

Representation

Draft Modification Report

0363 - Commercial Arrangements for NTS Commingling Facilities

Consultation close out date: 12 September 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: EDF Energy

Representative: John Costa

Date of Representation: 12 September 2011

Do you support or oppose implementation?

Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

This modification has been raised by National Grid (NG) to create a new type of connection to the NTS to facilitate a coal bed methane project whose gas composition is unlikely to meet UK Gas quality standards and therefore needs to commingle with NTS gas. Commingling facilities are a new and unique connection under the Uniform Network Code. As a new source of non-conventional gas we support the addition of this new method of connecting to the NTS. However, we continue to believe that the main barrier to this modification being implemented and accepted is whether the new methodology creates an advantage or discriminates against current and future NTS connection points. As a unique NTS Connection which aims to withdraw and inject back gas in the same day, it is not dissimilar to storage connections; however, we believe the set of transportation charges proposed, to attract NTS charges based on "net NTS flows" strikes the right balance between these two facilities.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

EDF Energy has been involved in the development of this modification and believes the Modification report has covered the main issues. However we believe an issue raised at the workgroup and not mentioned in the Draft Modification Report is the impact on NTS Calorific Values and Shrinkage. In particular it would be useful to know whether NTS customers and end-consumers as a whole will have to pay extra at some point for bringing the lower average CV emanating from the commingling of gas below the minimum UK Gas requirements. We note that Code already requires CV measurement for NTS entry but is not so specific for exit at a CSEP. We understand that NG is varying the legal text for this modification to address this issue and reflect the requirements of the business rules. We believe that this non-material variation will address our concerns.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe this modification achieves the relevant objectives of NG's Licence; however, in terms of any environmental benefits this would depend on the extent that any gas from commingling facilities could be considered renewable gas such as biomethane.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

None, other than the potential costs associated with a lower level of overall NTS calorific value and requirement for more shrinkage volumes.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes, provided that the legal text is amended so that it includes CV measurement at NTS Exit, as well as Entry.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

We note that some of the issues above such as the impact on CV Shrinkage volumes as well as the environmental benefits were discussed at the workgroup meetings; however, there is no reference to these in the draft modification report. Addition of these points may help inform Users and their responses going forward.