

## Representation - Draft Modification Report UNC 0607

### Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point

Responses invited by: **5pm on 09 November 2017**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	David O'Donnell
<b>Organisation:</b>	NSMP Operations Limited
<b>Date of Representation:</b>	6 November 2017
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	<p><b>a)</b> Positive</p> <p><b>d)</b> Positive</p> <p><i>(i) between relevant shippers;</i></p> <p><i>(ii) between relevant suppliers; and/or</i></p> <p><i>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.</i></p>

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

The proposed Modification will help maximise gas production from the Rhum gas field in UK waters thereby helping the UK Government in its stated aim of maximising the economic recovery of UK oil and gas (MERUK). Maximisation of domestic gas production will reduce reliance on overseas imports which will have a positive (if slight) impact on UK balance of payments and enhance the security of supply of gas for the UK.

#### Self-Governance Statement: Please provide your views on the self-governance statement.

NSMP considers that, in isolation, there should be no requirement for Authority Direction as the transportation of gas with slightly elevated CO<sub>2</sub> content should not have a material impact on the self-governance criteria set out in the Modification Report. However, it is clear from Work Group discussions that National Grid require Authority Direction in order that concerns around future competition (*i.e.* possible future requirements for similar relaxation of CO<sub>2</sub> specification at other entry points) can be addressed. We understand that the key issues for National Grid are; whether the mitigations agreed between NSMP and National Grid and proposed for inclusion in an amended NEA (which effectively time limit the proposed Modification) are appropriate to address potential future competition

concerns and also whether such arrangements could themselves be regarded as being discriminatory, given that all other gas quality limits in all other NEAs are not time-limited. So, for that reason NSMP would support seeking Authority Direction.

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

Implementation should be as soon as possible following any approval. Our rationale for this is to maximise economic recovery of UK oil and gas as soon as possible.

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

NSMP's operational Management of Change process to allow implementation of the Modification is on-going and no issues are expected. In addition, amendments to amend our Transportation and Processing agreement with the Rhum owners and also our Network Entry Agreement with National Grid will be required. Again, this work is underway in the expectation of approval of the Modification.

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

Yes.

**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.*

No.

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

None.