



Cadent Gas Limited
Pilot Way, Ansty Park
Coventry CV7 9JU
cadentgas.com

Bob Fletcher
Joint Office of Gas Transporters
Radcliffe House,
Blenheim Court,
Warwick Road,
Solihull
B91 2AA

Andy Clasper
Andy.clasper@cadentgas.com
Direct tel +44 (0)7884 113385

4th August 2023
Your Reference: UNC Modification Proposal 0808

UNC Modification Proposal 0808 – Reverse Compression

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal to which Cadent opposes.

Do you support or oppose implementation?

Oppose

Relevant Objective:

- b) negative
- d) none

Reason for support/opposition:

Cadent are fully supportive of initiatives which efficiently maximise the flow of bio-methane into DN networks.

We also understand that this is an enabling modification and further operational agreements will be required between the relevant iGT and DN before any 'in-grid' compression facilities can be fitted and operated. We do though have reservations regarding this modification.

Cadent wish to highlight its view that the DN's would not be-able to operate and develop an economic and efficient network with 3rd parties owning and operating in-grid compressors, whose sole purpose is to change the flows on another DN's network.

We acknowledge that whilst it may be possible for a small number of highly bespoke projects to be made to work both technically and operationally, such arrangements cannot work everywhere.

It would therefore be uneconomical and impractical to accommodate, both operationally and commercially, as numbers of in-grid compression connections increase, both in routine and emergency conditions, and as flows change over time across the gas grid, including new competing gas to grid connections.

So at a principle level, we do not support this proposal. The DN is responsible for the economic, efficient and safe development of capacity on their networks, whilst facilitating competition and fair allocation of system access.

Therefore Cadent supports in-grid compression as an entry capacity reinforcement option only where the host DN owns and operates such facilities itself.

Implementation

As this is an enabling modification, we agree that implementation can be as soon as possible following Authority Direction.

Impacts and Costs

Impacts and Costs of amending 4b statements and putting in place necessary Network Entry Agreements have not been assessed as yet.

Legal Text

We have discussed with the legal text provider that we believe the provided text within Section A 2.4 could have been clearer to more directly point at its use for 'reverse compression' only.

BR1 states *"Where an IGT System includes reverse compression assets, the arrangements described in these business rules shall apply (and not otherwise)."*

The term *'and not otherwise'* is pertinent here. The legal text provided in 2.4 (whilst not in itself conferring any rights) makes no mention of reverse compression. The legal text provider has provided an explanation, given by the lawyer, that 2.4 simply sets out the new defined term for an iGT Entry Point and it is Section B 3.5 which provides the substantive text conferring rights.

We agree with this but when read in isolation in the future, a new reader may take a different view if they are not aware of the development of the mod.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

No such errors or omissions identified.

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 compilation of the Final Modification Report. Please contact me on 07884 113385 (andy.clasper@cadentgas.com) should you require any further information.

Yours sincerely,

Andy Clasper