 03 60

www.nationalgrid.com

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Dear Fay,

ERREG consultation on Existing transparency requirements for Natural Gas: E10-GWG-68-03

We welcome the opportunity to respond to ERREG's public consultation on existing transparency requirements for natural gas.

National Grid, through National Grid Gas plc ("NGG"), owns and operates the gas transmission system in Great Britain and four of eight gas distribution systems.

We note that this consultation seems primarily focussed on users but does also concern infrastructure operators including transmission system operators. This consultation has to be considered in the context of the current 3rd Package transparency requirements, which, as your consultation document noted, was most detailed for transmission systems.

The new transparency obligations enter into force on 3rd March 2011, and as such National Grid's has recently enhanced its information provision system and is now publishing these new data items, some months ahead of the implementation deadline.

National Grid Gas has worked with fellow TSOs via ENTSOG in consultation with stakeholders to develop a common approach to the implementation of the new transparency obligations with respect to an agreed minimum data set that should be published. Stakeholders have therefore already been involved with respect to the interpretation of what they expect to see published under the 3rd Package requirements, including the revision of Chapter 3 of Annex 1 of regulation (EC) 715/2009.

Although National Grid has already delivered this requirement it should be noted that in many systems this new data set will not be available to the market until the 3rd March deadline. We consider it prudent that the market be given some time to evaluate this new information before being asked whether it is sufficient to their needs and what in their view is missing.

A discussion would certainly be useful with respect to further transparency requirements for the production (upstream) sector. TSOs may have a number of arrangements in place with respect to information exchange between the transmission operator and upstream infrastructure operators. Some arrangements are currently formalised within the connection contracts whilst some other

arrangements are on a voluntary basis. There could be real benefit in developing a common EU approach to information provision between mid-stream and upstream parties. This requires a wider debate regarding the meaning of transparency as some information could be published in the public domain but other information could be restricted to relevant parties.

National Grid does believe that a European market for gas would be facilitated by the development of a common set of transparency requirements for upstream parties wishing to deliver gas into the EU. It should be highlighted that upstream parties will regard much of their information to be highly commercially sensitive and so due regard should be given not only to what information is exchanged but also who should be able to see this information and to what level of aggregation should this information be provided.

I hope that this response is helpful. If you need any clarification on the points made or have any questions then please contact me on 01926 65 34 23 or colin.j.hamilton@uk.ngrid.com.

Yours sincerely,

Colin Hamilton
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