



22 January 2014

Hayley Burden, National Grid
Sent my email to: Hayley.Burden@nationalgrid.com

**Response to National Grid Modification 0461:
Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes**

Dear Hayley

ExxonMobil International Limited is grateful for the opportunity to comment on the proposed modification and is responding on behalf of ExxonMobil Gas Marketing Europe Limited.

We appreciate the opportunity to provide input where appropriate based on our wider experience in European and other markets across the world. At this time we would like to make some fundamental observations related to the modification that we hope you will seriously consider as you progress with your review.

In our opinion the proposed GB Gas Day change is not required by the EU Network Code on Capacity Allocation Mechanism (CAM NC¹) and we draw to your attention two extracts of the CAM NC that support this position:

- Article 2 (Scope), paragraph 1, reads: *"This Regulation shall apply to interconnection points. It may also apply to entry points from and exit points to third countries, subject to the decision of the relevant national regulatory authority. This Regulation shall not apply to exit points to end consumers and distribution networks, entry points from 'liquefied natural gas' (LNG) terminals and production facilities, and entry-exit points to or from storage facilities."*
- An interconnection point is defined in Article 3(10): *"'interconnection point' means a physical or virtual point connecting adjacent entry-exit systems or connecting an entry-exit system with an interconnector, in so far as these points are subject to booking procedures by network users"*.

Consequently the CAM NC only applies to the IUK and BBL connections at Bacton and changing the Gas Day in the downstream GB gas market goes far beyond the minimum requirements of the CAM NC.

It is also our opinion that it should be possible to 'bundle' 6am-6am (GMT) exit capacity at Bacton and 5am-5am (GMT) entry capacity into IUK, and to provide the one hour time shift by the TSO-TSO operational balancing account (line pack). This way the GB Gas Day could remain unchanged and gas commodity products traded in the UK would be fully compatible with the products traded in Belgium/Netherlands.

The above implementation of the CAM NC would also meet the objectives of the EU Network Code on Gas Balancing since the products currently traded on the GB within-day market could be used by network users to manage their balancing positions in neighboring systems.

It is possible that there are added benefits to changing the Gas Day in the downstream GB gas market, but this should take into account any additional costs associated with the modification. The present proposal does not appear to consider these costs as the change is currently being presented as a mandatory one.

Given our position on this we believe that the proposed modification 0461 is unnecessary. We trust that you will find our input useful and if any clarification is required please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in blue ink that reads "Lee Bowerbank".

Lee Bowerbank, Europe Regulatory

¹ Commission Regulation (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council.