

# Gas Operations Winter Reporting

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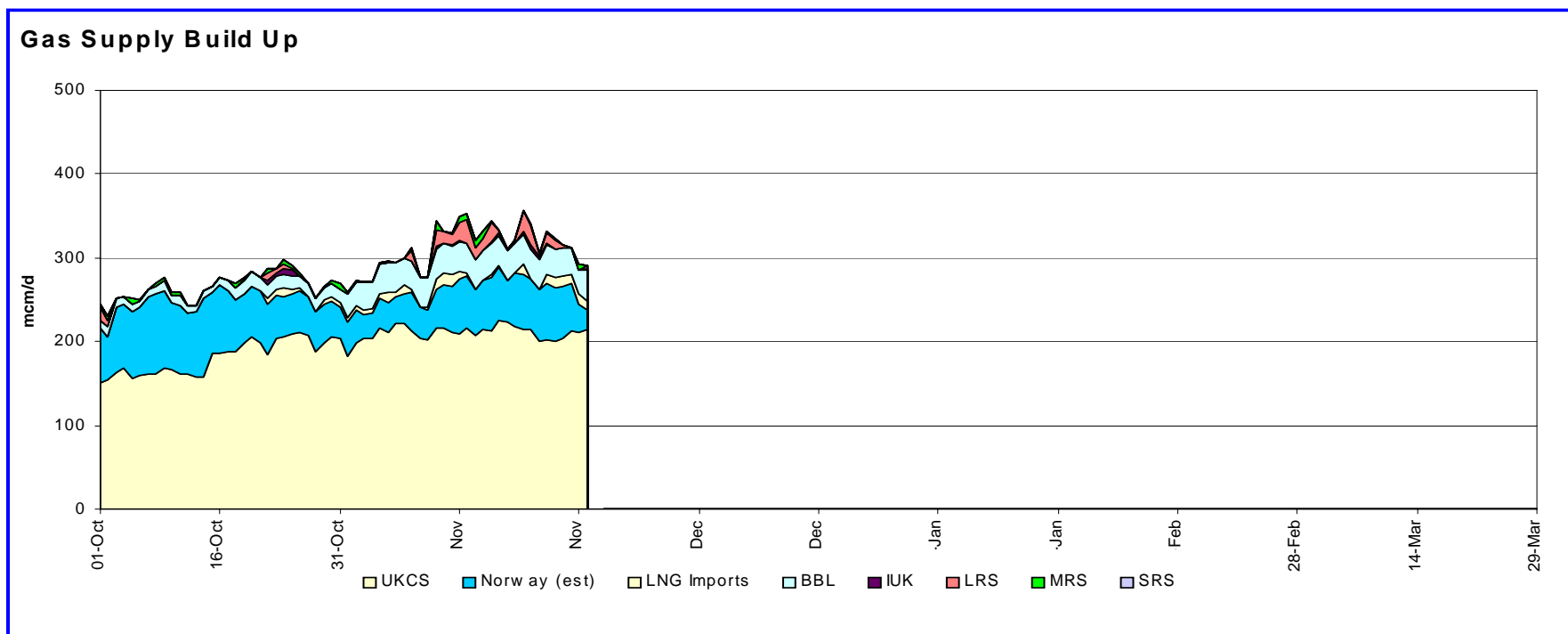
Monthly Operational Update - December

# Monthly Web Update - December

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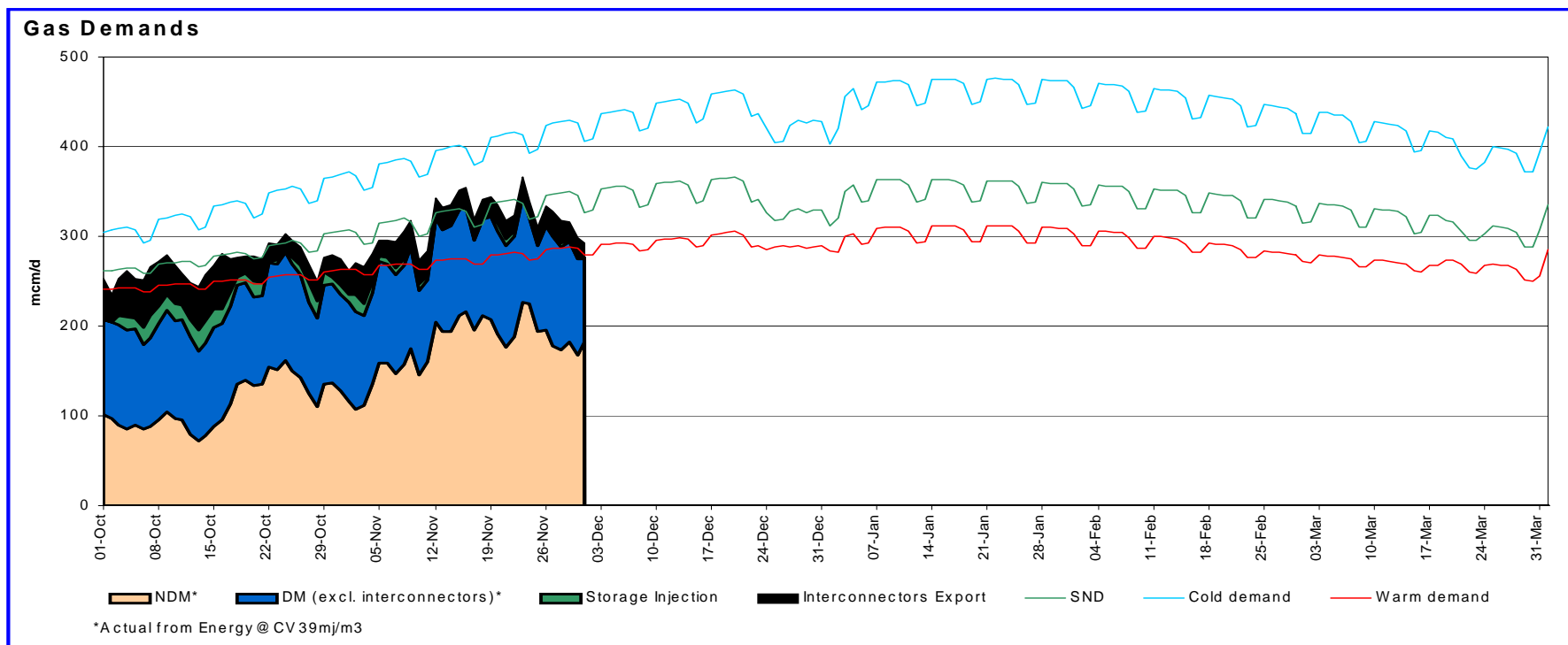
- ◆ The following slides summarise the 'Gas Monthly Web Update' which can now be found under the new website area 'Operational Monthly Updates' on nationalgrid.com:
  - ◆ <http://www.nationalgrid.com/uk/Gas/OperationalInfo/monthlyupdates/>
- ◆ The following charts are available:
  - ◆ Gas Supply Build Up
  - ◆ Gas Demands (breakdown)
  - ◆ UKCS Monitor
  - ◆ Import Assessment
  - ◆ Gas Price vs Interconnector & Storage Activity
  - ◆ Updated supply assumptions table

# Gas Supply Build Up



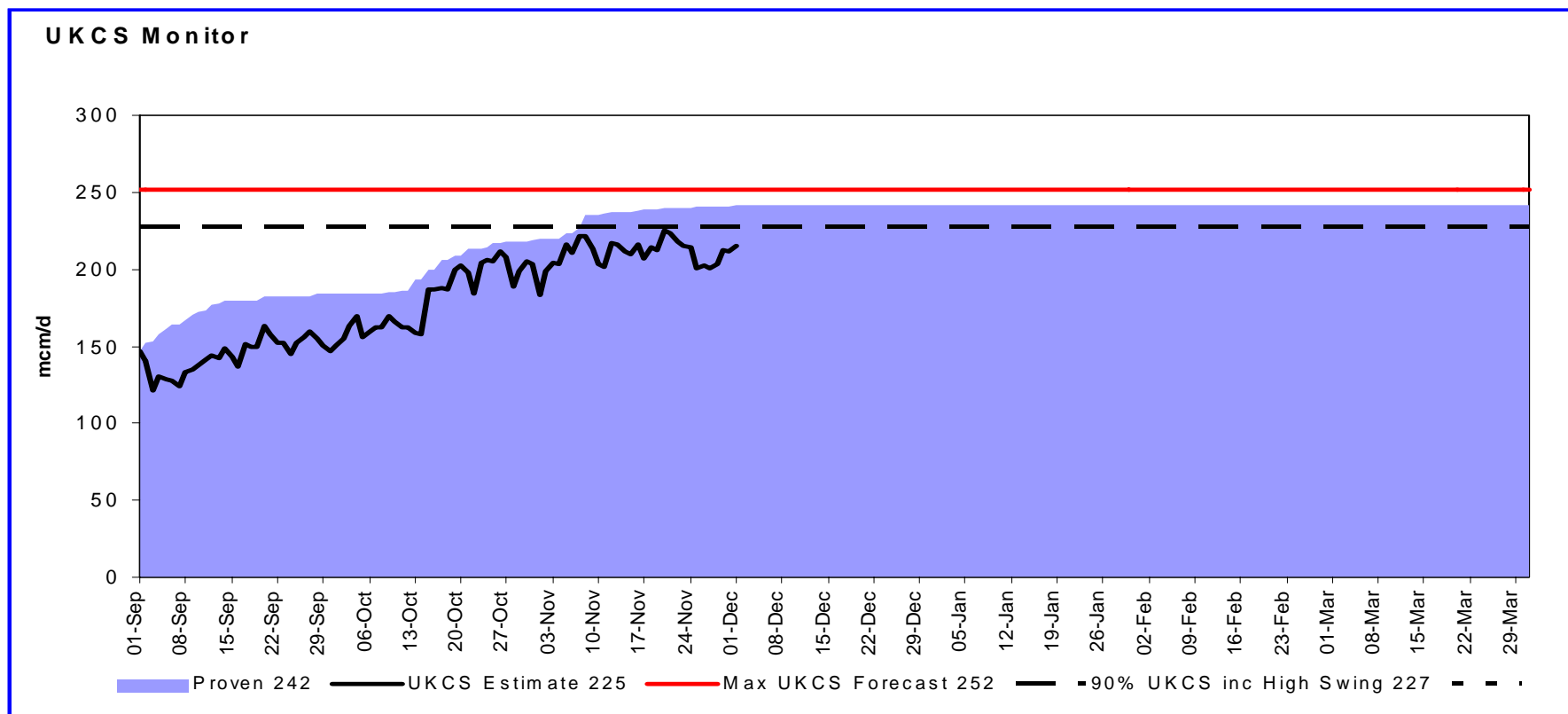
- ◆ Supply building steadily throughout the winter so far:
  - ◆ Recent estimated Norwegian flows have tapered.
  - ◆ BBL flowing steadily around 35mcm/d
  - ◆ IUK has seen very little UK import.
  - ◆ LNG import flows steady, with some storage use.

# Gas Demands



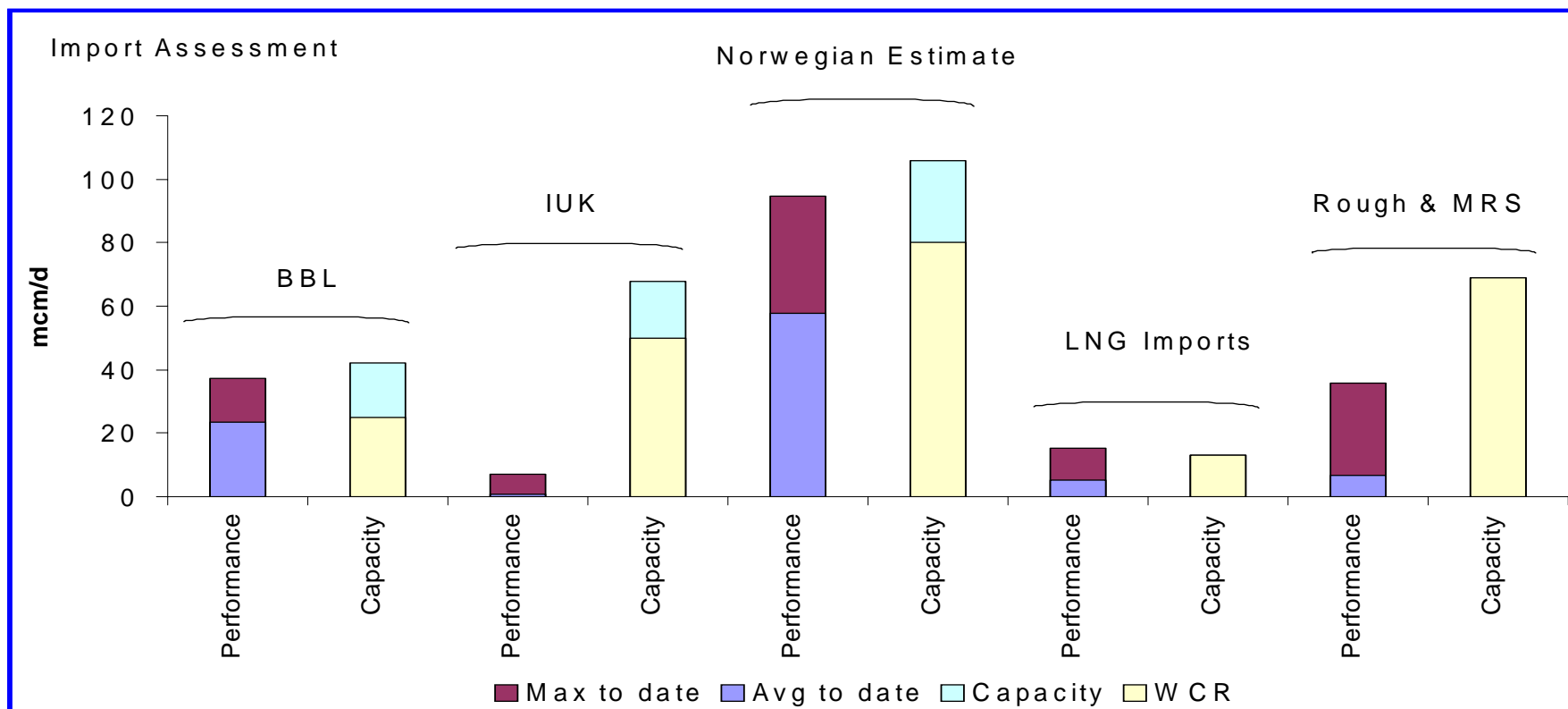
- ◆ Demands have decreased in recent weeks to well below seasonal normal levels, thought to be mainly due to mild UK weather (both October and November were warmer than average but colder than last year) and healthy UK prices:
  - ◆ Interconnector export averaged ~5mcm/d during November, with some net import days being seen from mid to late November.
  - ◆ NDM demand has dropped in the last 2 weeks in line with the milder weather.
  - ◆ DM demand has been steady throughout November.

# UKCS Supply Monitor



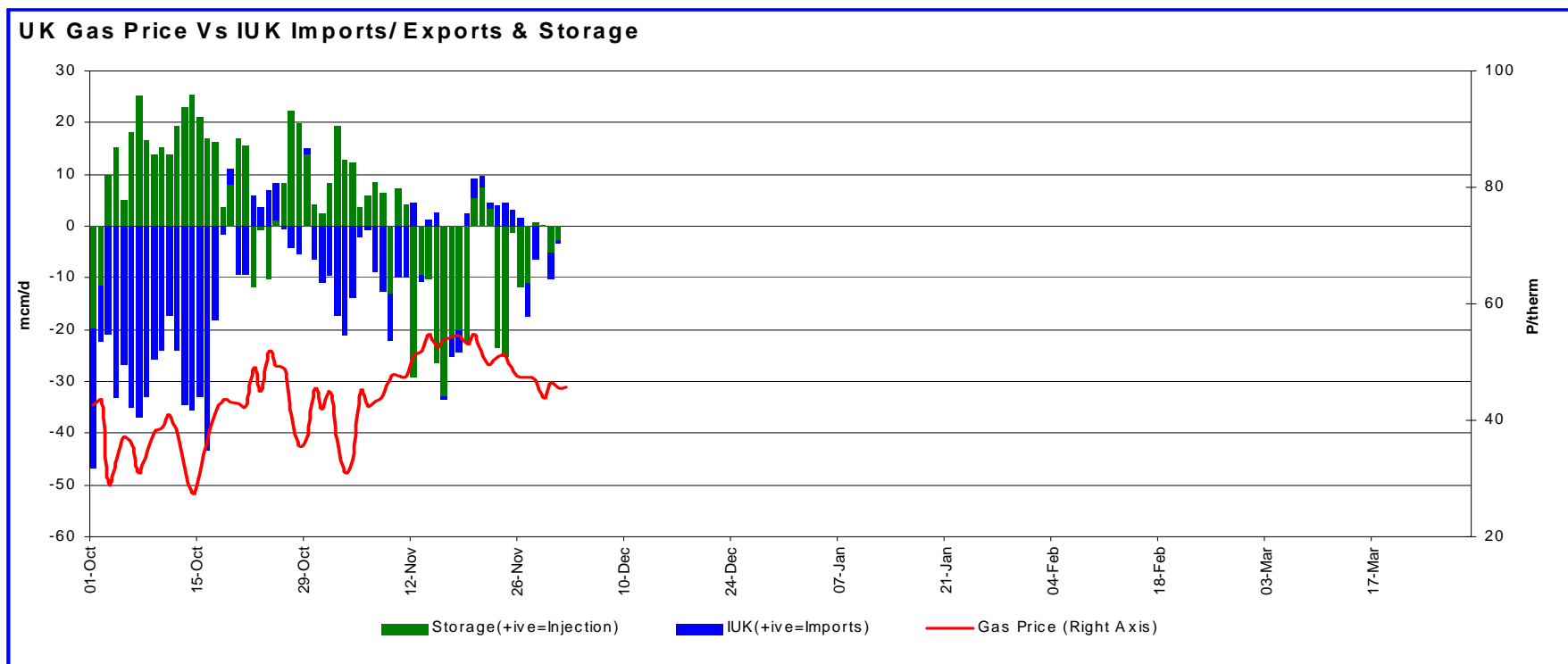
- ◆ UKCS supplies slightly down due to lower demands.
  - ◆ High swing fields now thought to have been utilised.

# Import and Storage Assessment



- ◆ Imports dominated so far by Norway as expected:
  - ◆ IUK has seen nowhere near its Winter Consultation Report (WCR) estimated flows, but demands have not been sufficient to require much IUK flow.
  - ◆ Rough and MRS have seen some withdrawal in the last few weeks with a daily max of ~35mcm, still well below WCR estimated levels.
  - ◆ Estimated Norwegian flows dropping in recent days.

# Gas Price vs IUK & Storage Activity



- ◆ The UK gas price has dropped in recent days from ~55p/th to ~45p/th:
  - ◆ As can be seen above, this period of highest prices saw most of the storage withdrawal (-ive green bars).
  - ◆ Storage withdrawal has slowed sufficiently in recent days, which corresponds with the gas price going down.
  - ◆ IUK saw healthy UK exports (-ive blue bars) while the UK price was low, but as prices rose in

# Supply Assumptions Update

	Winter Consultation (Sept 2007)	Latest View (1/12/07)	Max to date	Comments
UKCS	227	227	225	All terminals flows broadly in line with forecast including high swing supplies at Bacton - no change to supply assumptions
Norway	80	80	95	Forecast has been exceeded but less delivered at higher demands, latest flows suggest deliveries are increasing – no change to supply assumptions
IUK	50	50	7	No demand conditions yet experienced to test assumptions – no change to supply assumptions
BBL	25	25	37	Above forecast but could be lower at higher demands if more gas directed to Continent - no change to supply assumptions
LNG	33	13	15	Latest view now excludes Milford Haven for winter 2007/8
Total Non-Storage	415	395	380	
Supply Risk	20	0		Supply risk now utilised
Safety Monitor	395	395		
Long Range Storage	37	42	29	Latest view for Rough increased to reflect Transfer & Trades (see below) and recent shipper auctions
Medium Range Storage	45	32	10	Latest view now excludes Aldbrough
Short Range Storage	49	49	0	
Total Storage	131	123	38	
<p>Other comments - Transfer &amp; Trade may lead to higher flows at Easington with lower flows at donor ASEPs. These in turn and other ASEPs may also be higher due to introduction of Discretionary Interruptible Arrangements. As these are yet to be observed, there is no change to the supply assumptions for donor ASEPs</p>				