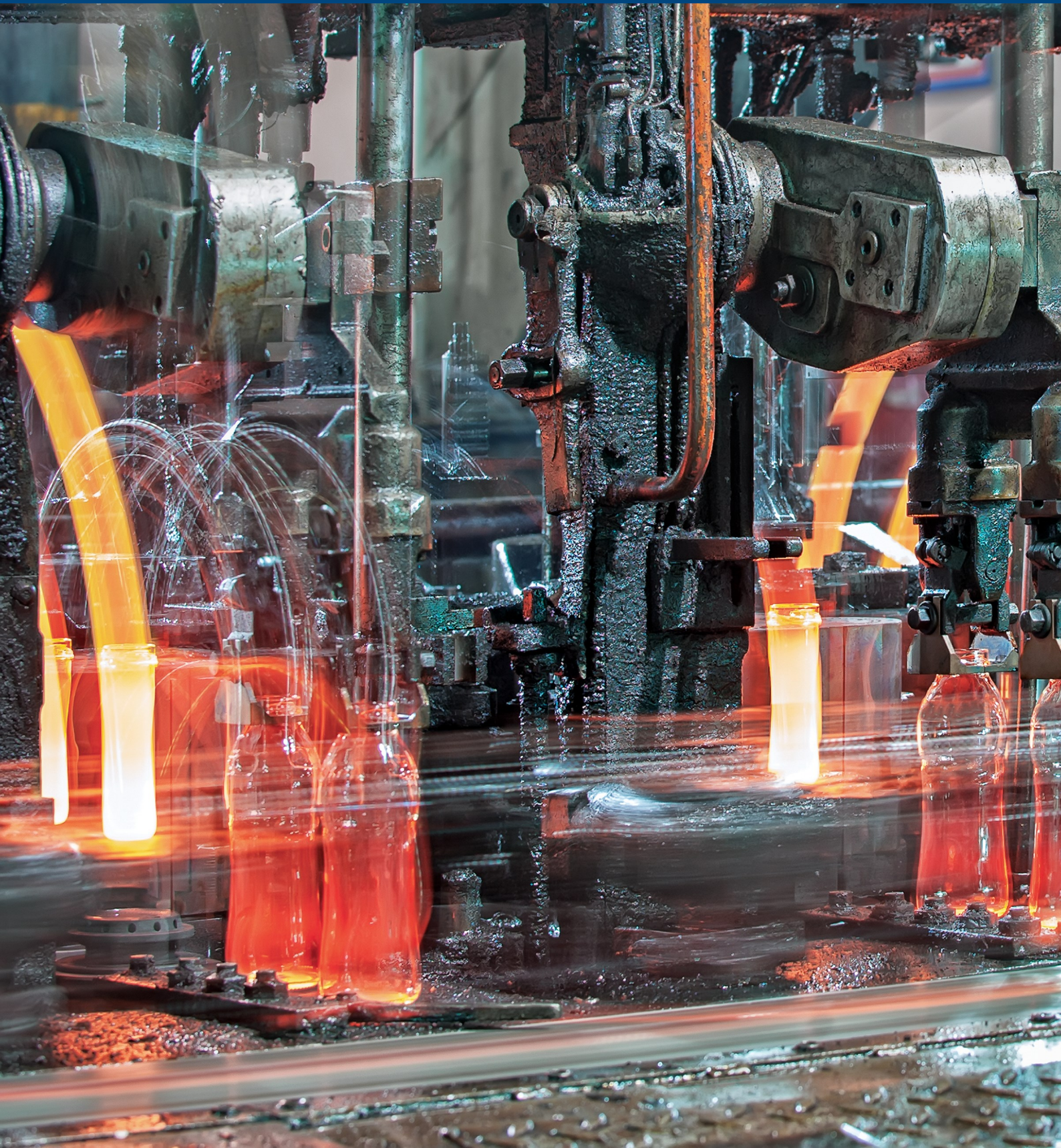


Gas Demand Side Response (DSR) — Annual Report

2016 / 17



Winter Overview

Weather has a significant impact on how we balance the gas and electricity systems, particularly affecting demand. Winter 2016/17 was near to the seasonal average in regards to temperature, and although it was very windy this year, actual demand was very close to our forecasts from the Winter Outlook Report published in October 2016. There was sufficient gas available from a variety of sources to meet demand this winter due to the diverse and flexible sources of gas supply which GB benefits from. With minimal constraints on gas demand, the gas prices were low, and this increased the demand for gas for electricity generation.

Thanks to another well-informed and secure winter the gas market did not approach the circumstances required to issue a Gas Deficit Warning, and therefore the Gas Demand Side Response Service was not needed to stabilise the market.

For further analysis on the supply and demand of gas and electricity for this winter, please see our 2016/17 Winter Review which will be published on 25th May.

The 2016 / 17 Gas DSR Annual Report

As per our UNC obligation TPD Section D 5.2.1, below are the reports for the number of Gas DSR Offers and Trades made on the On-the-day Commodity Market (OCM) over the 2016/17 Winter period.

As already highlighted by the Winter Overview, we have had no Gas Deficit Warnings because the gas market has remained secure and therefore the Gas DSR service has not been required. As such, no Gas DSR Trades or Offers were placed on the OCM.

Gas DSR Offers

Month	Number of Offers	Volume (Therms/Day)	Price Min	Price Max
0	0	0	0	0

Gas DSR Trades

Month	Number of Trades	Volume (Therms/Day)
0	0	0

How you can get involved

Gas DSR was implemented in October 2016 after 2 years of development with the Gas Industry. We have developed information resources to help provide further education on the scheme and how to get involved. We hope you find these useful, but you can contact us if you have any further questions about the framework.



Gas DSR Brochure

Helps to consolidate information on gas DSR in one place and to provide a useful guide for anyone new to the scheme.

<http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=8589937561>

Gas DSR Webinar

Provides an overview of what DSR is and its purpose. It demonstrates how DSR works and can be used by explaining who is eligible to take part and how you can get involved.

http://players.brightcove.net/867903724001/default_default/index.html?videoId=5201410712001



Gas DSR Methodology Consultation

This summer we will invite you to share your views on the current Gas DSR Methodology. Each year we will run a public consultation in accordance with Special Licence Condition 8I of our Gas Transmission Licence.

Look out for further communications to see how you can participate.

If you have any questions or comments about Gas DSR please contact us at

Box.EnergyBalancing@nationalgrid.com

Or for further information, please visit our website at

<http://www2.nationalgrid.com/UK/Industry-information/Gas-transmission-system-operations/Balancing/Gas-DSR/>