System Management Principles Statement

- Compliance report for January 2015
- Summary of balancing actions and breaches for January 2015
- Performance compared to last year

nationalgrid

Summary Report

	Jan-15
Total Number of Buy Actions	11
Total Number of Sell Actions	3
Total	14

	Jan-15
Number of Material Breaches	0
Number of Non-Material Breaches	0

	Jan-15	Jan-14
Number of Balancing Actions (Calendar year to date)	14	22
Number of Material Breaches (Calendar year to date)	0	0
Number of Non-Material Breaches (Calendar year to date)	0	0

Operational Overview

Supply [1st October 2014 to 31st January

NTS Supply 14/15 (mscm/d)

Entry	Min	Max	Ave	Winter Outlook Range [14/15]	Winter Actual Range [13/14]
UKCS	70.0	106.4	88.6	76-109	65-106
NORWAY	54.4	129.0	97.0	60-130	47-127
BBL INTERCONNECTORS	0.9	35.9	20.0	10 - 45	3 - 45
IUK INTERCONNECTORS	0.0	12.8	1.1	0 - 74	0- 27
LNG	5.1	56.0	25.5	8 -130	8 -44
STORAGE WITHDRAWAL	0.0	96.8	23.9	0 - 129	0 - 86

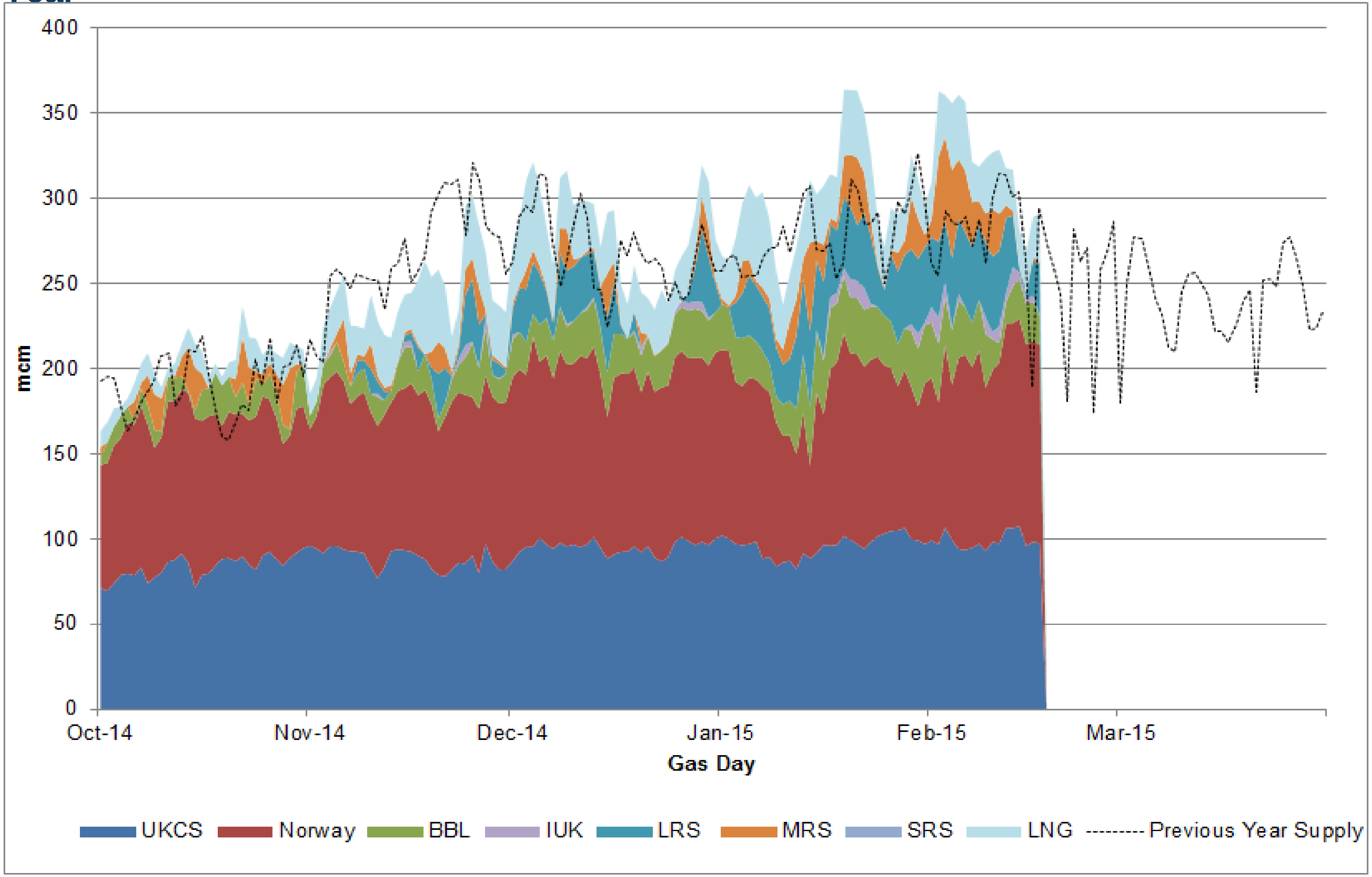
Comments

- UKCS supplies have proved reliable and stable to date in Oct 2014 to Jan 2015.
- There have been some issues that have impacted Norwegian supply to the UK in Oct 2014 to Dec 2014 [1 event on GD 22/12/14 – 3 events Oct to Dec 2013].
- However, regular supply interruptions have been experienced from Norway during January 2015 [7 events over 10 days]. The shortfalls have been covered by MRS & LNG.
- Average LNG flows Oct 2014 to Jan 2015 are 55% higher than last year .
- Oct 2014 – Jan 2015 LNG supply breakdown [South Hook 84%, Dragon 11%, Grain 5%].

Entry	Min	Max	Ave	Winter Outlook Range [14/15]
Actual Supply	163.3	364.1	256.2	154 - 617
Actual Supply Exc. Storage	157.1	298.2	232.3	NSS 344.0 [Average Cold] 488 [Max NSS]

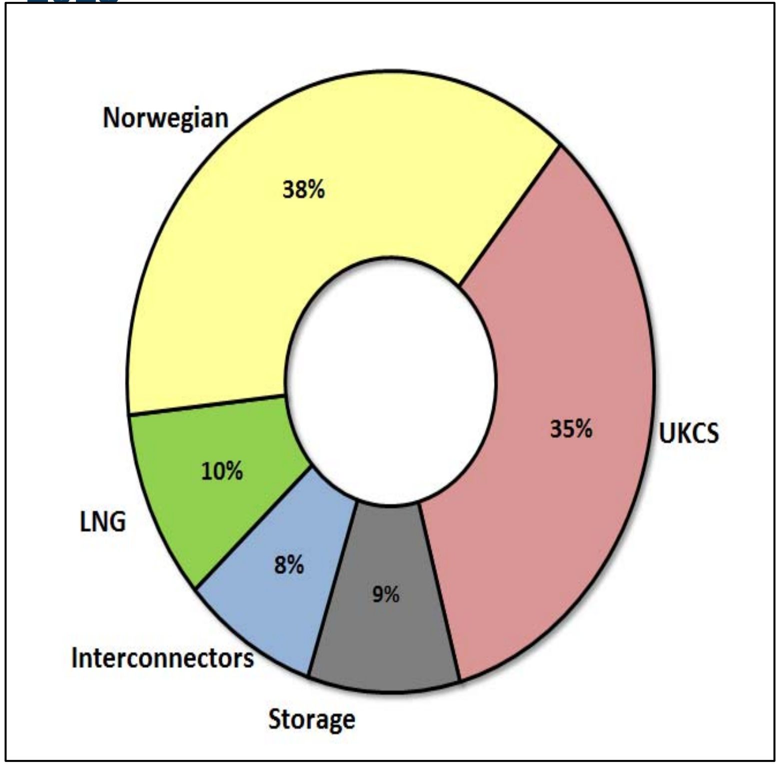
Gas Supply Breakdown

1st October 2014 to 17th February 2015 vs Previous Year

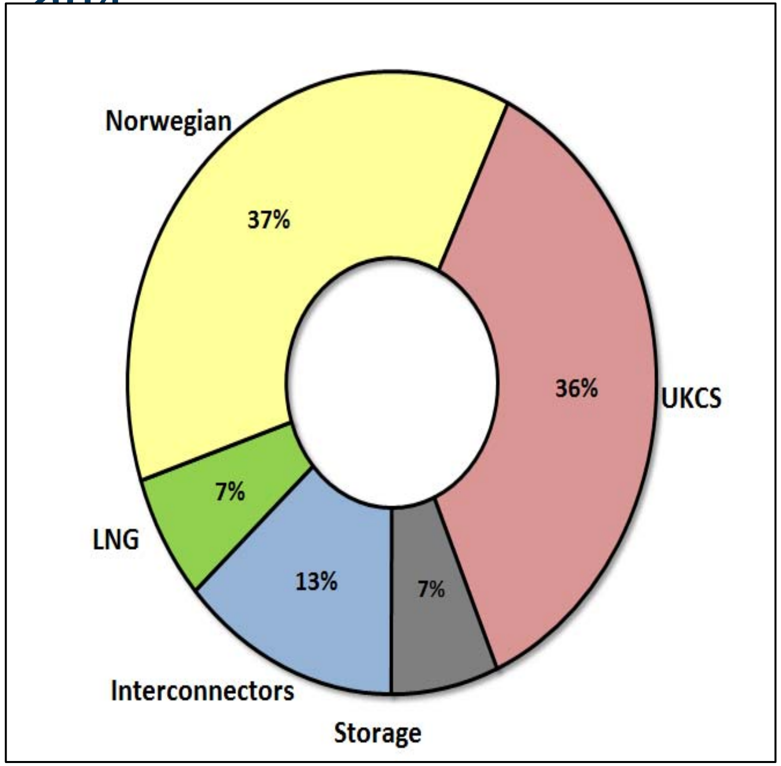


Gas Supply Breakdown

1st Oct 2014 to 31st Jan 2015



1st Oct 2013 to 31st Jan 2014



Demand [1st October 2014 to 31st January

NTS Demand 14/15 (mscm/d)

Exit	Min	Max	Ave	Winter Outlook Low / High [14/15 Oct to Mar]	Winter Actual Low / High[13/14 Oct to Mar]
LDZ	67.9	268.6	174.2	32 - 309	53 - 219
INTERCONNECTORS Ireland	10.6	21.3	15.9	10 – 21	11 - 21
INDUSTRIAL	6.6	12.1	9.5	20 – 36 (DM + Ind)	21 – 33 (DM + Ind.)
POWERSTATION	17.5	64.3	40.5	13 – 75	20 - 68
STORAGE INJECTION	0.0	45.7	8.1	0 - 65	0 - 65
INTERCONNECTORS IUK	0.0	30.2	6.3	0 - 30	1 - 20

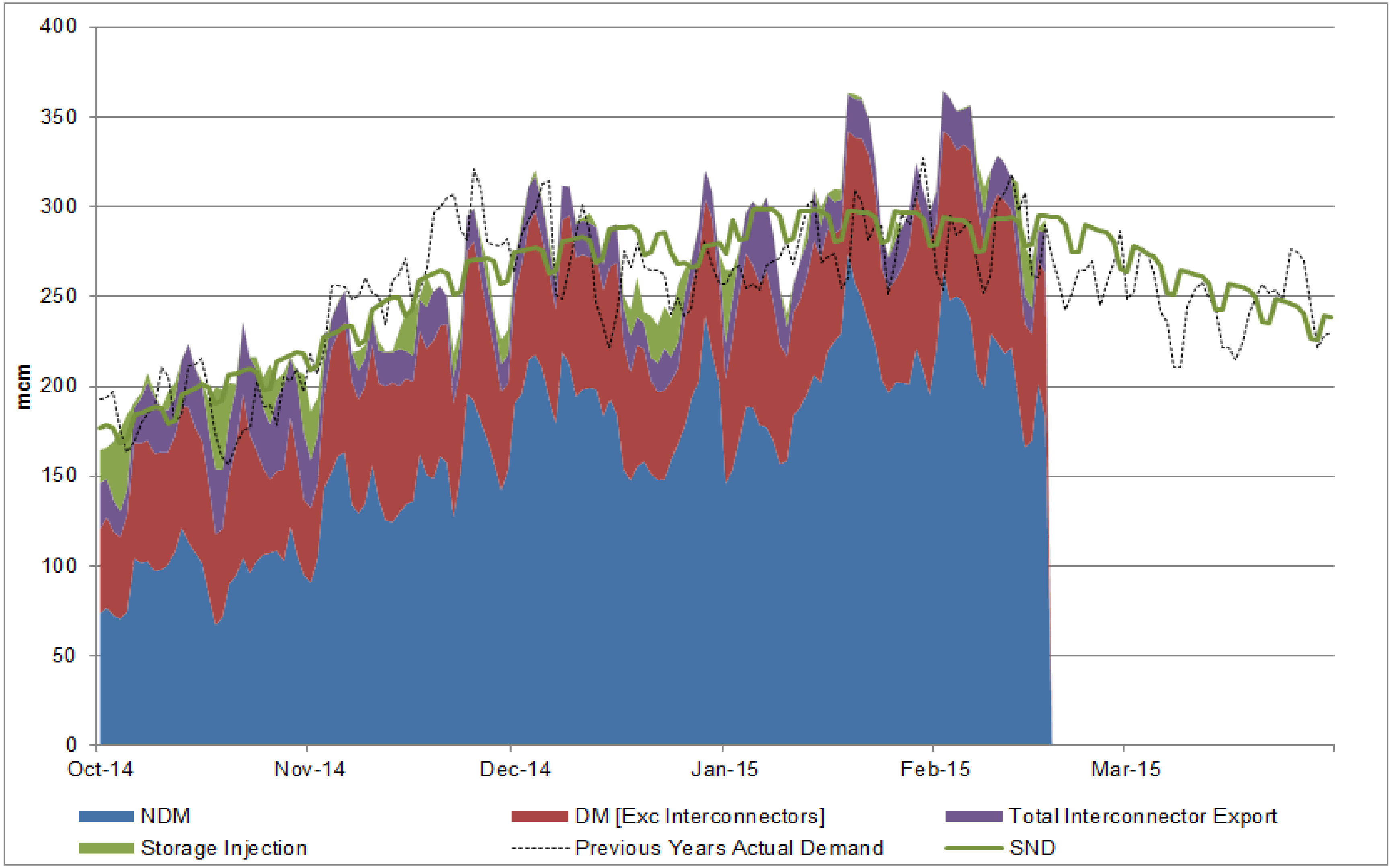
Comments

- IUK imports to the UK during Oct 2014 - Jan 2015 averaged 1.1 mcm and export to the Continent averaged 6.6mcm. Max Import during this period was 12.8 mcm [26.5mcm Oct 20143 - Jan 2014] and Max Export was 30.2mcm [20.3mcm Oct 2013 - Jan 2014].
- Max Power Station Demand so far for Winter 14/15 is 64.3 mcm on 21st Dec [Same period 13/14 Max was 59.9 mcm on 25th Nov 2013]; Jan averaged 36.2 mcm.
- Storage injection has continued to average close to the lower forecast levels so far during Winter 14/15 .
- Actual Demand compared to SND in Oct 2014 - Jan 2015 [Max below SND -45.8 mcm on 22nd Dec and Max above SND +70.2 mcm on 19th Jan]. Demand vs SND [+ indicates demand exceeds SND] averaged Oct 14: +5.0 mcm, Nov 14: -7.8 mcm, Dec 14: +0.9 mcm, Jan 15: +7.7 mcm.

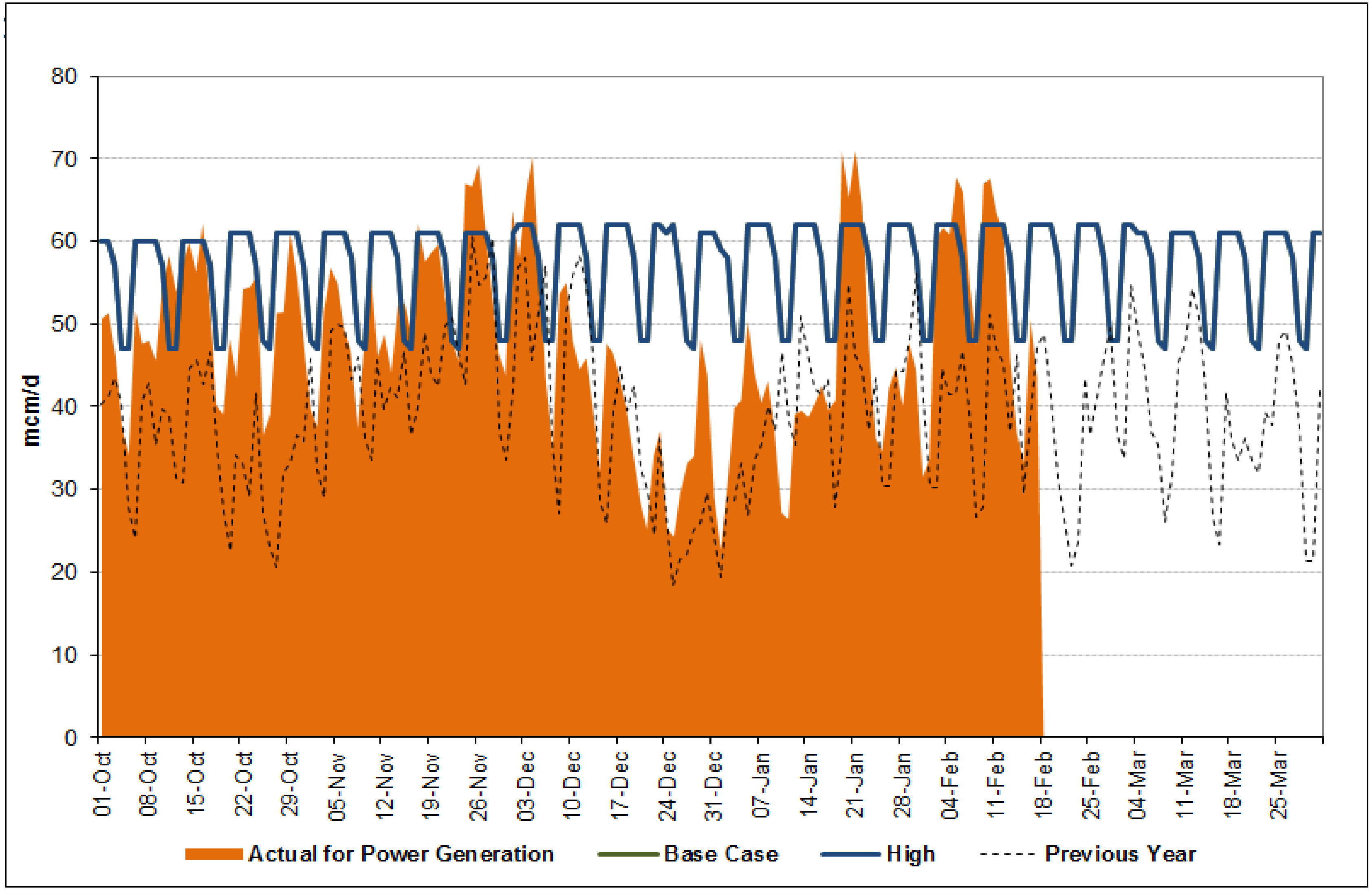
Exit	Min	Max	Ave	Winter Outlook Range [14/15]
Net Demand	164.7	363.4	254.5	215 - 425
SND exc. IUK & SI	141	294	243	

Gas Demand Breakdown

1st October 2014 to 17th February 2015 Vs Previous Year

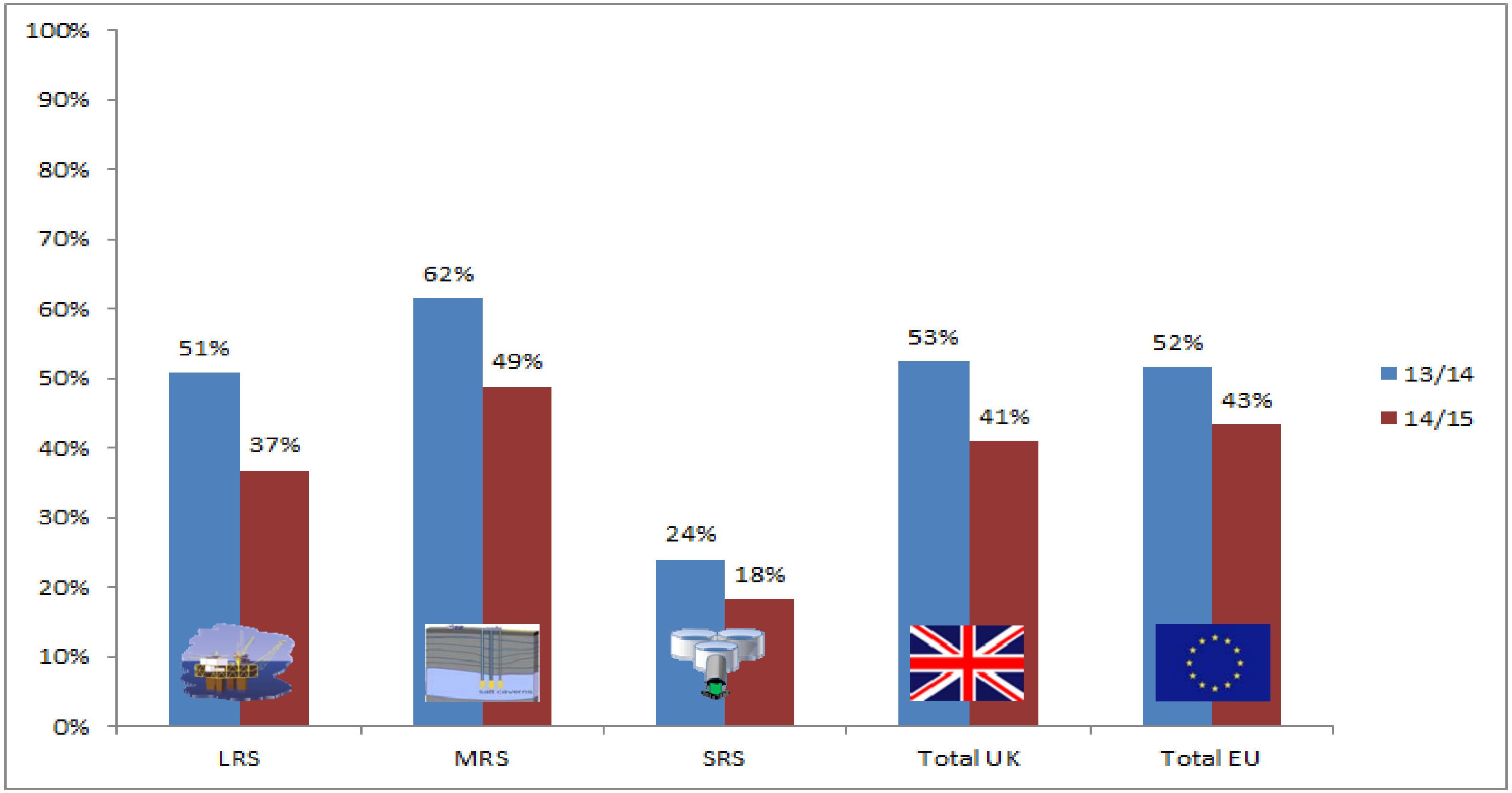


Gas Consumption for Power Generation



Storage Stocks [UK & EU]: Position as at 17th February 2015

Storage Stocks 14/15 vs 13/14 [UK & EU]



- Given the relatively mild winter to date, Storage Stock Levels remain healthy in both UK and EU.
- MRS has been used to balance the shortfall on the NTS.

Energy Balancing [1st October to 31st January 2015]

Energy Balancing 14/15

NGG Balancing Actions	Oct 14 to Jan 15	Oct 13 to Jan 14	Comments
Buy Actions	71 (78%)	50 (44%)	• 69% less NGG Sell actions than for the same period of the previous year. 42% more NGG Buy actions than for the same period of the previous year. • No Material / Non-Material Breaches.
Sell Actions	20 (22%)	64 (56%)	
Buy Actions [Volume: Gwh]	1285	897	
Sell Actions [Volume: Gwh]	-384	-1059	
Number of Balancing Actions	91	114	
Number of Material Breaches	0	0	
Number of Non - Material Breaches	0	0	
NGG set Default Marginal Prices [SMPB: Average %]	14%	16%	
NGG set Default Marginal Prices [SMPS: Average %]	9%	23%	

APX Market Prices (p/th) [Min / Max]

	SAP	SMPB	SMPS
Oct 14 to Jan 15	40.5 - 59.5	41.5 – 60.4	35.0 – 58.5
Oct 13 to Jan 14	54.4 - 72.0	55.2 – 73.0	47.2 – 71.0

Net Balancing Costs

	Imbalance	Scheduling	OCM	Net
Dec 14	£2,631,779 (CR)	£268,592 (CR)	£4,377,815 (DB)	£1,477,444 (DB)

Capacity Neutrality [1st April to 31st January 2015]

Capacity Neutrality 14/15			
Revenue / Costs	**April 14 to Jan 15**	**Apr 13 to Jan 14**	**Comments**
WDDSEC/DAI Entry Capacity Revenue	-£339,436	-£487,740	* Entry Capacity Overrun Revenue Apr 14 to Dec 14. Jan 15 data not yet available
Total Entry Constraint Management Operational Costs	£0	£0	
Entry Capacity Overrun Revenue	-£241,251 *	-£112,683	
Non-Obligated Sales Revenue (Entry only)	-£284,587	-£422,197	
Revenue from Locational Sells and PRI Charges	£0	£0	
Net Revenue	-£865,274	-£1,022,620	

Customer Outputs

Customer Outputs (January 2015)

Customer Output	Performance	Success
Capacity Constraints	None	No Scalebacks or Buy Backs
Pressure Obligations	6 Agreed / Assured pressures not met. [1 at Non-Significant Offtakes / 5 at Significant Offtakes]	99.8% achieved
Maintenance	4 Non Routine Operations Completed	4 jobs due to complete in January are subject to extensions / replan.
Flow Notifications	50,911 OPNs received 28,032 outside contractual parameters	5 rejections
Gas Quality Events	91 actions taken	No Gas Quality Breaches
Operating Margins	None utilised	
Gas Deficit Warnings	None	
Margins Notices	None	
Balancing Actions	14 Actions [11 Buy / 3 Sell]	