

MILLENNIUM COMPLIANCE

STATE OF READINESS OF THE GAS INDUSTRY

The following charts show the level of progress being made by the companies in the supply chains. The charts have been prepared by the Office of Gas and Electricity Markets (Ofgem), along with independent assessors WS Atkins.

Gas Industry

The way the gas supply chain works

1. The vast majority of gas used in Great Britain is produced from offshore gas fields in the North Sea and the Irish Sea.
2. After it is piped to the shore it is transported to customers premises through networks of pipelines operated by public gas transporters. The gas in the pipelines is in many cases, actually owned by wholesalers, known as gas shippers.
3. At the customers' premises the gas is sold to the retailers, known as gas suppliers, who in turn sell it to the consumer.

Public gas transporters

Although the public gas transporters rely upon information received from the gas shippers to run their systems smoothly, it is the transporters who ensure the continuous flow of gas to homes and businesses, and provide the emergency telephone numbers and specialist services which are used in the event of gas escapes.

Even if the gas suppliers do not finish their preparations on time, the continued delivery of gas is unlikely to be affected if the transporters are ready.

BG Transco is by far the largest public gas transporter and is responsible for operating the national gas transmission system and the emergency helpline number. Transco is currently rated 100% blue – ie ready for business as usual in the new Millennium.

BG TRANSCO	100%
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The other transporters operate passive local distribution systems that will continue to operate satisfactorily provided that bulk supplies are still being received from the Transco network. All transporters must be able to exchange safety information. Millennium assessments look at transporters administration and customer record systems.

Current ratings for these transporters are:

British Gas Connections	100%
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East Midlands Pipelines	100%
Eastern Pipelines	100%
Elf Connect	100 %

Public gas transporters (cont)

Gas Transportation Co (c)	100%
Southern Pipelines	100%
ScottishPower Gas	100%

Gas metering equipment

The vast majority of metering equipment, whether at domestic or commercial premises, is unlikely to be affected by the Millennium date change.

Prepayment meters which use "smart cards" are however, a special case, since they are electronic meters that use a date function in their operation. The recharging points at shops and Post Offices must also know the correct date. The Office of Gas and Electricity Markets has already assessed the two companies which currently run the prepayment metering system, Siemens Metering Services and Paypoint Ltd, whose current colour ratings are:

Siemens Metering Ltd	100%
Paypoint	100%

Gas suppliers and shippers

The flow of gas would be unaffected even if the gas suppliers systems were not ready. However, if the suppliers do have problems, they could affect the issue of bills and the provision of additional services for disadvantaged customers in the domestic market.

In our assessment of suppliers we have therefore concentrated on those companies who are licensed to supply domestic customers in addition to their industrial and commercial clients. Those companies who supply only industrial and commercial are being assessed as a secondary priority within this group.

The next series of charts shows the ratings for the supply companies. Those companies marked * are also shippers.

GAS SHIPPERS & SUPPLIERS

AGIP*	100%
Amerada *	100%
Beacon *	100%
British Gas Trading *	100%
Calortex *	100%
Cambridge Gas	100%
Contract Natural Gas*	100%
CPL British Fuels*	100%
Crown Energy	100%
Eastern*	100%
Elf Gas & Power	100%
Energi (NORWEB)*	100%
Enfield Energy*	100%
The Gas Light & Coke Co*	100%
The Gas Supply Co* (c)	100%
Gas West	100%
London Electricity*	100%
Midland Shires Farmers	100%
Mobil *	100%
National Power*	100%
North Wales Gas	100%
Northern Electric*	100%
Northern Energy	100%
Quantum*	100%
Reepham*	100%
Scottish Power*	100%

Gas Suppliers and Shippers (cont)

Shell Gas Direct*	100%
Southern Electric*	100%
Sterling	100%
SWALEC	100%
Volunteer	100%
York Gas	100%
Yorkshire Electricity*	100%

Gas shippers

Gas shippers are those companies who buy gas in the wholesale markets on behalf of suppliers and arrange for it to be transported through the pipeline networks to the customers premises. The transporters need up-to-date information regarding the amount of gas which is to be delivered into and taken out of their systems if they are to operate efficiently. Much of this information is exchanged electronically, and the Office of Gas and Electricity Markets has therefore assessed the readiness of the shippers as part of its programme. Many of the shippers are also suppliers and the two previous charts show their progress. However, there are others who are involved in the bulk shipping of gas into power generation schemes; there are also some specialist shippers upon whom some domestic suppliers depend.

The ratings for these shippers are:

Aquila Energy	100%
Enron G & P	100%
Marathon	100%
Powergen	100%

The On Day Commodity Market (OCM)

The efficient operation of the gas transportation system depends to some extent upon the ability of the shippers to trade gas on a short-term basis within the OCM. The market is operated by a company named EnMo, whose rating is:

EnMo	100%
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For further information contact:

Dr Brian Wharmby Tel: 0121 456 6258
 Fax: 0121 456 6310
 E-mail: bwharmby@offer.gov.uk

Mr Peter Hagerty Tel: 0121 456 6313
 Fax: 0121 456 6310
 E-mail: phagerty@offer.gov.uk

Mr Colin Atkins Tel: 0171 932 1638
 Fax: 0171 932 1677
 E-mail: atkinsc@ofgas.gov.uk

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