

Representation - Draft Modification Report UNC 0761

Arrangements for Interconnectors with additional Storage capability

Responses invited by: 5pm on 19 November 2021

To: enquiries@gasgovernance.co.uk

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

Representative:	Ricky Hill
Organisation:	British Gas Trading Limited
Date of Representation:	19 November 2021
Support or oppose implementation?	Qualified Support
Relevant Objective:	<p>a) Positive</p> <p>b) Positive</p> <p>d) Positive</p>
Relevant Charging Methodology Objective:	<p>a) Positive</p> <p>b) Positive</p> <p>c) Positive</p>

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

In principle, given that the pipeline transportation capability would otherwise remain unused, we support the proposal that INT could be used for the provision of short-term storage and balancing services. Providing these additional services would further facilitate the efficient operation of the interconnector pipeline and increase the size of the market for such services, thereby better facilitating competition. However, we do believe a lack of clarity remains around the legality of reclassifying a proportion of an interconnector's services as storage, especially given that the statutory definition of a storage facility in the Gas Act does not appear compatible with the proposed services. In this respect, we agree with the Workgroup that this would have to be clarified as part of the Authority's decision and as such our support is contingent on this outcome.

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

As soon as reasonably practicable.

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

We would not face any substantial costs associated with this Modification.

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

Yes

Modification Panel Members have requested that the following questions are addressed:

Q1. Do any legal points need to be considered which are relevant to 0761?

As we noted above, we share the concerns of the workgroup on the legal basis of the proposal, and in particular the fact that interconnectors, as pipelines do not meet the definition of a storage facility in Section 48(1) of Gas Act 1986. This will need to be assessed by the Authority when making a decision.

Q2. Do you have any views in relation to the delivery costs and potential benefits associated with delivering this solution?

No comments other than those noted in the first paragraph

Q3. Do you have any views as to whether implementation will increase overall NTS throughput volumes?

No comments other than those noted in the first paragraph

Q4. Please explain whether you believe this solution has any impacts on other available storage services.

We do not envisage any significant impact on other available storage services, other than the fact it will evidently provide more competition in the market.

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 further comments

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

No further comments