

Representation

Draft Modification Report

0461 - Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes

Consultation close out date: 27 January 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: Total E&P UK Ltd.

Representative: Anna Upesleja Grant

Date of Representation: 27 January 2014

Do you support or oppose implementation?
Not in Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

As a producer, shipper and terminal operator exporting gas into the UK National Transmission System (NTS), we thank you for the opportunity to make a representation regarding UNC Modification 0461, designated by the EU Third Energy Package Capacity Allocation System (CAM). Total E&P UK Ltd. finds that for shippers and terminal operators, there are significant and wide-ranging costs that would be incurred in implementation of UNC Modification 0461, with no clear benefits for the UK gas market as a whole. In order to implement the change in the gas day from an upstream point of view, we would incur costs in altering all the software for offshore and onshore metering, altering our infrastructure allocation systems as well as testing and verifying metering and allocations changes. Total E&P UK will also incur substantial legal costs in order to amend all commercial agreements related to upstream gas transportation and gas sales. Total E&P UK Ltd cannot discern any clear benefits to the UK gas market by implementing UNC Modification 0461, particularly in terms of market competitiveness, price responsiveness or liquidity. In short, for upstream producers, shippers and terminal operators UNC Modification 0461 would introduce significant costs and no clear benefits for either commercial operations or the UK gas market.

Modification Panel Members have indicated that it would be particularly helpful if the following question could be addressed in responses:

Q1: Please provide views on the time constraints of the process and effort required to implement this modification.

To implement UNC Mod 0461, Total E&P UK Ltd. would need more time than is given for a November 1st, 2015 implementation date due to the nature of conducting offshore maintenance works.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

None

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

UNC Modification 0461 may meet the stated Relevant Objective of complying with the Capacity Allocation Mechanism legislation; however, in implementing UNC Modification 0461, all upstream and downstream Users of the NTS would thereby be compelled to comply, effectively making UNC Modification 0461 apply beyond the original legislation of changing the gas day at interconnection points only.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

Please see summary above.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

The steps involved in UNC Modification 0461 implementation are currently under review.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

We are satisfied with the legal text as it is stated in the Draft Modification Report.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

None