

Representation - Draft Modification Report UNC 0842

Gas Entry onto the Total system via an Independent Gas Transporter

Responses invited by: **5pm on 26 January 2024**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Edward Allard
Organisation:	Cadent Gas Limited
Date of Representation:	26/01/2024
Support or oppose implementation?	Qualified Support
Relevant Objective:	a) Positive b) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Cadent are supportive of this modification, as its implementation would extend the market for new entry connections of greener gas (such as biomethane) onto the Total System, through IGTs operating pipelines that connect delivery facilities to distribution networks.

As part of the support for implementation of this modification, Cadent wishes to highlight several key elements of the draft modification report that it believes are pivotal.

A principle that overarches our support is that the responsibilities and obligations that IGTs are held to, when transporting entry gas onto the total system, should be consistent with the existing standards that Distribution Networks (DNs) adhere to (for example Section 8 and Schedule 3 Part 1 of the Gas Safety (Management) Regulations 1996).

Additionally (and as referenced in clarification point six in the draft modification report below), we believe it is important to underline the division of responsibility between the DN and IGT in ensuring that gas transported in their respective networks complies with all necessary regulations:

“Gas quality obligations detailed in The Gas Safety (Management) Regulations apply equally to DNO and IGT licensed transporters and as such each transporter has an equal requirement and interest to ensure the gas entering and leaving their respective networks is compliant with these Regulations.”

However, we recognise the ability for IGTs and DNs to enter into an agreement separate from the UNC relating to the contracting of measurement activities at the IGT SEP from the IGT to the DN.

Overall, Cadent are supportive of this modification, and believe that the caveats highlighted as part of this representation can be mitigated through the inclusion of terms in the tripartite and IGT-DN agreements.

We have outlined our rationale to support our views on the impacts on the relevant objectives (above):

Relevant Objective a) *“Efficient and economic operation of the pipe-line system”*

We believe that this modification furthers relevant objective a). The implementation of this modification would extend the market for new biomethane entry connections onto distribution networks, increasing the volume of gas able to be accessed by the total system.

Relevant Objective b) *“Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/or (ii) the pipe-line system of one or more other relevant gas transporters”*

We believe that this modification furthers relevant objective b). This modification would define clear rules to govern the efficient coordination of multiple pipeline systems (IGT and DN) for the purpose of extending the market for new gas producers to enter gas onto the Total System.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We believe implementation of modification 0842 and IGT modification 172 should be made in parallel and as soon as reasonably practical following authority direction.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

None identified, the charges relating to the IGT LDZ SEP will be governed by existing charging arrangements. Distribution networks may incur costs in designing the necessary bespoke tripartite contracts and Network Entry Agreements. However, the scale of these costs is currently unknown and do not impact Cadent’s qualified support of this modification at this stage.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We are satisfied that the Legal Text will deliver the intent of the solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None

Please provide below any additional analysis or information to support your representation

Nothing further to add.

We trust that this information will assist in the completion of the Final Modification Report.

Please contact me on 07891670444 (Edward.allard@cadentgas.com) should you require any further information.