

Operational Forum Meeting



Wednesday 11th April 2012, 10:30AM, Radisson Grafton Hotel, 130
Tottenham Court Road, London.

System Management Principles Statement



System Management Principles Statement

- Compliance report for February and March 2012
- Summary of balancing actions and breaches for February and March 2012
- Performance compared to last year

Summary Report

| | Feb 2012 | Mar 2012 |
|---------------------------------|----------|----------|
| Total Number of Buy Actions | 8 | 13 |
| Total Number of Sell Actions | 26 | 15 |
| Total | 34 | 28 |
| Number of Material Breaches | 0 | 0 |
| Number of Non-Material Breaches | 0 | 0 |

2011 / 2012 Comparison

| | Mar 2011 | Mar 2012 |
|--|---------------------|---------------------|
| Number of Balancing Actions (Calendar year to date) | 85 | 87 |
| Number of Material Breaches (Calendar year to date) | 0 | 0 |
| Number of Non Material Breaches (Calendar year to date) | 0 | 0 |

Operational Overview



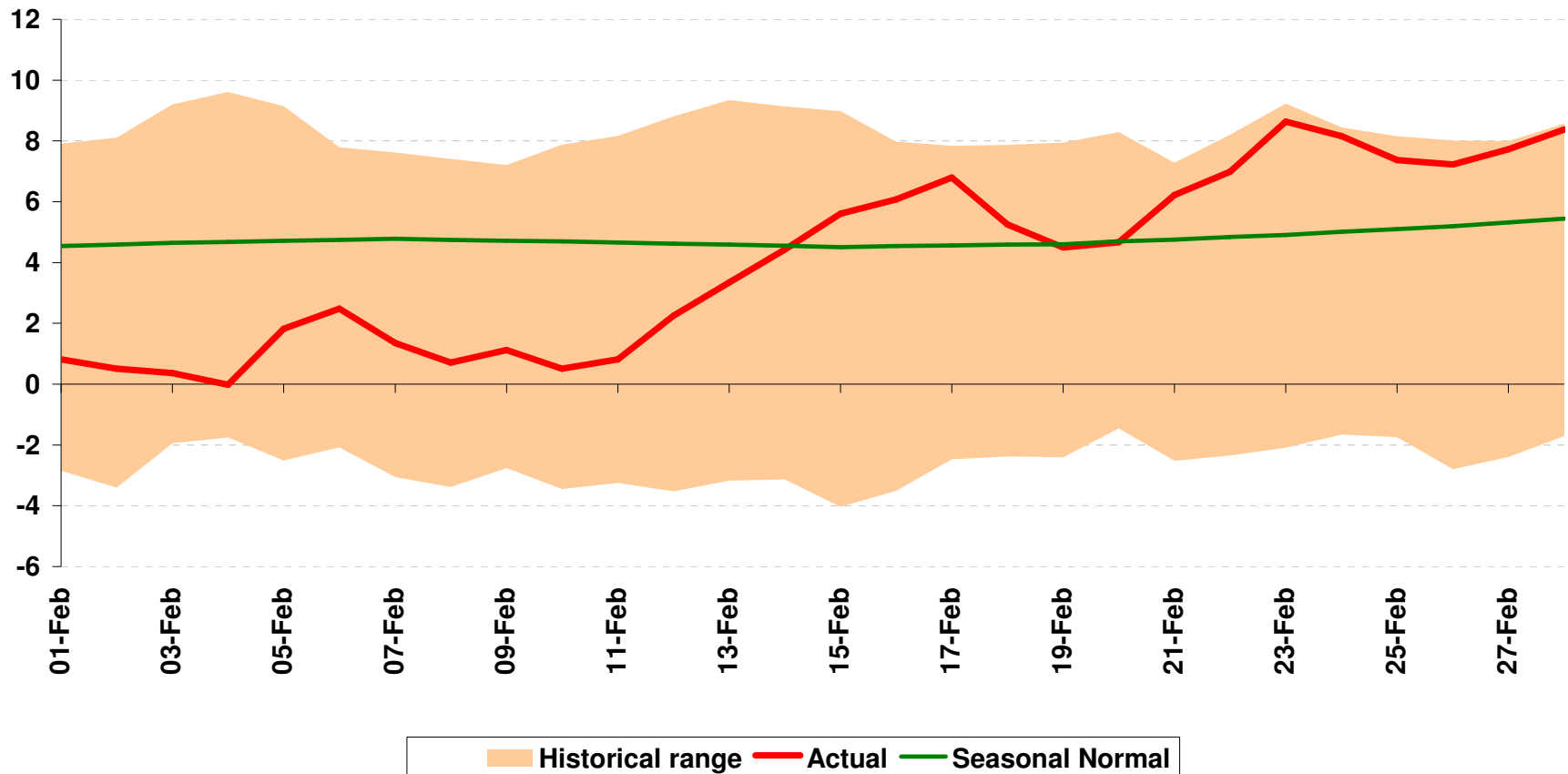
Weather



National Composite Weather

Feb 2012 Vs Historical Range

National Composite Weather
2012 compared to 1929 to 2011

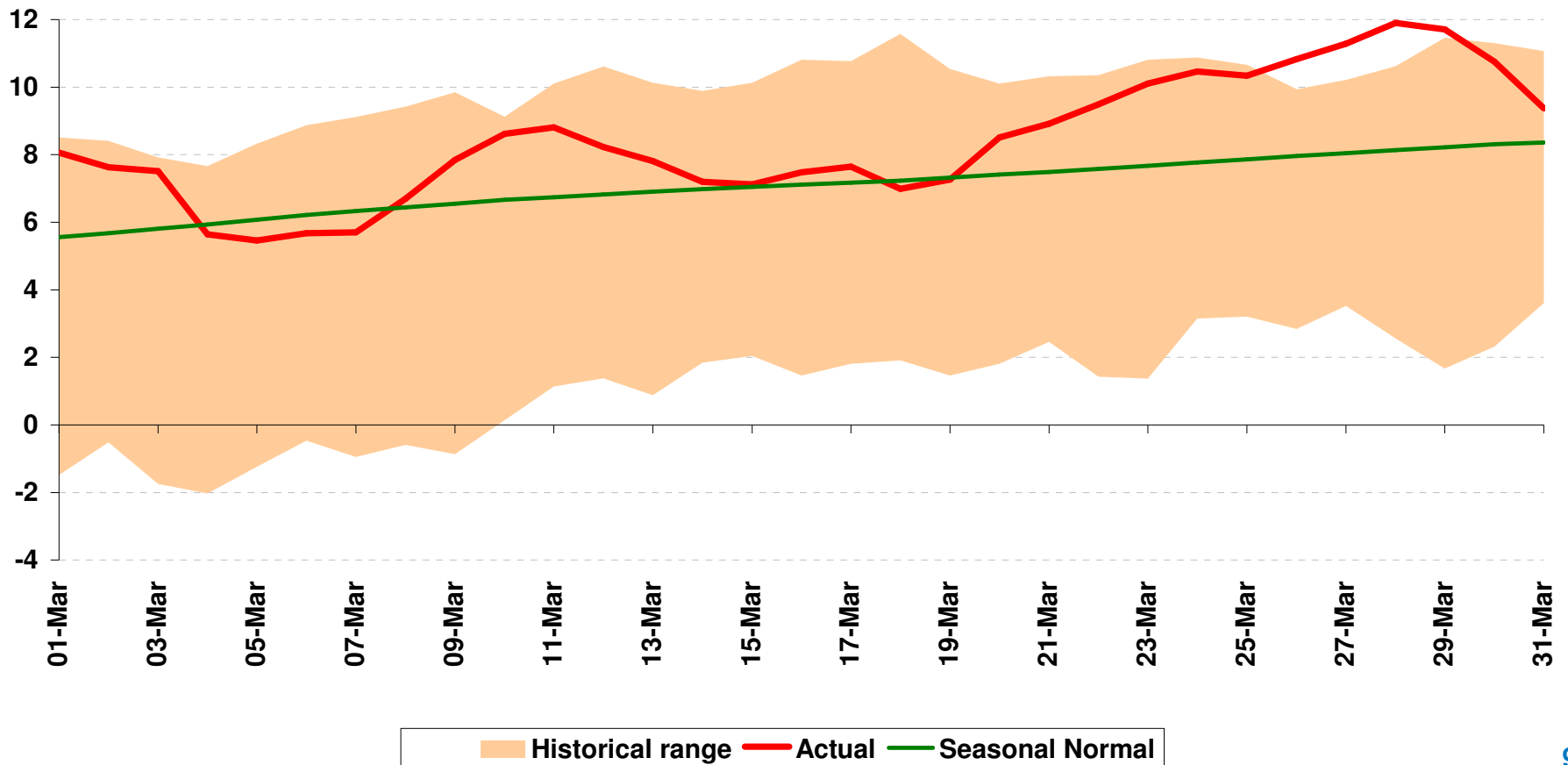


National Composite Weather

Mar 2012 Vs Historical Range

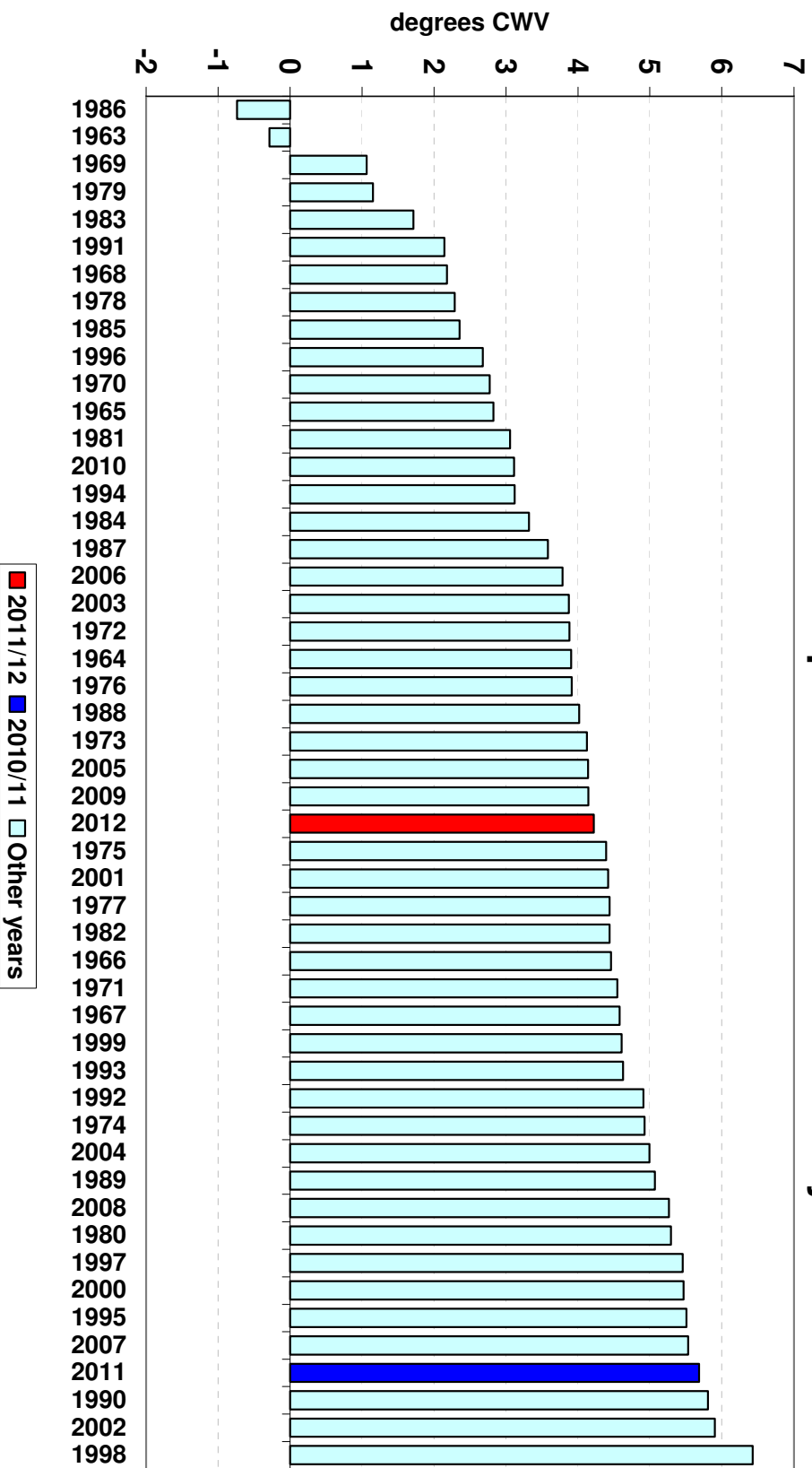
National Composite Weather

2012 compared to 1929 to 2011



Mean Composite Weather Variables Feb 2012 Vs Previous Yrs.

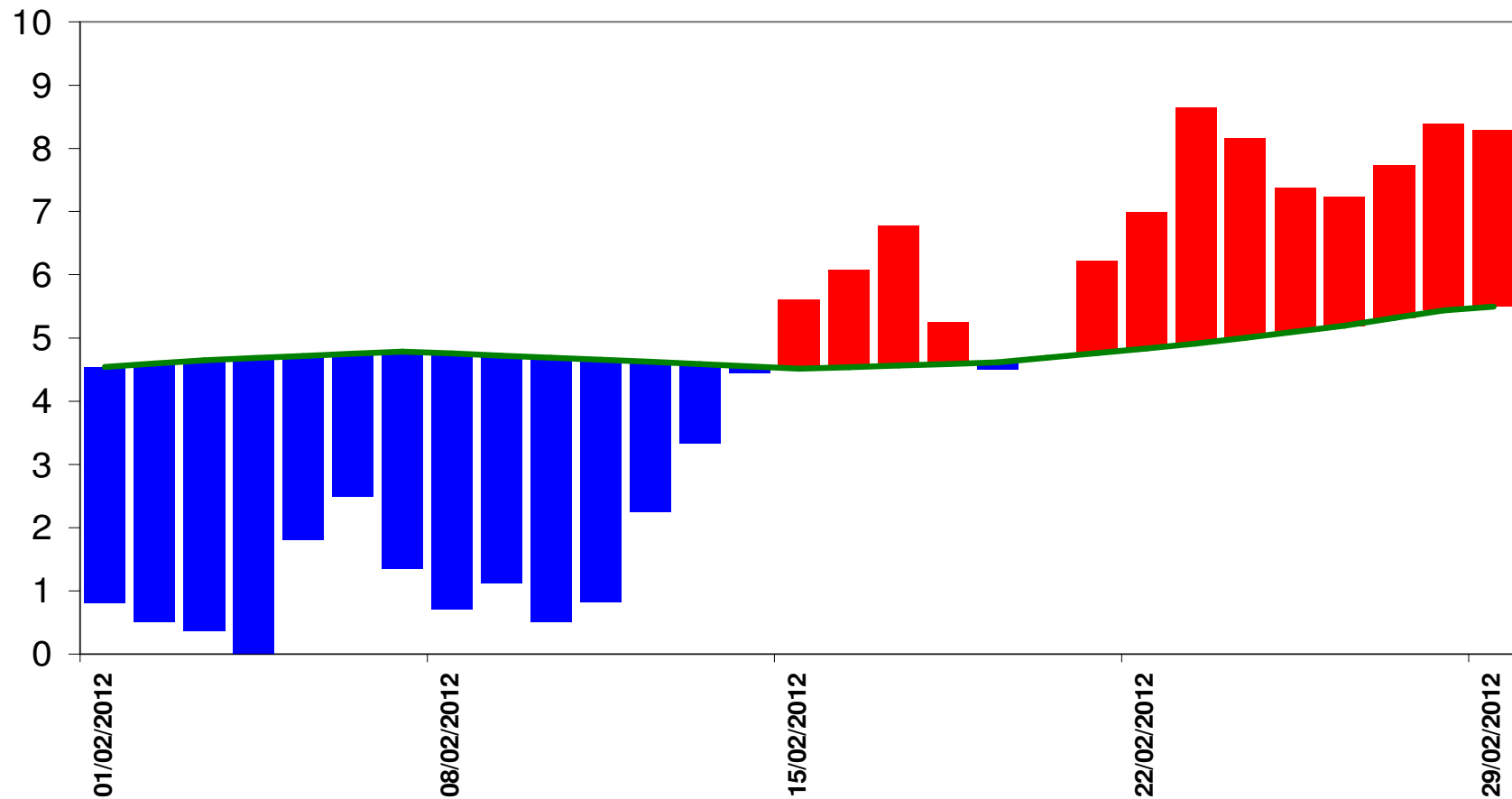
Mean National Composite Weather for February



Composite Weather Variables

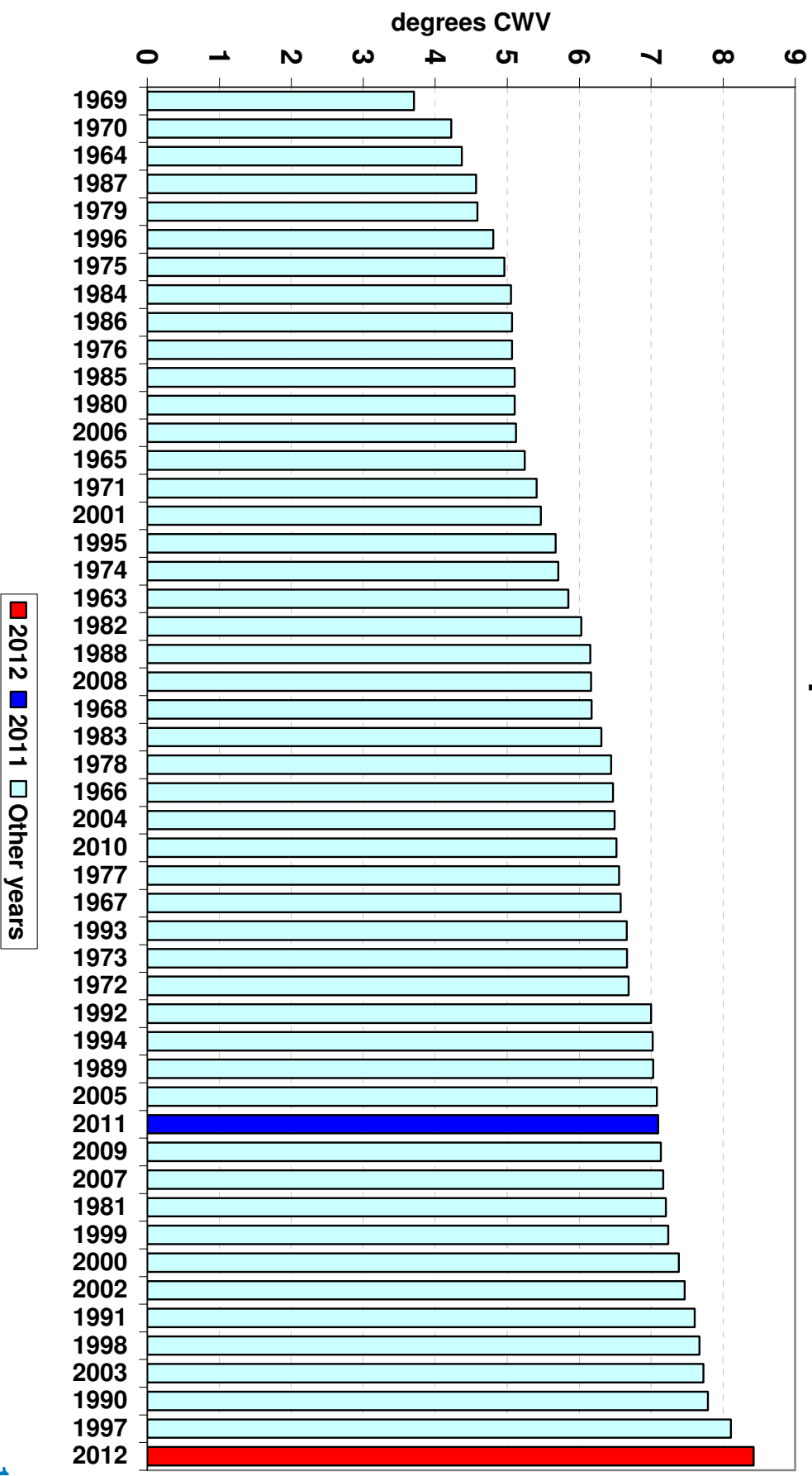
Feb 2012

National CWV and EP2 SNCW



Mean Composite Weather Variables Mar 2012 Vs Previous Yrs.

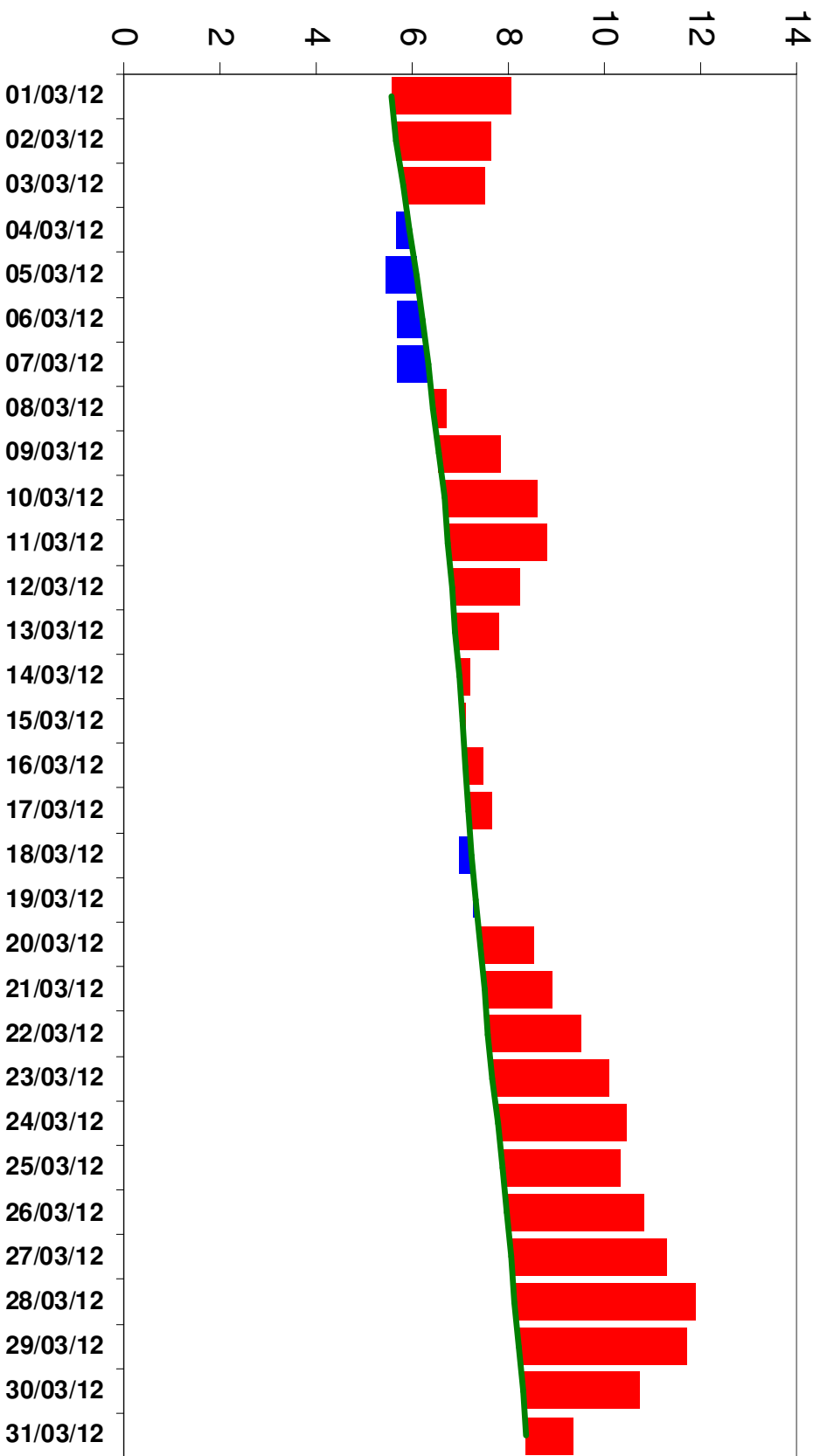
Mean National Composite Weather for March



Composite Weather Variables

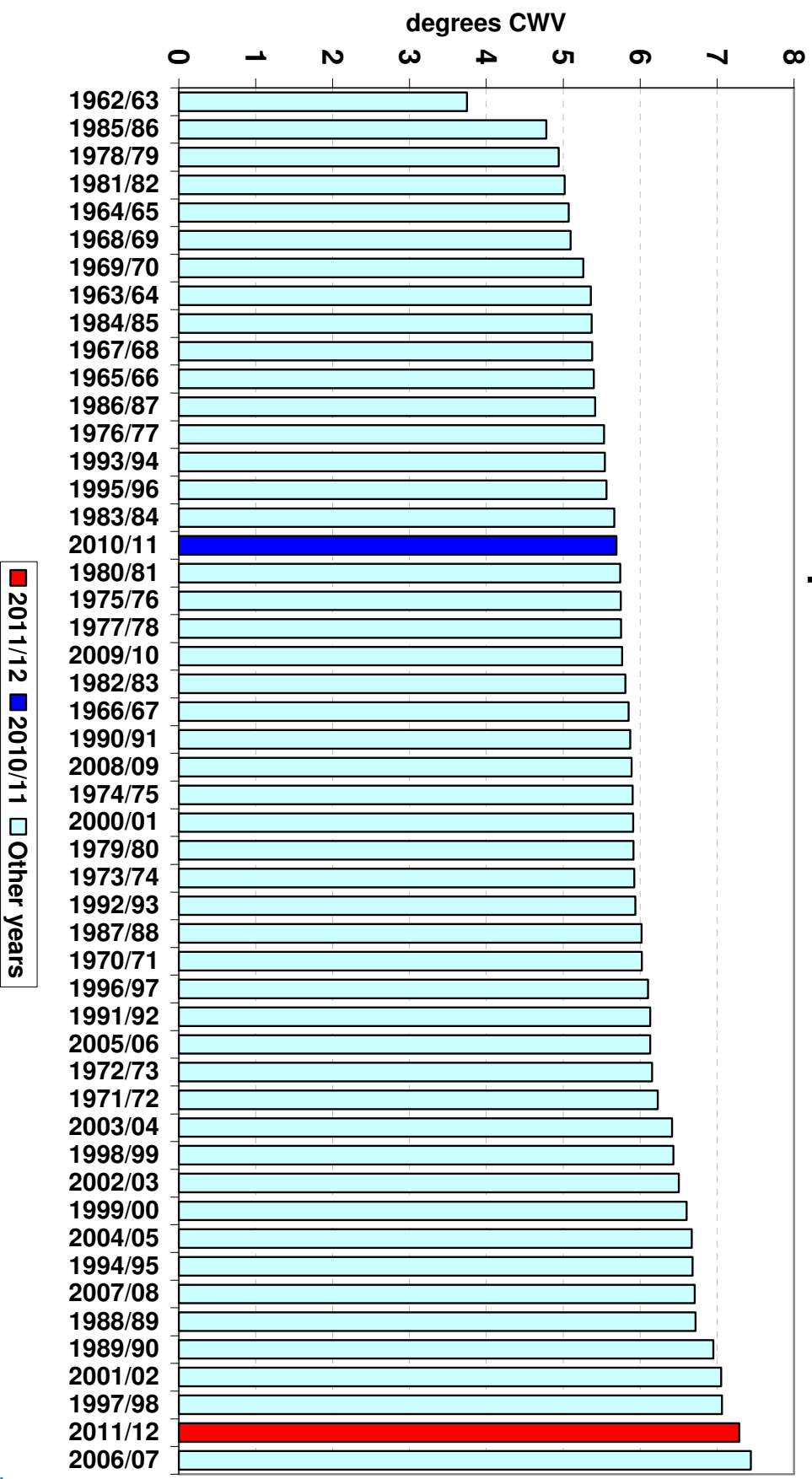
Mar 2012

National CWV and EP2 SNCW



Mean Composite Weather Variables Oct 2011 to March 2012 Vs Previous Yrs.

Mean National Composite Weather for October to March

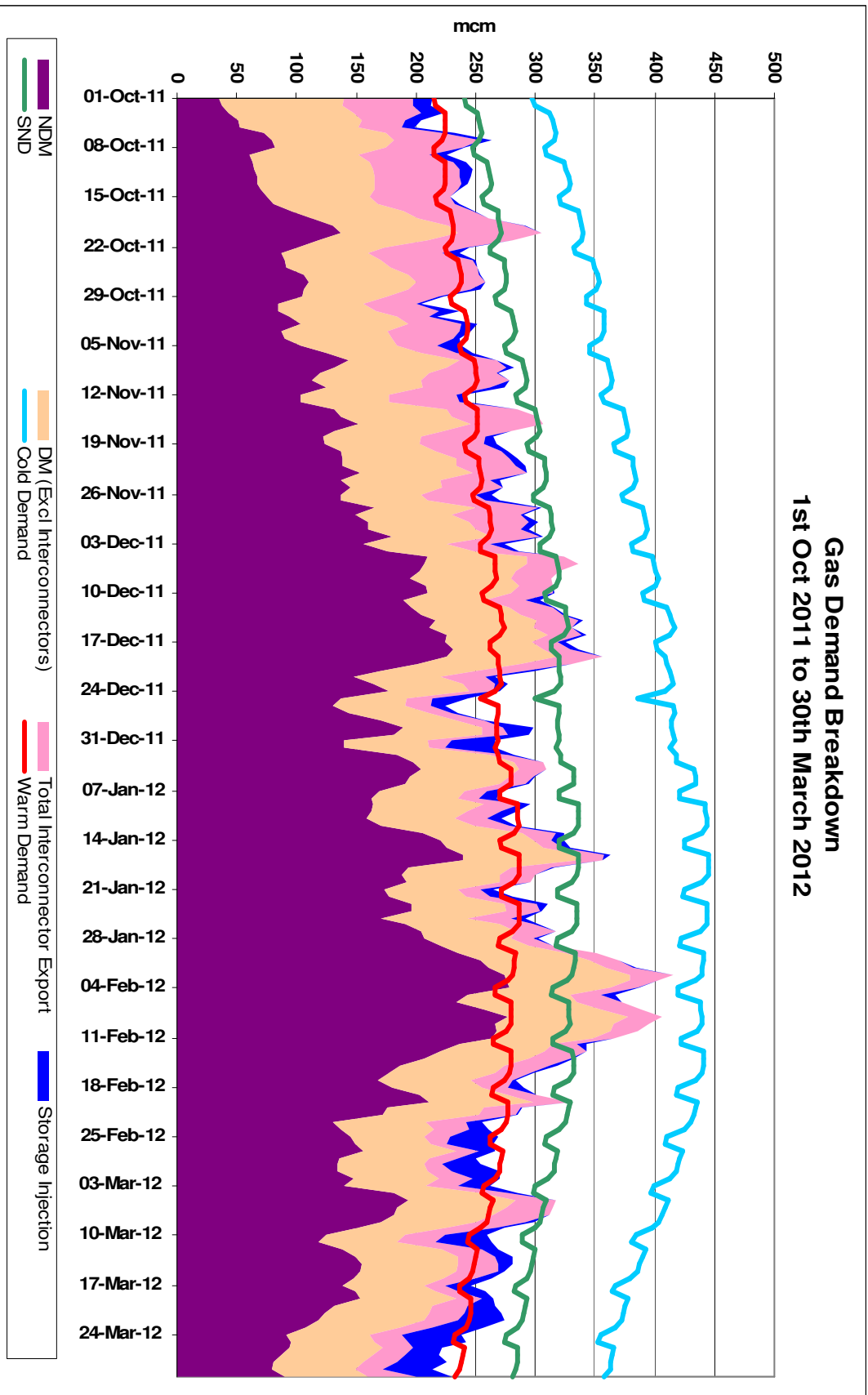


Demands



Gas Demand Breakdown

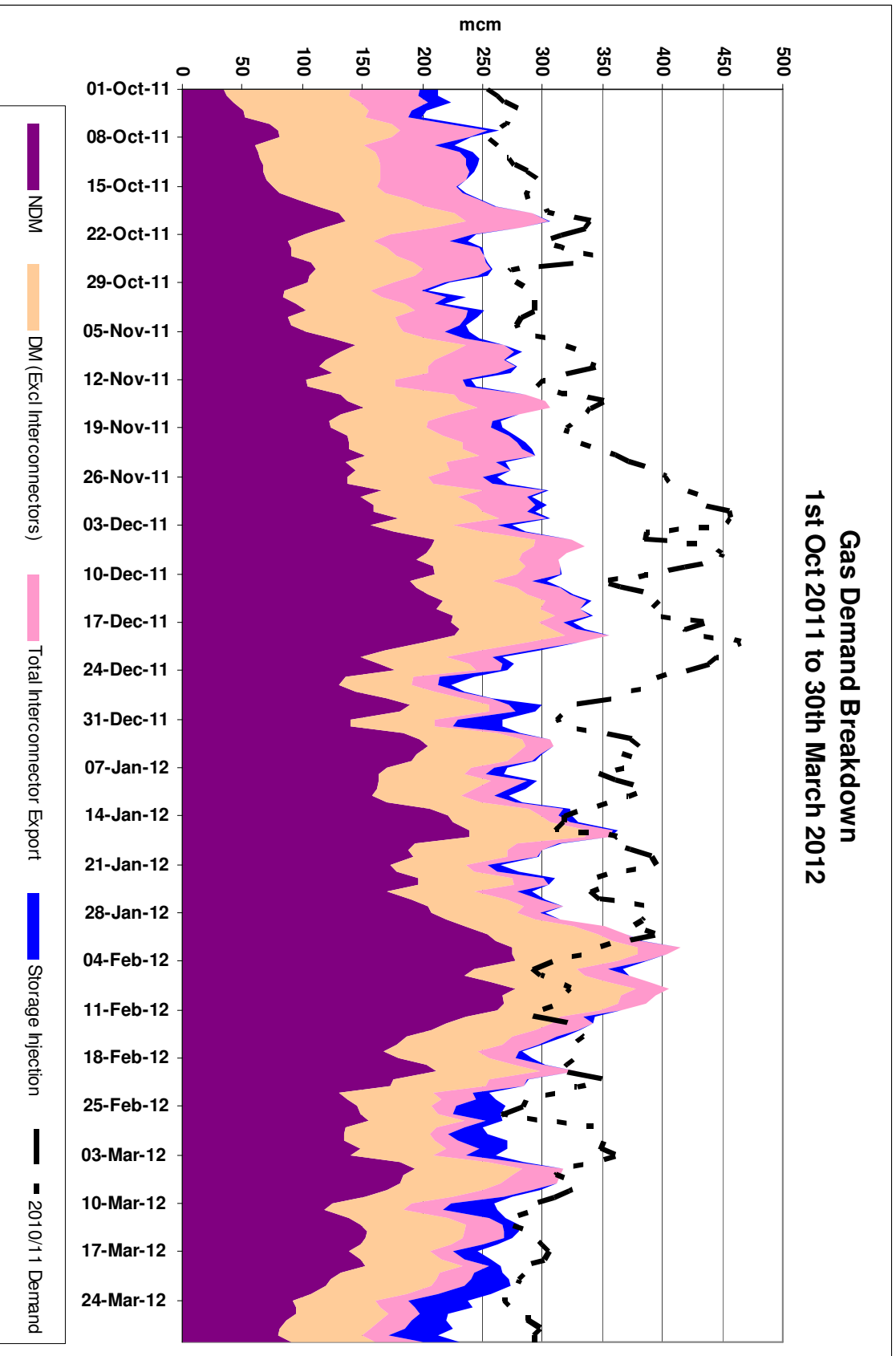
1st October 2011 to 30th March 2012



Gas Demand Breakdown

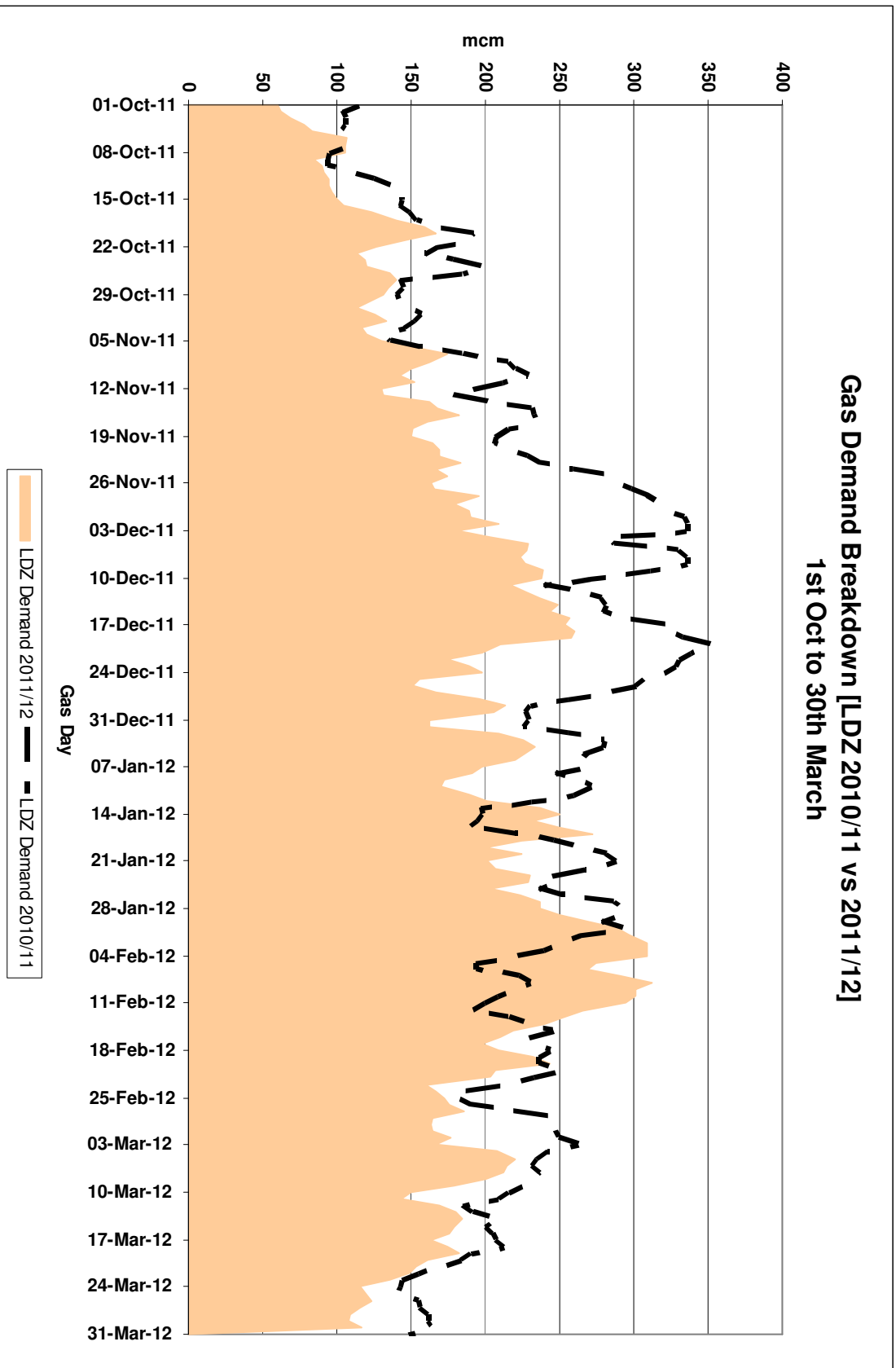
2010/11 Vs 2011/12

Gas Demand Breakdown
1st Oct 2011 to 30th March 2012



LDZ Demand

2010/11 vs 2011/12

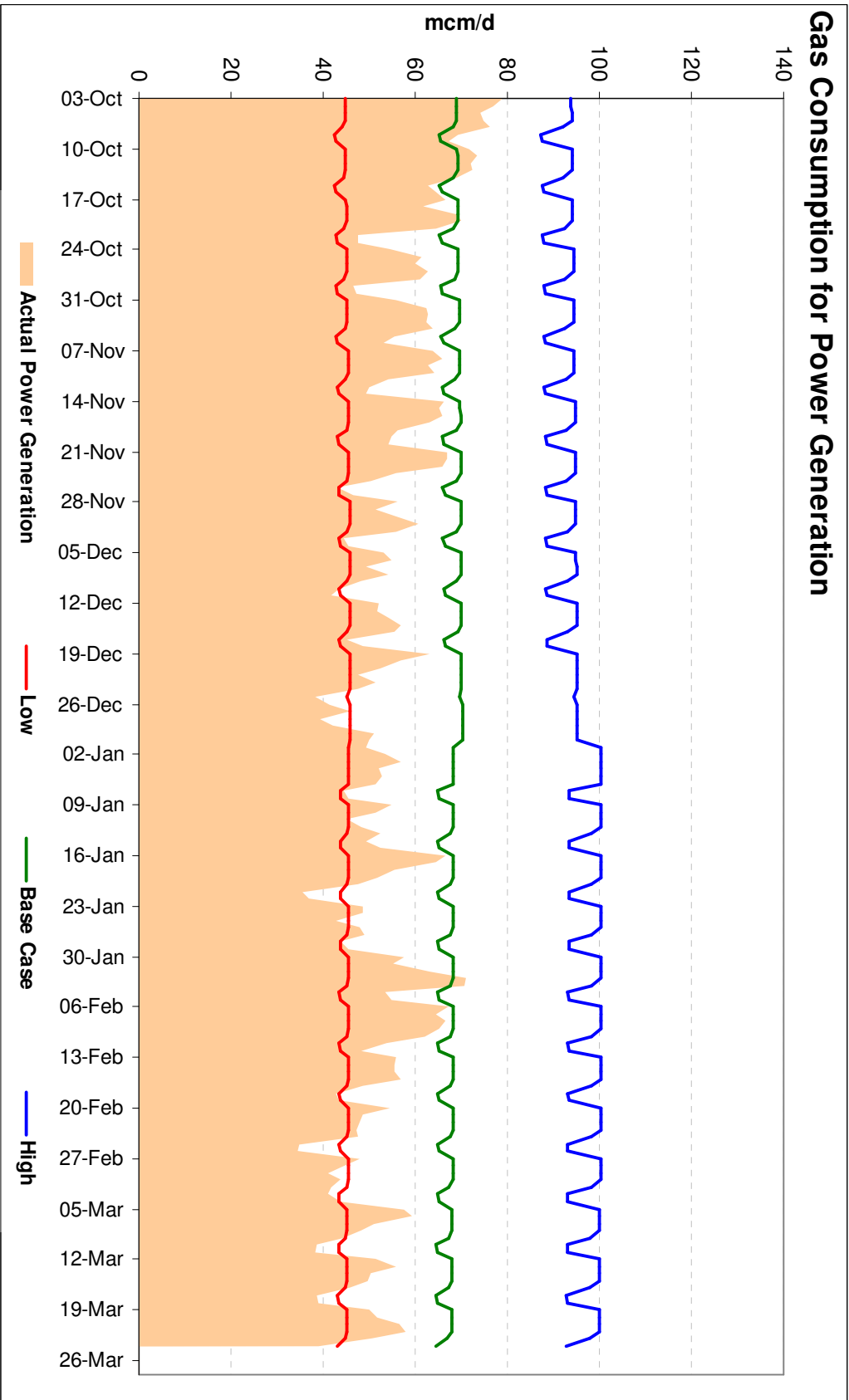


Power Generation

1st October 2011 to 24th March 2012



Gas Consumption for Power Generation

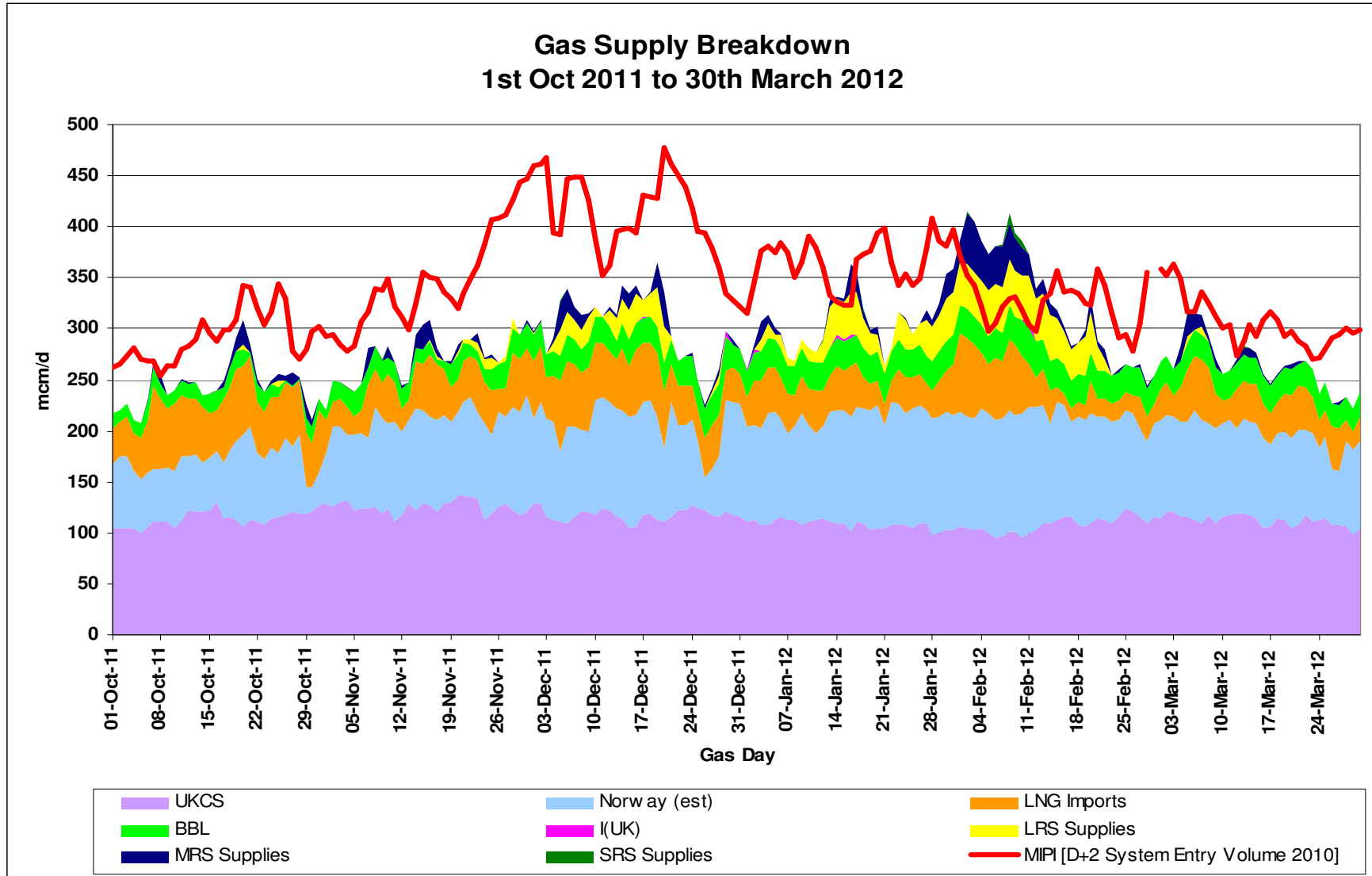


Supplies



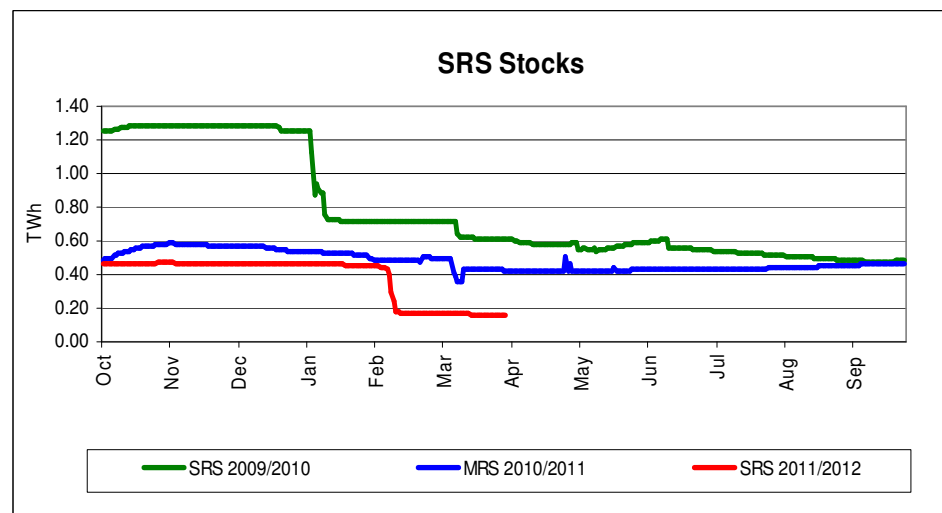
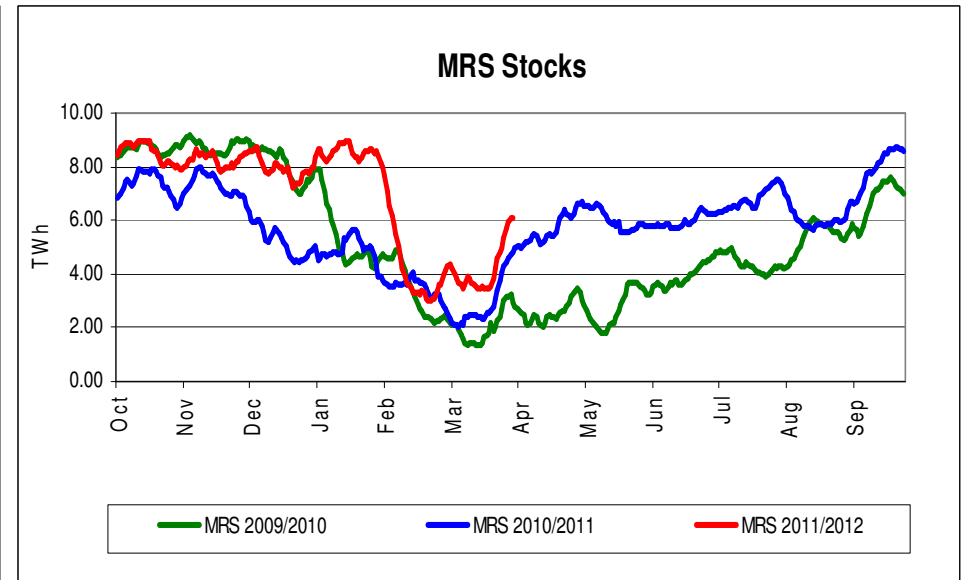
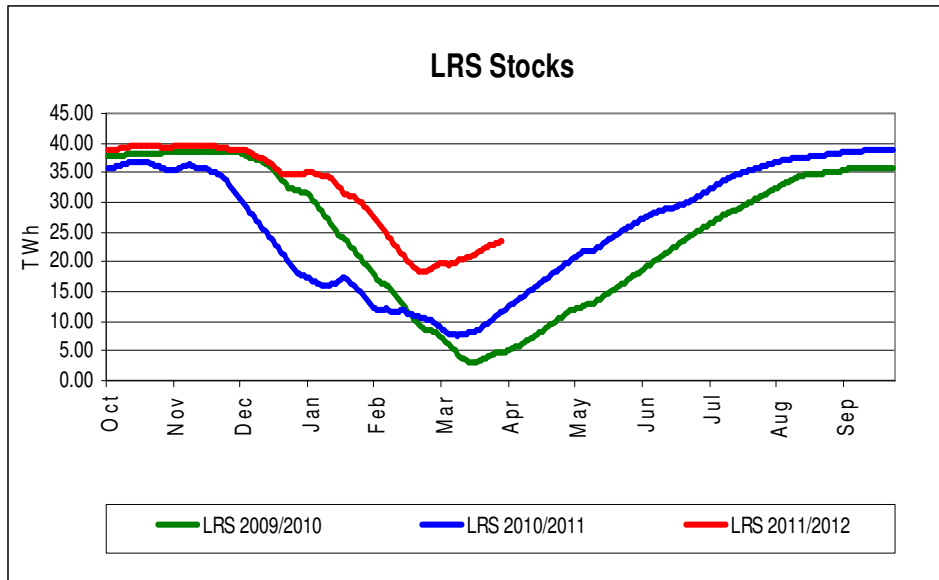
Gas Supply Breakdown

1st Oct 2011 to 30th March 2012



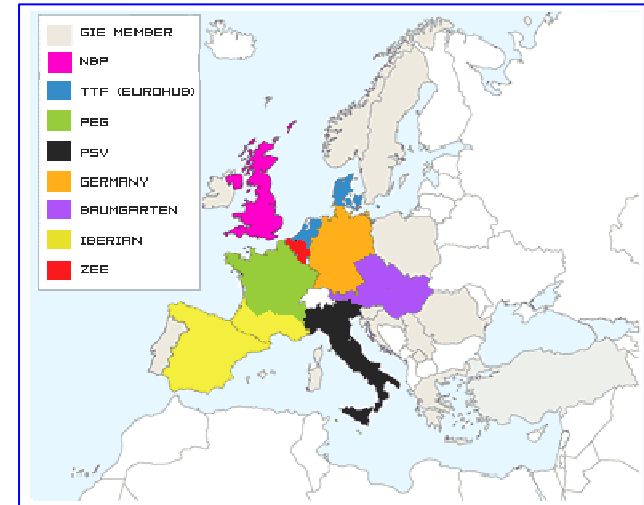
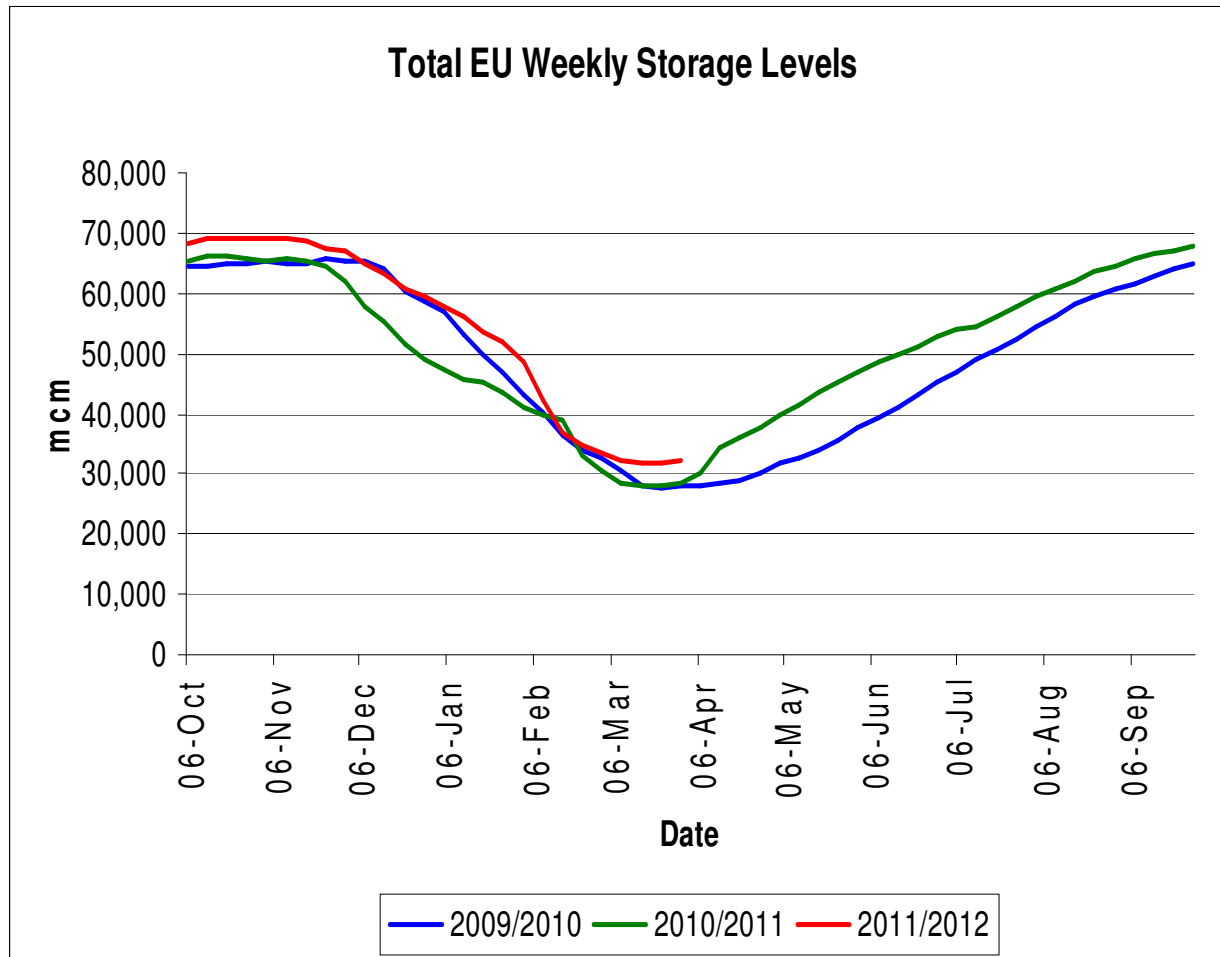
Storage Stocks - UK

From 1st October 2011 to 2nd April 2012



Storage Stocks - EU

From 1st October 2011 to 29th March 2012



Stocklevel Status at 06:00CET on Wednesday 04.04.12

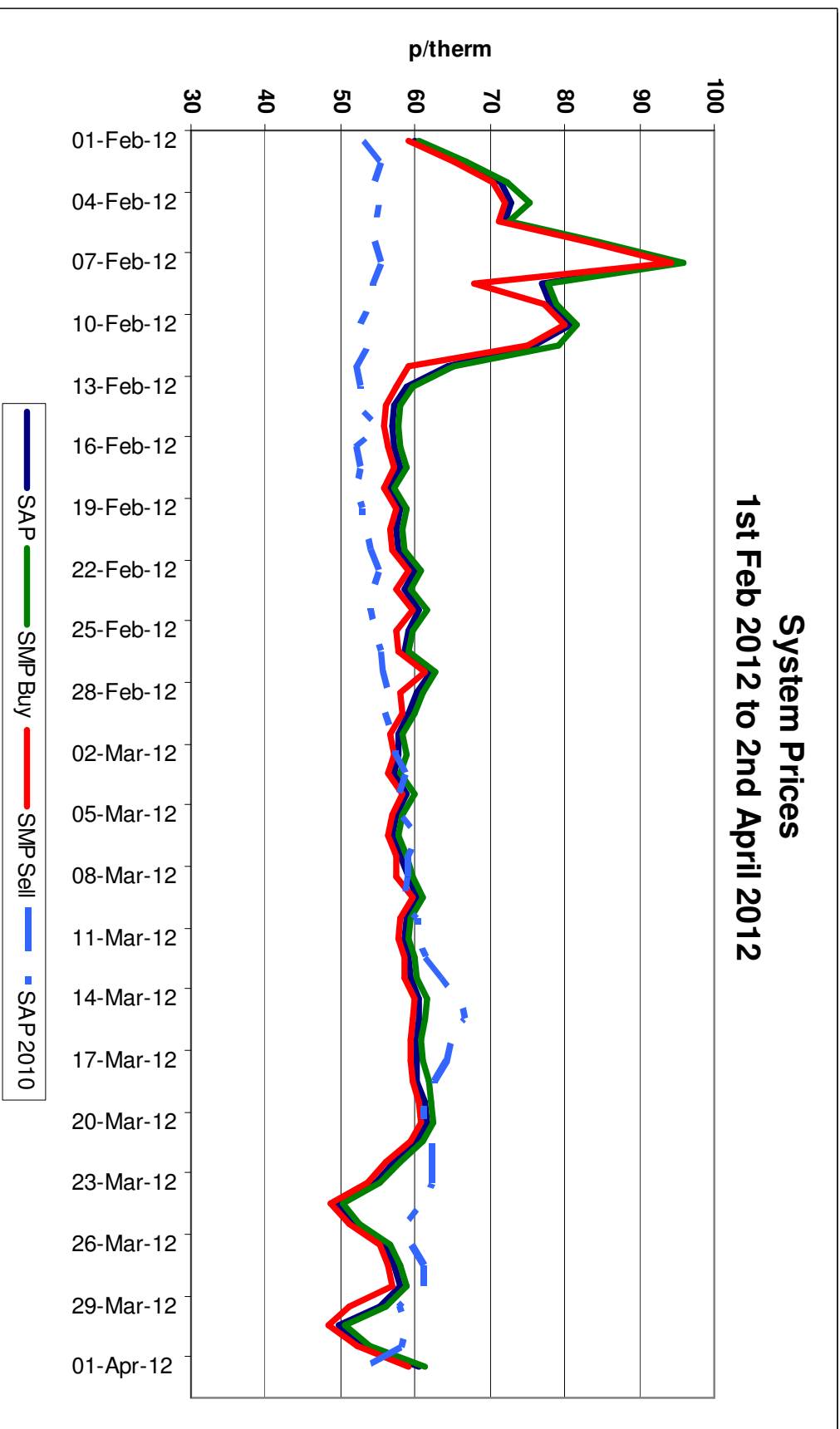
| Hub Area | Stock Level (mcm) | % Full |
|-------------------|-------------------|---------------|
| Baumgarten | 6776.44 | 40.16% |
| Germany | 9722.92 | 47.60% |
| Iberian | 1557.97 | 61.40% |
| NBP | 2850.00 | 59.92% |
| France | 2679.00 | 21.50% |
| PSV | 7213.00 | 46.23% |
| TTF (Eurohub) | 1218.04 | 58.27% |
| ZEE | 225.00 | 33.00% |
| Total Hubs | 32242.37 | 46.01% |

Transporter Actions and Neutrality



System Prices

1st February 2012 to 2nd April 2012

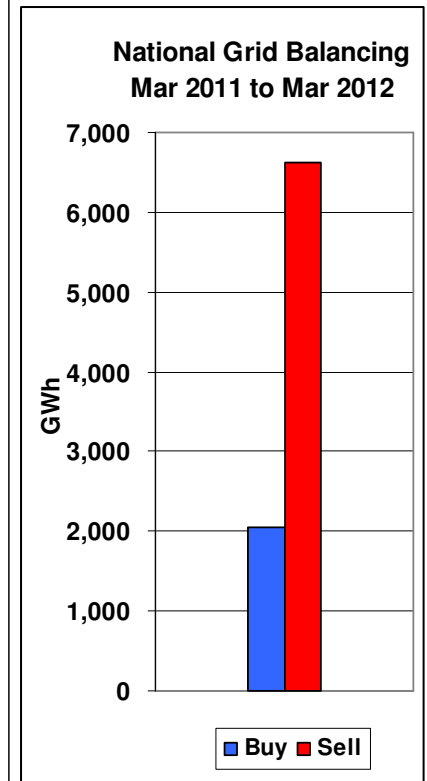
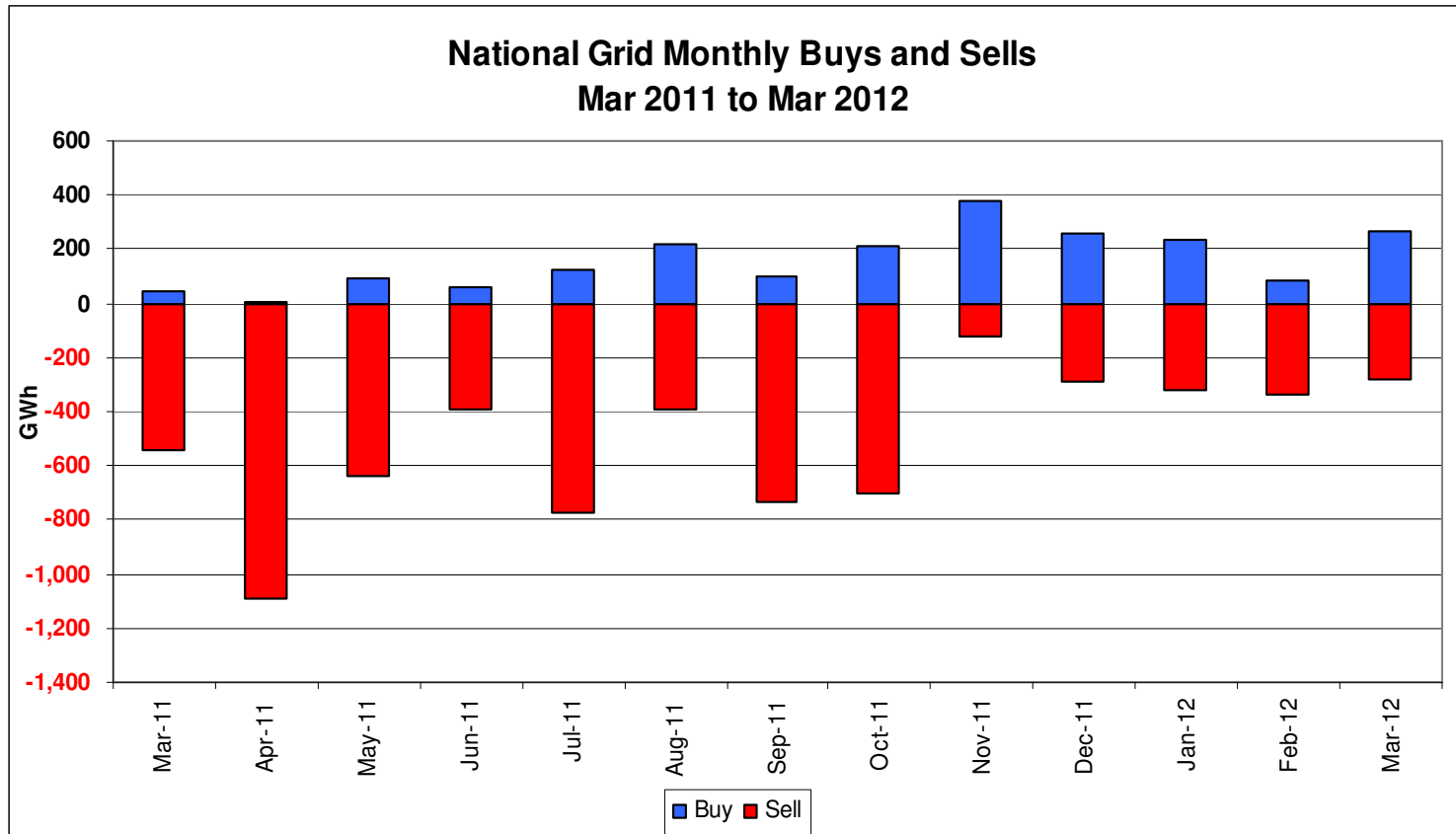


Transporter Energy Traded on the OCM

Buys and Sells by Month
From Mar 2011 to Mar 2012

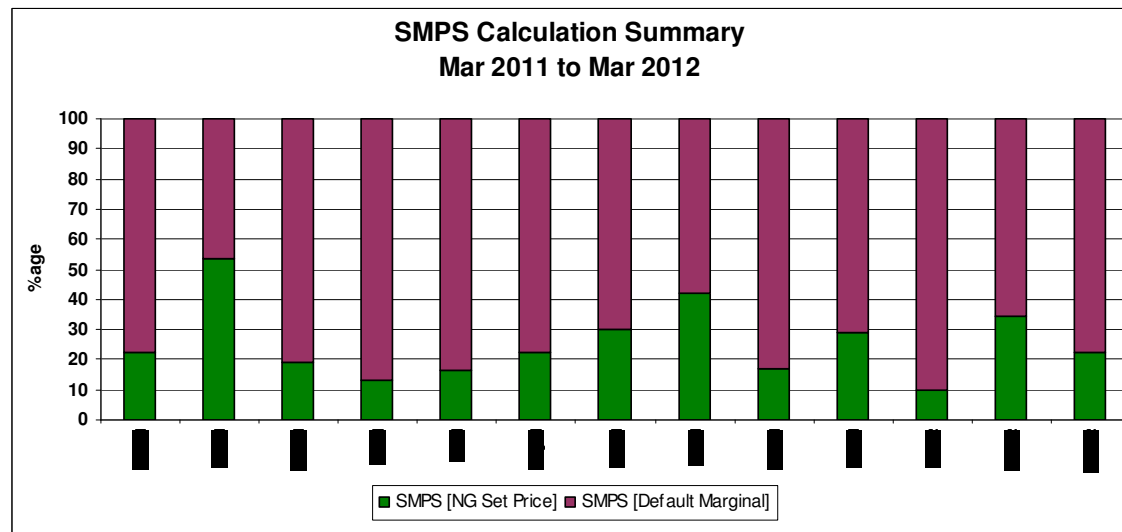
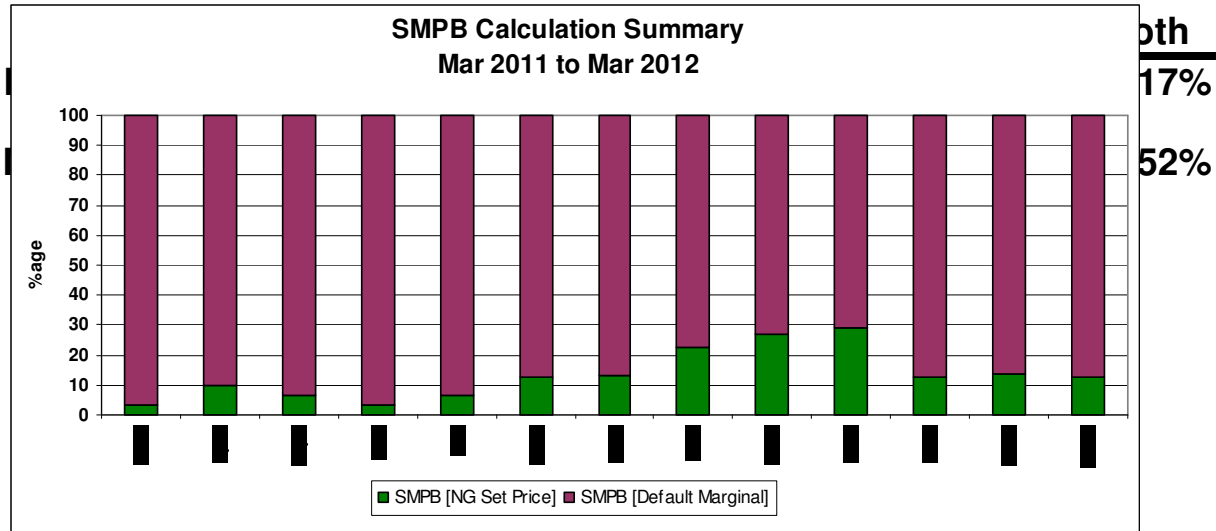


THE POWER OF ACTION



Days of Default SMP Prices

From Mar 2011 to Mar 2012

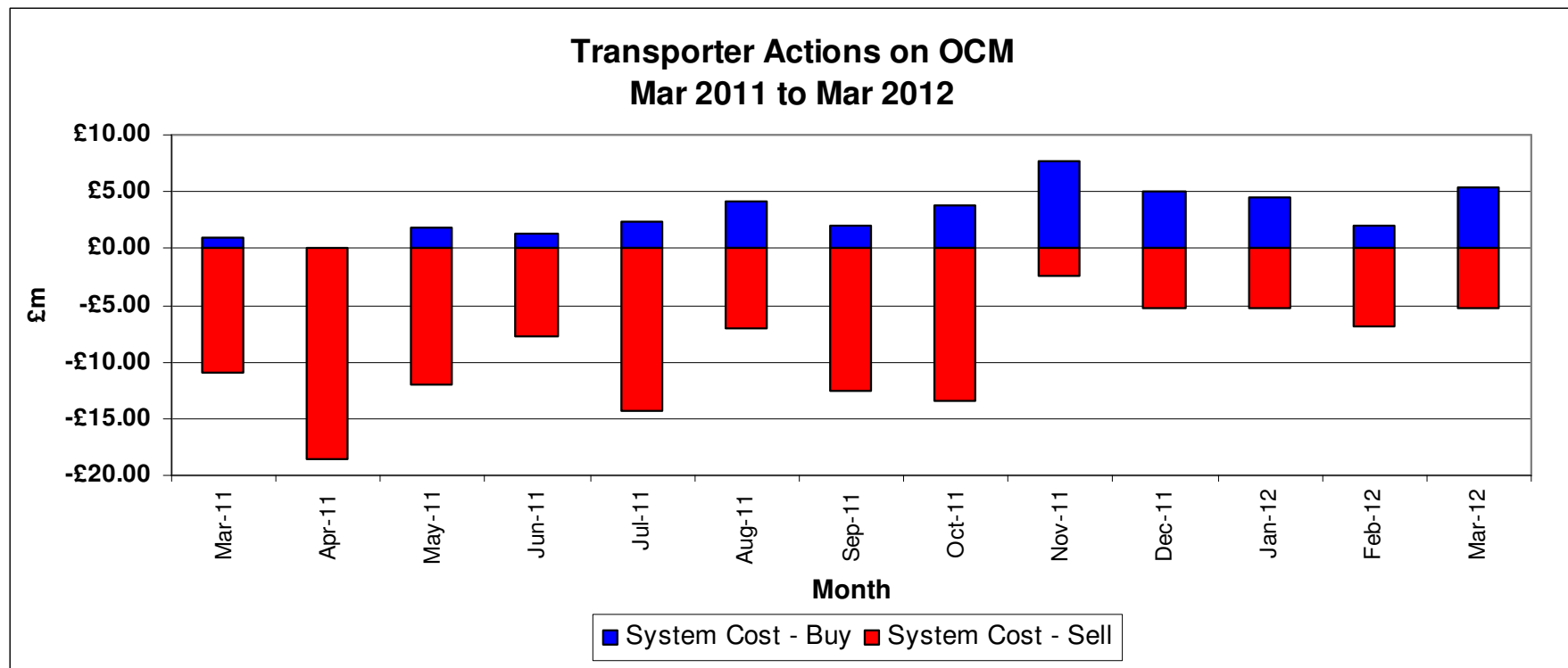


Transporter Actions on the OCM Mechanism

Revenues / Costs

From 1st October 2011 to 31st March 2012

| | Quantity TWh | Average p/kWh | Price Therms | Cost £m |
|---------------------|-----------------|------------------|-----------------|----------------|
| System Buy | 1.42 | 2 | 58.57 | £28.41 |
| System Sell | -2.06 | 1.87 | 54.87 | -£38.56 |
| Net Position | -0.64 | | | -£10.15 |

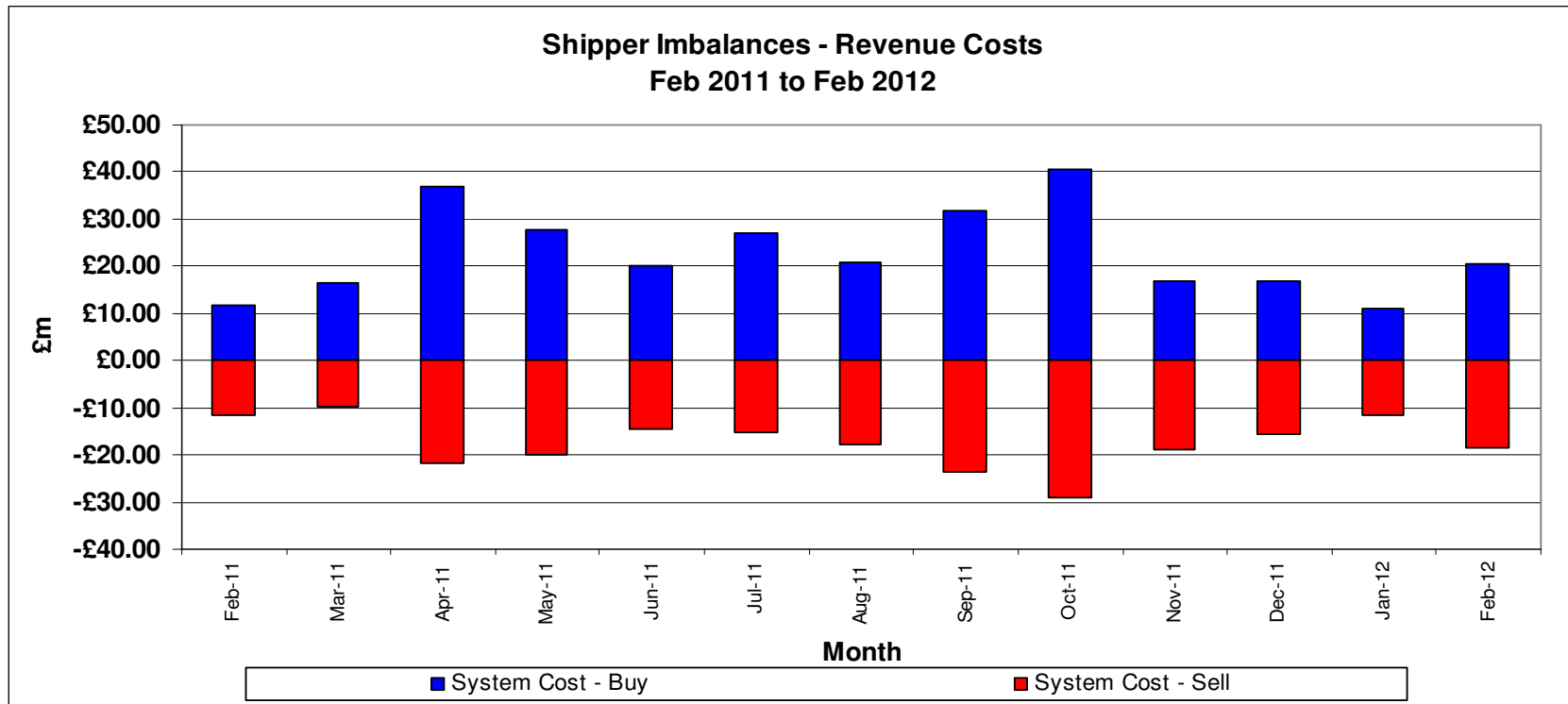


Shipper Imbalance

Revenues / Costs

From 1st October 2011 to 29th February 2012

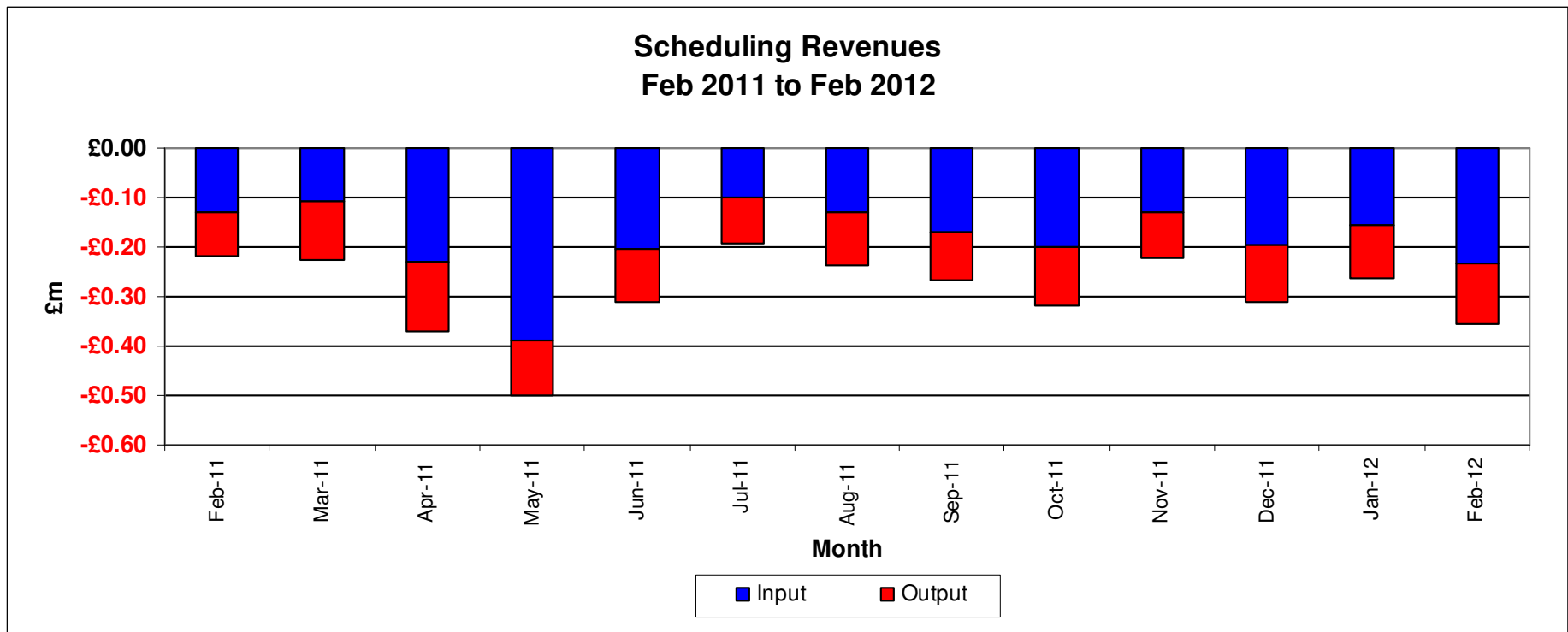
| | Quantity (TWH) | Average Price P/KWh | Average price P/Therm | Cost £m |
|--|----------------|---------------------|-----------------------|----------------|
| System Buy | 5.57 | 1.89 | 55.42 | £105.38 |
| Shipper Over Delivery/Cost to Neutrality | | | | |
| System Sell | -4.72 | 1.99 | 58.44 | -£94.09 |
| Shipper Under Delivery/Revenue to Neutrality | | | | |
| Net Position | 0.85 | | | £11.29 |



Scheduling Revenues

From 1st October 2011 to 29th February 2012

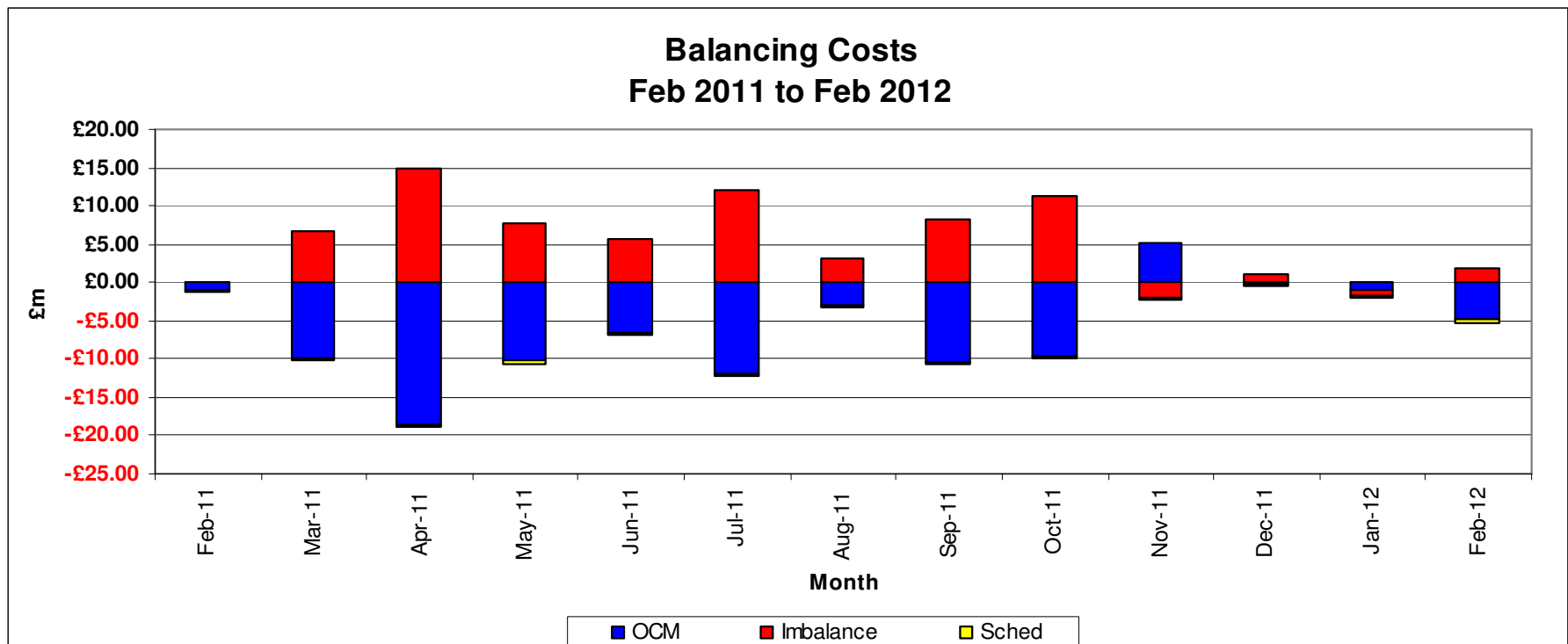
| | |
|---------------|----------------|
| | Cost £m |
| Input | -£0.92 |
| Output | -£0.56 |
| Total | -£1.48 |



Balancing Costs

From 1st October 2011 to 29th February 2012

| | |
|-----------------------------------|----------------|
| | £m |
| Transporter Actions on OCM | -£10.26 |
| Imbalance Charge | 11.29 |
| Scheduling Charge | -£1.48 |
| Balancing Cost | -£0.45 |

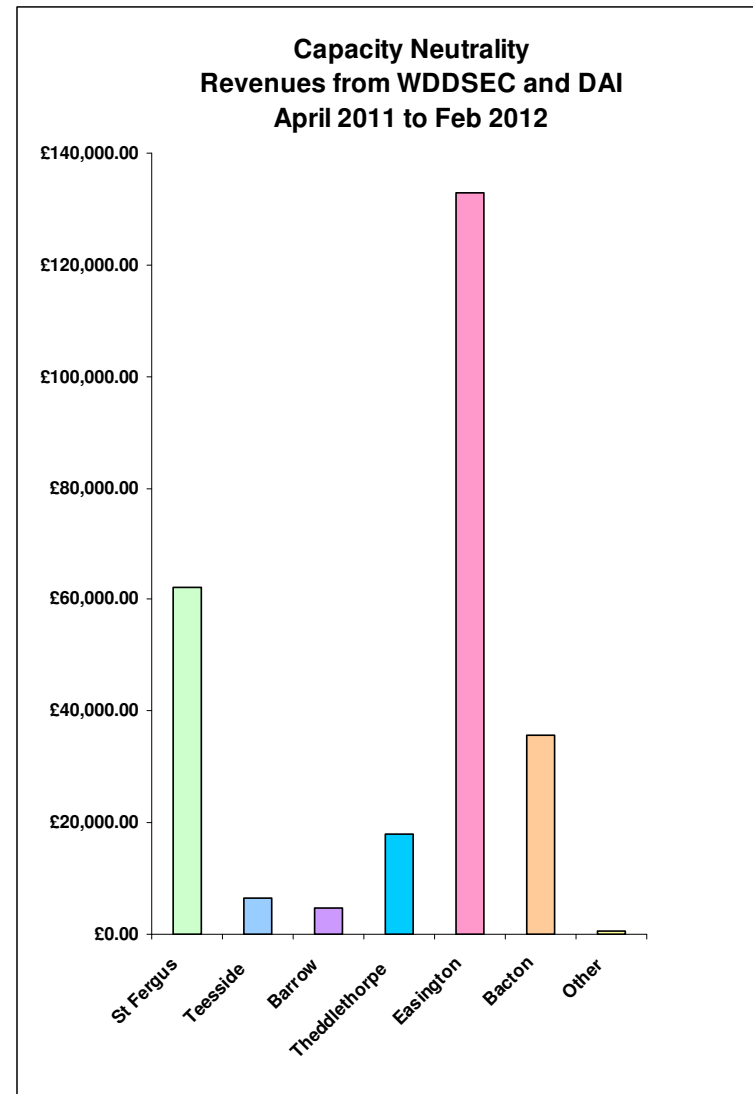


Capacity Neutrality

Revenues from WDDSEC and DAI

From 1st April 2011 to 29th February 2012

| | |
|----------------------|---------------------|
| St Fergus | £62,125.25 |
| Teesside | £6,445.30 |
| Barrow | £4,620.00 |
| Theddlethorpe | £18,120.66 |
| Easington | £133,025.12 |
| Bacton | £35,565.52 |
| Other | £535.31 |
| Net Revenue | -£260,437.00 |



Capacity Neutrality

Prompt Buy Backs

From 1st April 2011 to 29th February 2012

| ASEP | Cost | No. of Days | Energy (kWh) |
|---------------|--------------|--------------------|---------------------|
| St.Fergus | £0.00 | 0 | 0 |
| Teesside | £0.00 | 0 | 0 |
| Barrow | £0.00 | 0 | 0 |
| Theddlethorpe | £0.00 | 0 | 0 |
| Easington | £0.00 | 0 | 0 |
| Bacton | £0.00 | 0 | 0 |
| TOTAL | £0.00 | 0 | 0 |

Capacity Neutrality

Capacity Management Agreement (Including RMTTSEC)

From 1st April 2011 to 29th February 2012

| Month | Cost |
|----------------|----------------------|
| Apr-11 | £0.00 |
| May-11 | £0.00 |
| Jun-11 | £0.00 |
| Jul-11 | £0.00 |
| Aug-11 | £0.00 |
| Sep-11 | £0.00 |
| Oct-11 | £508,399.98 |
| Nov-11 | £492,000.00 |
| Dec-11 | £508,400.00 |
| Jan-12 | £508,399.98 |
| Feb-12 | £475,600.00 |
| Mar-12 | £508,400.00 |
| TOTAL * | £3,001,199.96 |

* Includes Total Capacity Constraint Management Costs implemented through MOD 0349 [Introduction of a Force Majeure Capacity Management Arrangement].

Capacity Neutrality

Revenues from Locational Sells and PRI Charges

From 1st April 2011 to 29th February 2012

| Month | Revenue |
|--------------|-----------------------|
| Apr-11 | -£389,844.80 |
| May-11 | -£799,666.50 |
| Jun-11 | £0.00 |
| Jul-11 | £0.00 |
| Aug-11 | £0.00 |
| Sep-11 | £0.00 |
| Oct-11 | £0.00 |
| Nov-11 | £0.00 |
| Dec-11 | £0.00 |
| Jan-12 | £0.00 |
| Feb-12 | £0.00 |
| Mar-12 | |
| TOTAL | -£1,189,511.30 |

Capacity Neutrality

Revenues from Entry Cap Overruns and Non-Obligated Sales

From 1st April 2011 to 29th February 2012

| Month | Entry Capacity | Non-Obligated Sales |
|--------------|--------------------|---------------------|
| Apr-11 | -£10,737.90 | £0.00 |
| May-11 | -£35,509.78 | £0.00 |
| Jun-11 | -£14,936.59 | £0.00 |
| Jul-11 | -£22,040.97 | £0.00 |
| Aug-11 | -£759.84 | £0.00 |
| Sep-11 | -£1,541.81 | £0.00 |
| Oct-11 | -£31,319.55 | -£55,973.60 |
| Nov-11 | -£2,469.86 | -£54,168.00 |
| Dec-11 | £23,893.91 | -£55,973.60 |
| Jan-12 | £9,191.65 | -£237,418.46 |
| Feb-12 | £53,305.00 | -£222,205.14 |
| Mar-12 | | |
| TOTAL | -£32,925.74 | -£625,738.80 |

Capacity Neutrality Net Cost / Revenue

From 1st April 2011 to 29th February 2012

| Month | Revenue |
|---|--------------------|
| WDDSEC/DAI Revenue | -£260,437.00 |
| Buy Back Costs | £0.00 |
| Capacity management Agreement | £3,001,199.96 |
| Entry Capacity Overrun Revenue | -£32,925.74 |
| Non-Obligated Sales Revenue | -£625,738.80 |
| Revenue from Locational Sells and PRI Charges | -£1,189,511.30 |
| Net Revenue | £892,587.12 |