

Gas Balancing Alert/Storage Curtailment Compensation

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Gas Balancing Alert

The methodology for setting a Gas Balancing Alert (GBA) trigger level is based on a combination of the available Supply & forecast Demand levels and the impact of a potential breach of a Safety Storage Monitor

The GBA is intended to provide a signal that additional supplies/demand reduction may be required to avoid the risk of a Gas Supply Emergency.

When is the GBA Trigger level revised?

Revise trigger if, for a specific storage type,

- ◆ Stock levels – {SFNs (today) – 2 days max withdrawal} < safety monitor level

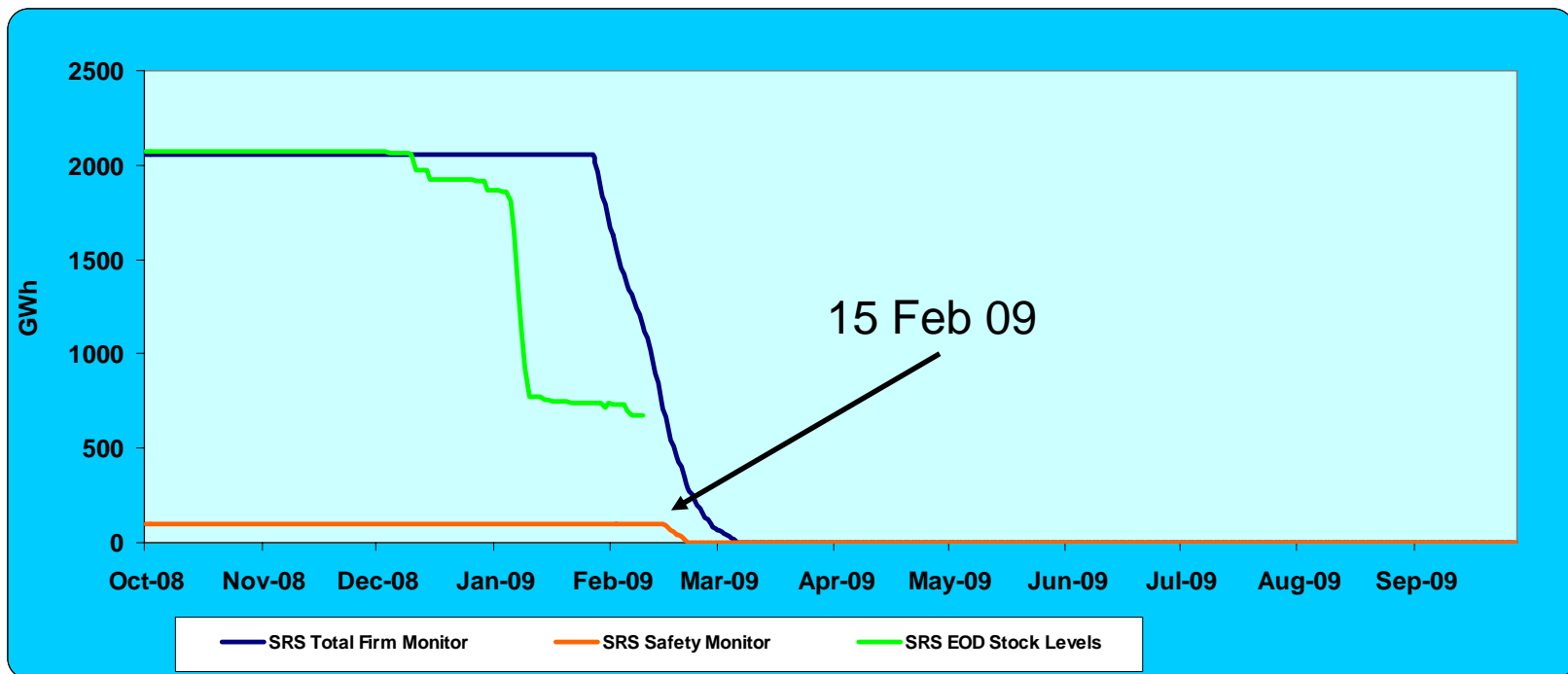
The new trigger level identifies the maximum demand that can be met without needing to use the class of storage that is close to its safety monitor level

Revise trigger if there are significant and sustained changes to supplies

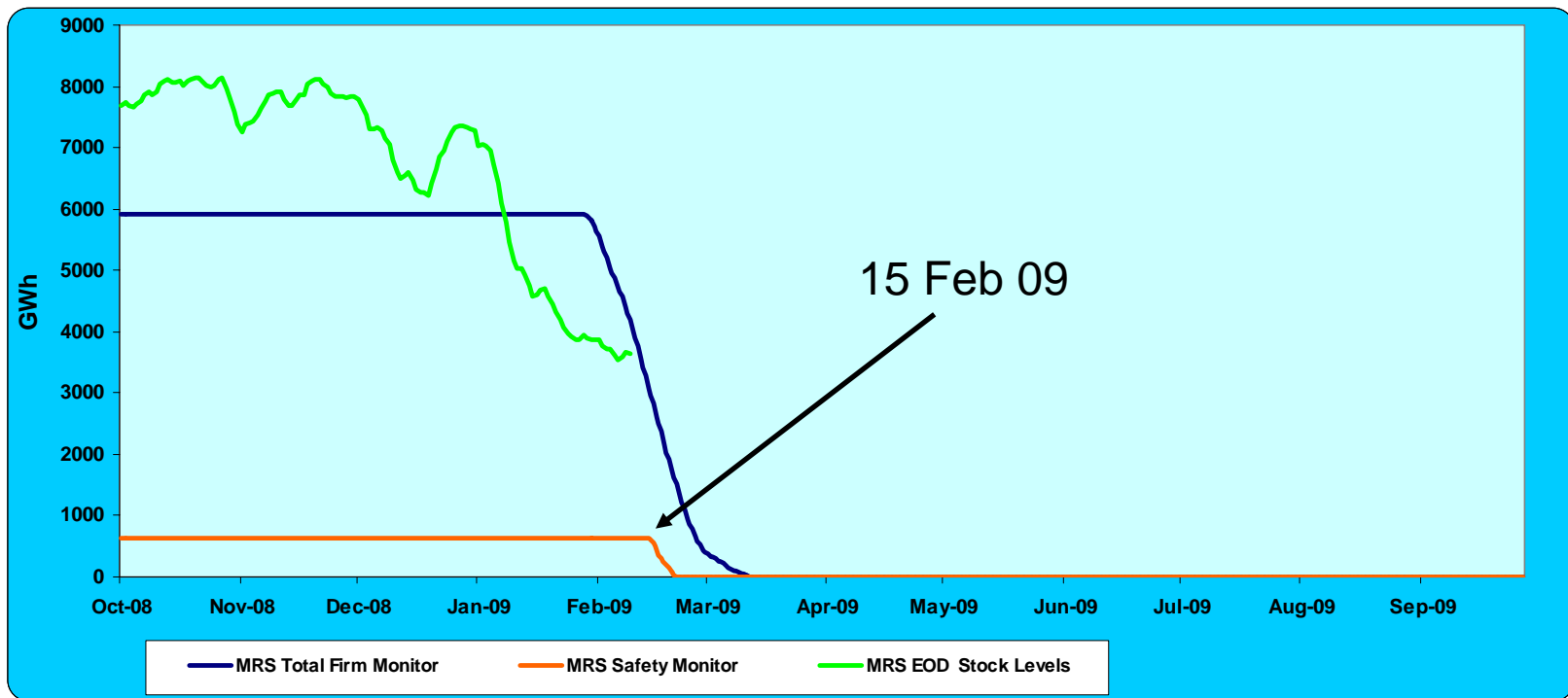
GBA Trigger Level Revisions this winter

01 Jan 09	462.2mcm
05 Jan 09	472.2mcm - increase in available supplies
10 Jan 09	428.7mcm – removal of SRS / increase in supplies
Ops Forum	
19 Jan 09	414.1mcm – removal of IUK imports/increase in supplies
02 Feb 09	434.1mcm – reinstatement of IUK imports

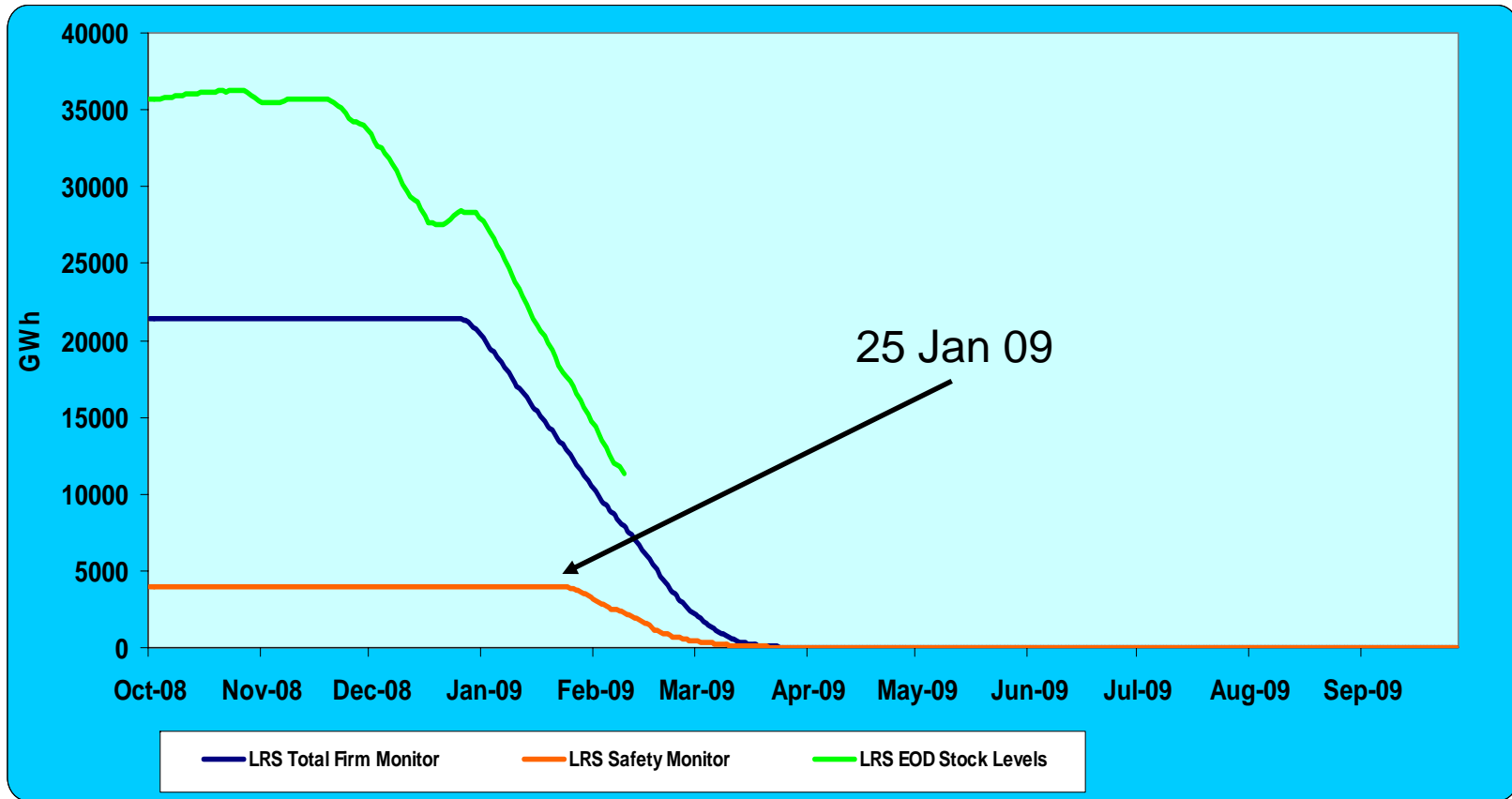
SRS



MRS



LRS



Storage Curtailment due to safety monitors – Compensation arrangements

NEC Declares Stage 1 Potential NGSE and curtails withdrawal from affected Storage Sites.

Compensation is determined for each user using a three stage process:

- ◆ Daily assessment using estimated values
- ◆ Reconciliation by Entry close out using Actual values
- ◆ Calculation of Storage Curtailment Reconciliation Price using 30 Day SAP (Post Emergency)

Compensation arrangements are detailed in Q 7 of the TPD and the relevant forms are published on the National Grid website

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/SCCA/>

Storage Curtailment Compensation - Estimated

By 04:00 of the gas day that flows have been curtailed, User submits a statement estimating the quantity of withdrawal curtailed for individual sites and in aggregate.

The User must ensure that:

They have gas held in the specific storage sites that has not yet been the subject of a compensation claim.

The claim should not exceed the physical capacity of the site.

National Grid determine by 17:00 the estimated compensation based on SMPBuy – 30 Day SAP

30 Day SAP is referenced to the 30 days preceding the day on which Storage Withdrawal Curtailment occurred

Storage Curtailment Compensation - Actuals

No later than the Entry Close Out Date (M+15)

- ◆ The User resubmits their statement for individual site and aggregate curtailment based upon actuals.
- ◆ National Grid reconcile the estimated and actual curtailment values with payments made based upon the Storage Curtailment Compensation Price

Storage Curtailment Compensation – Price reconciliation

There is a further process of reconciliation after the emergency has passed.

- ◆ **The Storage Curtailment Reconciliation Price is determined as
(30 Day Sap (Post Emergency) – 0.0611p) – 30 Day SAP**
- ◆ **Payment is then made to or received from the User based upon the reconciled price.**

Storage Curtailment - Summary

Compensation is available for curtailment of storage flows

It is critical that Users submit by 04:00 of the Gas Day their estimate of the flows that have been curtailed.

Compensation is reconciled against actual flows by Entry Close Out

Further reconciliation occurs with respect to price

Payments are made through neutrality

Storage Curtailment Compensation – Price reconciliation

Statement proforma and the procedure are available from

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/SCCA/>

Statements should be filled out completed and emailed to

sysop.centre.issues@uk.ngrid.com