We appreciate your feedback

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Dear Marshall

Response to ACER’s questions regarding the change of the gas day

Thank you for your email of 12 January 2014. This letter responds provides Centrica Storage Limited’s (CSL’s) views on the questions ACER posed in their letter along with data pertaining to CSL’s Easington Terminal.

Please note that the information in this covering letter is not confidential, and it can be provided to ACER, and CSL can publish information provided in this letter. In contrast, the information in the attached spreadsheet is. Given this, CSL is prepared to have the information in the spreadsheet provided to ACER but not for ACER to publish this data.

1. Please describe in detail the scaling option and the option based on the linepack flexibility service.

   Not relevant. Please note that as the CSL terminal will be operate to a 5am gas day, CSL does not envisage that it will use the line pack service.

2. Which remaining concerns does the UK upstream industry have with each of those options?

   CSL does not intend to use the proposed balancing services, therefore it is not affected by scaling or flexibility service options. However, CSL considers that those parties that have not investmented in order to comply with the requirements of the NC CAM in GB should incur the costs associated with the proposed interim measure options. CSL considers that it is inequitable and inappropriate that parties that have invested in order to comply with NC CAM should be required to effectively subsidise no compliant parties.

   CSL is supportive of option 3 as it has made the necessary investment to comply with the NC CAM gas day.

   CSL would not benefit in terms from the gas day remaining 6 to 6 as it has already incurred the implementation costs.

3. What are in your view the risks and costs for the downstream network users, if one of these options mentioned under 1. is implemented?

   CSL doesn’t have a position on this question.
4. By when could the various terminal operators and producers implement the new gas day change?

   CSL, both as a storage operator and terminal operator will have implemented all necessary changes to operate on a 5am start of gas day from 1 October 2015.

5. Concerning impact on trade and the internal market, it is argued that the amendment proposal has little impact on the continental trade due to the special functioning of the interconnectors which have well managed, in the view of the proposers, the gas day differences in the past. Did the proposers check whether traders flowing gas from Belgium or the Netherlands to the UK consider that a non-harmonised gas day better facilitates cross-border trade than a harmonised gas day? Please provide more evidence on this issue, such as e-mail exchanges or statements from those who trade at TTF and NBP.

   CSL does not have any evidence which supports or refutes this assertion.

Your sincerely,

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