

Gas Monthly Winter Update
March 2008

Gas Supply Build Up.....Page 2

Gas DemandsPage 2

UKCS Monitor.....Page 3

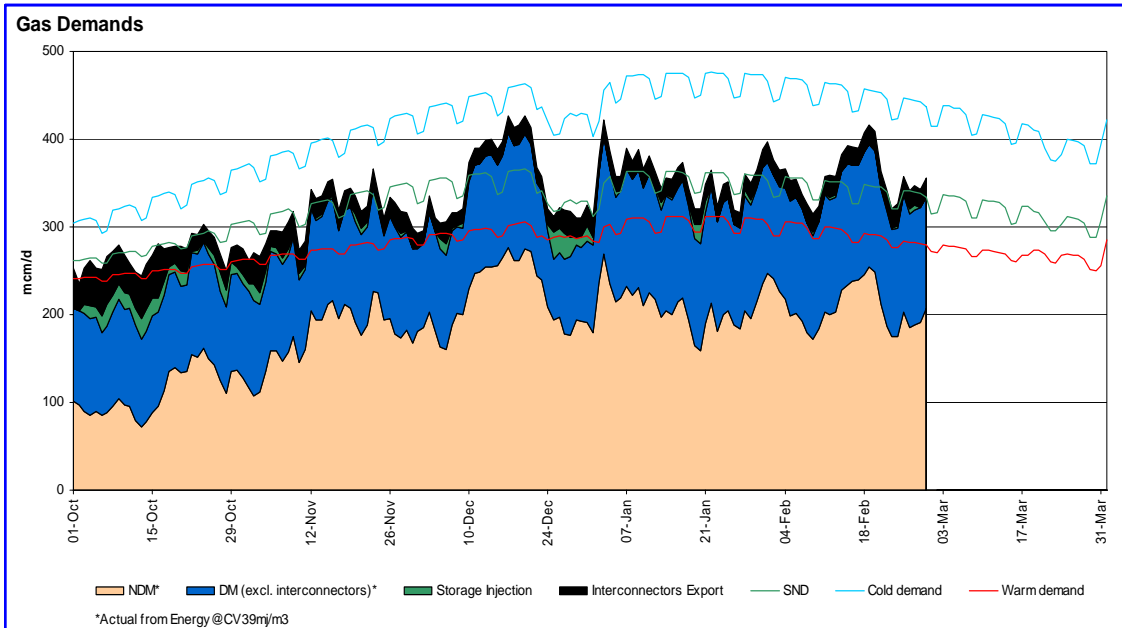
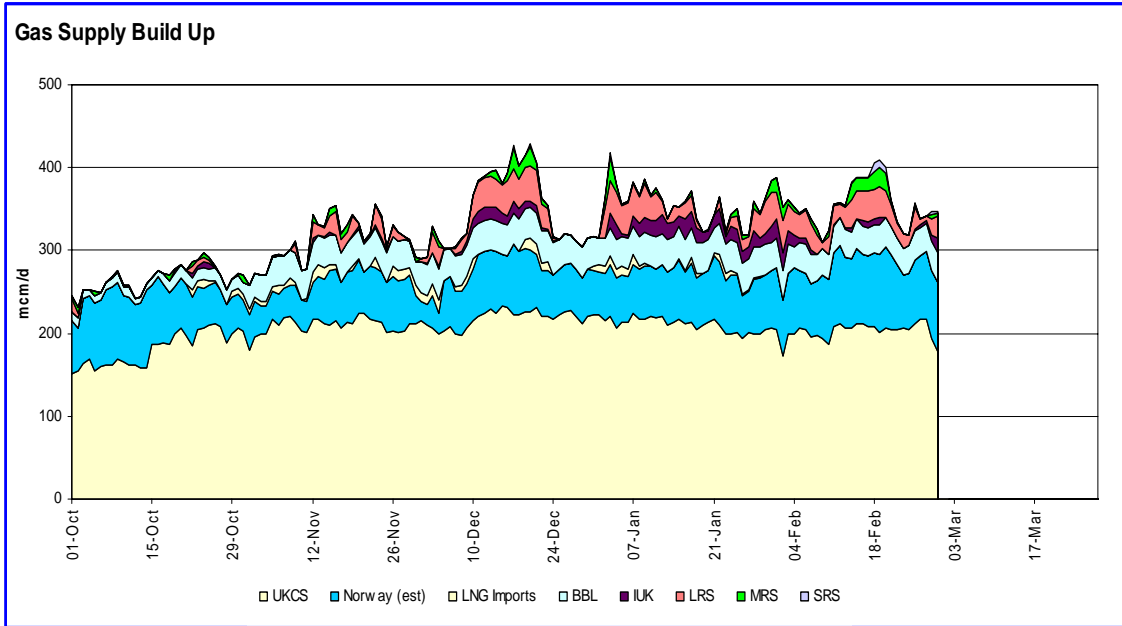
Import & Storage Assessment.....Page 3

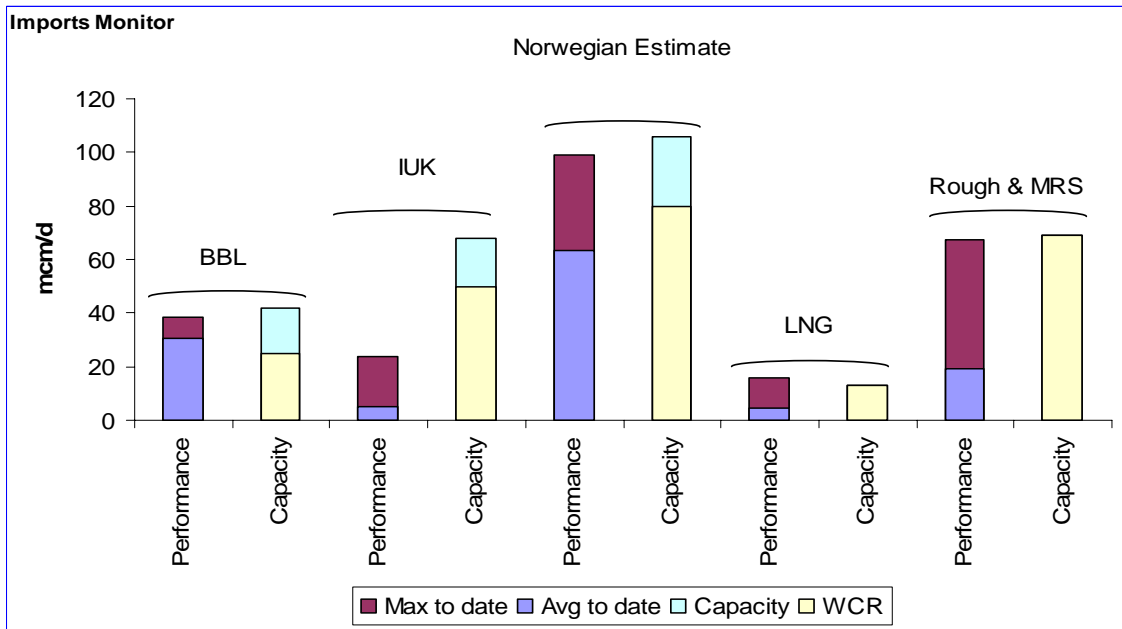
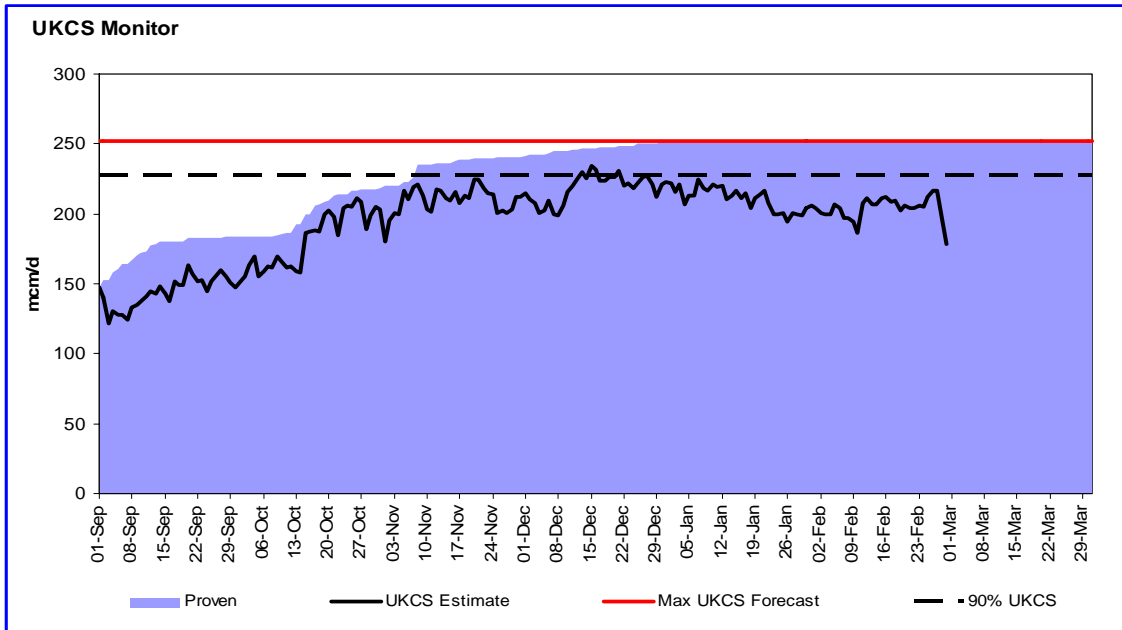
Gas Price vs IUK & Storage.....Page 4

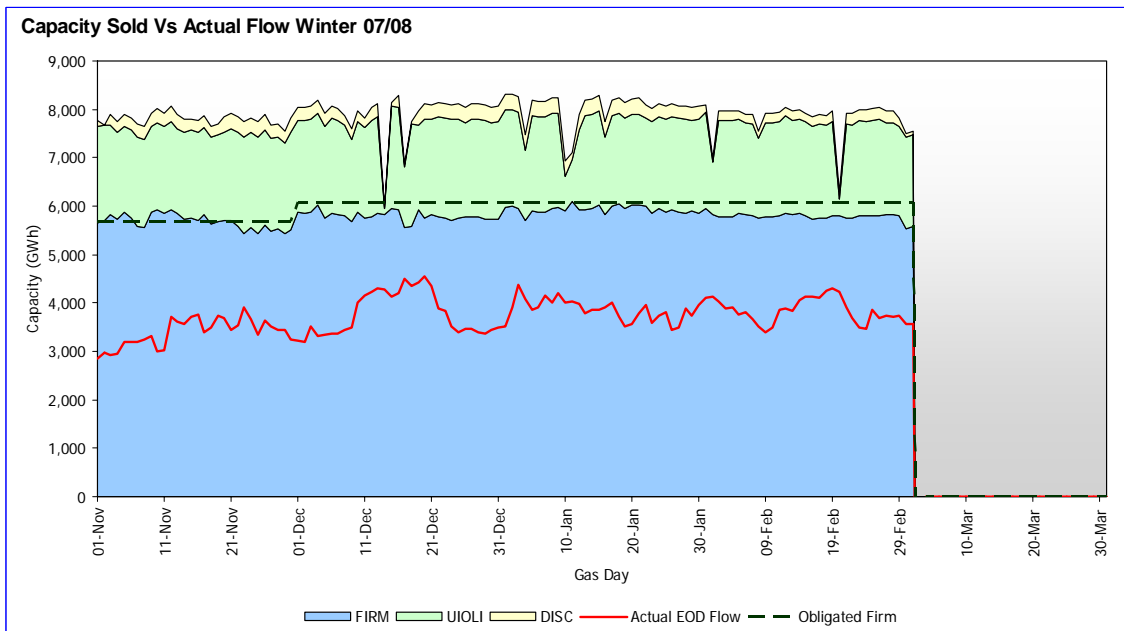
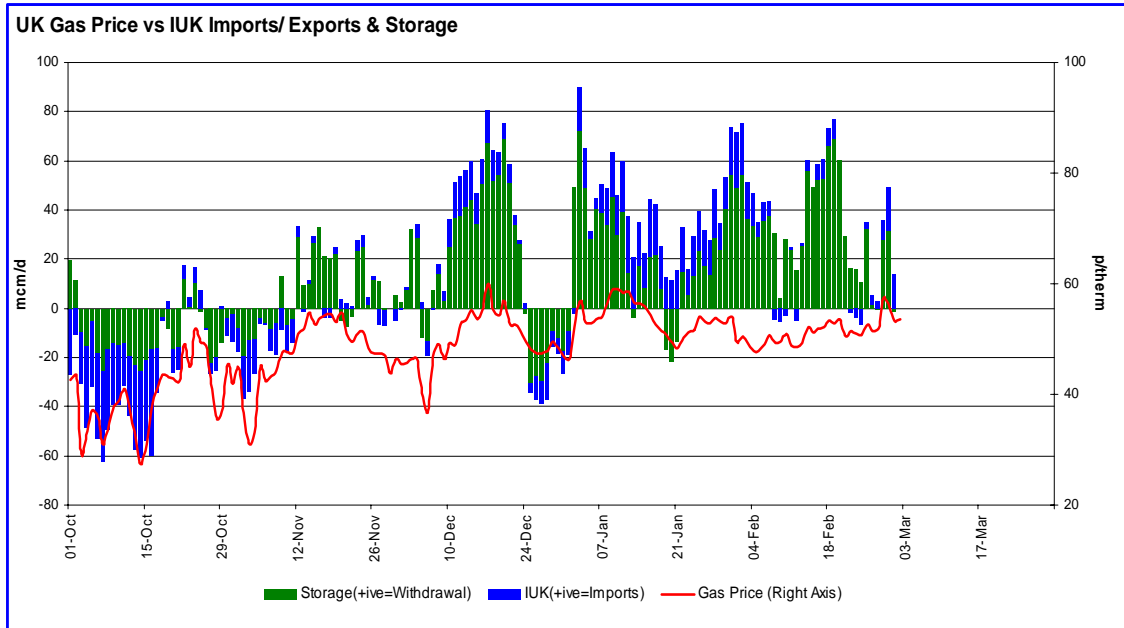
Capacity Sold vs Actual Flows.....Page 4

Supply Assumptions.....Page 5

Glossary.....Page 6







Supply Assumptions

-	Winter Consultation (Sept 2007)	Latest View (31/1/08)	Max to date	Comments
UKCS	227	227	234	All terminals flows broadly in line with forecast including high swing supplies at Bacton - no change to supply assumptions
Norway	80	85	95	Though forecast has been exceeded, at recent higher demands flows were in line with forecast. Tampen link now believed to be flowing.
IUK	50	40	24	Flows marginally below expectation, but not required by market due to healthy supplies and increased BBL
BBL	25	35	38	Flows above forecast, one of the factors for lower IUK
LNG	33	3	16	Latest view excludes Milford Haven. Grain reduced from 13 to 3 to reflect the lack of scheduled boats.
Total Non-Storage	415	390	406	-
Supply Risk	20	0	0	Supply risk now utilised
Safety Monitor	395	390	0	-
Long Range Storage	37	42	44	Latest view for Rough increased to reflect Transfer & Trades (see below) and recent shipper auctions
Medium Range Storage	45	32	27	Latest view now excludes Aldbrough
Short Range Storage	49	49	6	Higher LNG flows still expected if higher demands are experienced
Total Storage	131	123	77	-
Other comments - Transfer & Trade has lead to higher flows at Easington with at times, lower flows at donor ASEPs. Tampen link believed to be flowing.				

Glossary

Gas Supply Build-up

- All historic outturn data - from 1 October to present.
- Gas Supply Build-up shows:
 - UKCS
 - Norway (Vesterled (estimate), Langeled and Tampen Link)
 - Interconnector supply (IUK and BBL)
 - LNG imports (IOG and Milford Haven when operational)
 - storage withdrawal (LRS, MRS and SRS)

All in mcm/day.

Exports to Europe and injections into storage are not shown.

Gas Demand

- Exports to Europe and storage injection are included.
- Daily seasonal normal demands are the demands that are forecast to occur in seasonal normal weather based on the weather between October 1987 and September 2004.
- Cold and warm demand profiles are calculated from the demand models and cold and warm CWVs calculated from weather data from October 1928 to September 2006.
- The cold/warm curves are 1 in 20 weekly values.
- Actual demand shows:
 - storage injection (LRS, MRS, SRS)
 - Interconnector export (IUK)
 - LDZ Non Daily Metered (LDZ NDM) (smaller Distribution Network demands including domestic, commercial and smaller industrial)
 - Daily Metered (DM) (mainly large industrials and power station demand)

All in mcm/day.

UKCS Monitor

- Shows actual UK Continental Shelf (UKCS) performance to-date this winter with a view of expected maximum UKCS performance.
- Proven: Aggregate of maximum daily UKCS terminal flows to date.
- UKCS Estimate: Daily UKCS gas flows (Estimated Norwegian flows have been deducted).
- Max UKCS Forecast: Our 100% UKCS forecast (maximum capability).
- 90% UKCS: Gas levels which may be available under high demand or price conditions.
- "High Swing": Additional gas which may be available, if prices or demands are sufficiently high.

Import Assessment

- Max to date: Maximum flows observed this winter
- Avg to date: Average flows observed this winter
- WCR: Winter Consultation Report view on anticipated supplies.
- Capacity: Maximum theoretical capacity

UK Gas Prices vs IUK & Storage

- Left axis:
 - stacked bar chart showing pipeline import/export flows to and from Interconnector UK (IUK) and storage injection/ withdrawal.
 - Imports shows actual net flows to and from UK's only bi-directional interconnector, the Belgian Interconnector IUK:
 - +ve implies imports to UK, -ve implies exports from UK
 - Actual storage includes LRS, MRS and SRS:
 - +ve implies injection from NTS (NTS demand), -ve implies withdrawal into NTS (NTS supply)
- Right axis:
 - UK gas prices showing actual on the day gas price (System Average Price (SAP)) in p/therm.

Capacity Sold vs Actual Flows

- Chart showing NTS total system entry capacity sold per day (in GWh), alongside the amount of capacity that National Grid is obligated to release under its licence conditions, and finally the amount of gas which was actually flowed onto the NTS.
- Entry capacity is made up of:
 - Firm Capacity: obligated and non obligated capacity that when sold, National Grid must honour, otherwise buy back.
 - Interruptible Capacity: Use it or Lose it (UIOLI) and Discretionary Interruptible (DISC) that can be scaled off if necessary by National Grid (DISC is only available at qualifying ASEPS).
- The Obligated Firm level is the level of capacity that National Grid must make available for sale.
- Actual EOD flows are in GWh and represent the total amount of gas flowed onto National Grid's National Transmission System (NTS). In order to do this shippers must purchase the above firm or interruptible entry capacity.