








| UNC Modification | At what stage is this document in the process? |
|--|---|
| <h1>UNC 0826:</h1> <h2>Amendment to Network Entry Provision at Shell St Fergus Terminal</h2> | <div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 2px solid #008000; border-radius: 10px; padding: 5px; display: flex; align-items: center; justify-content: center;"> 01 Modification </div> <div style="border: 1px solid #008000; border-radius: 10px; padding: 5px; display: flex; align-items: center; justify-content: center;"> 02 Workgroup Report </div> <div style="border: 1px solid #008000; border-radius: 10px; padding: 5px; display: flex; align-items: center; justify-content: center;"> 03 Draft Modification Report </div> <div style="border: 1px solid #008000; border-radius: 10px; padding: 5px; display: flex; align-items: center; justify-content: center;"> 04 Final Modification Report </div> </div> |
| <p>Purpose of Modification:</p> <p>This Modification will enable the current Wobbe Index upper limit that applies between National Grid and Shell at St Fergus to be temporarily increased from 51.2 MJ/m³ to 51.4 MJ/m³.</p> | |
| <p>Next Steps:</p> <p>The Proposer recommends that this Modification should:</p> <ul style="list-style-type: none"> • proceed to Consultation <p>This Modification will be presented by the Proposer to the Panel on 20 October 2022. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p> | |
| <p>Impacted Parties:</p> <p>High:</p> <p>Low: GB gas transporters, interconnector operators, shippers, consumers</p> <p>None:</p> | |
| <p>Impacted Codes:</p> <p>None</p> | |

| Contents | | |
|---|--------------------------------|---|
| 1 | Summary | 3 |
| 2 | Governance | 3 |
| 3 | Why Change? | 4 |
| 4 | Code Specific Matters | 4 |
| 5 | Solution | 4 |
| 6 | Impacts & Other Considerations | 5 |
| 7 | Relevant Objectives | 6 |
| 8 | Implementation | 6 |
| 9 | Legal Text | 7 |
| 10 | Recommendations | 7 |
| Timetable | | |
| Modification timetable: | | |
| Date Modification Raised | 12 October 2022 | |
| New Modification to be considered by Panel | 20 October 2022 | |
| Draft Modification Report issued for consultation | 24 October 2022 | |
| Consultation Close-out for representations | 11 November 2022 | |
| Final Modification Report available for Panel | 17 November 2022 | |
| Modification Panel decision | 15 December 2022 | |
| | |  Any questions? |
| | | Contact: Joint Office of Gas Transporters |
| | |  enquiries@gasgovernance.co.uk |
| | |  0121 288 2107 |
| | | Proposer: Christiane Sykes Shell Energy Europe Limited |
| | |  +44 207 546 4737 |
| | | Transporter: National Grid Joshua Bates |
| | |  Joshua.Bates@nationalgrid.com |
| | |  07790 941158 |
| | | Systems Provider: Xoserve |
| | |  UKLink@xoserve.com |

1 Summary

What

This is an enabling Modification to facilitate a temporary amendment to the Wobbe Index (WI) upper limit within the Network Entry Provisions between Shell and National Grid at St Fergus. It is proposed to increase the limit from 51.2 MJ/m³ to 51.4 MJ/m³. The amendment is requested for a 12 month period to enable St Fergus to prove continued operation within this limit and should this be successful a subsequent permanent change may be requested within this 12 month window. This requested time period would allow for a permanent change request to be approved within this time so that Shell St Fergus operations would not have to revert back to the 51.2 MJ/m³ spec while waiting on the permanent change to be approved.

Why

Shell St Fergus currently operates under a legacy entry agreement which has an upper Wobbe Index limit of 51.2 MJ/m³. Due to the current energy climate, Shell St Fergus would like increased flexibility on the Wobbe Index limit to enable increased energy deliveries to National Grid thereby helping with security of supply concerns currently being faced. The requested increase is the same as the standard network agreement limit and within the existing GS(M)R range therefore is not believed to be a significant change and impact on others within the system.

Should the change not be made then Shell St Fergus will continue to operate within its current Wobbe Index limit which in turn will limit the ability to optimise energy delivered to National Grid.

How

The Proposer is seeking to amend the Network Entry Provision described above via this enabling Modification. The proposed limit of 51.4 MJ/m³ is consistent with other network entry agreements and in line with the GS(M)R legislation ≤51.41 MJ/m³, therefore gas accepted into the National Grid terminal would still be within this limit.

2 Governance

Justification for Self-Governance

The effect of this amended Modification on competition is not deemed material due to other network entry parties already operating to the requested increased Wobbe Index limit.

No other pipeline incomers entering the NTS at St Fergus have gas sources above the existing GS(M)R Wobbe Index upper limit, therefore this amendment will not unduly discriminate.

No further development is required so the proposer is seeking implementation as soon as possible after this UNC proposal has been accepted in order to increase energy deliveries without delay.

The modification:

- (i) is unlikely to have a material effect on:
 - (aa) existing or future gas consumers; and
 - (bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and
 - (cc) the operation of one or more pipe-line system(s); and

- (dd) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
 - (ee) the uniform network code governance procedures or the network code modification procedures; and
- (ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

Requested Next Steps

This Modification should proceed to Consultation.

The proposer is requesting to proceed straight to consultation given the perceived immateriality of the change and the positive benefits on aiding the current security of supply issues which this could help alleviate in a relatively short timeframe.

3 Why Change?

The Shell St Fergus terminal provides approximately 12% of the UK's gas supplies and exports gas to National Grid within a Wobbe Index upper limit of 51.2MJ/m³ where it comingles with other entrants to National Grid who already operate within the requested Wobbe Index limit of 51.4 MJ/m³. The Proposer requests this increase on a 12 month temporary basis with a view to a subsequent permanent change request should expected operational results be proven. Given the current climate and security of supply concerns, the Proposer is keen to play its part in society and help optimise deliveries to National Grid. This could aid diversity of supply thereby benefitting security of supply. Should the change not be made then Shell St Fergus will continue to optimise deliveries within its current spec but would result in the additional gains not being realised.

4 Code Specific Matters

Reference Documents

Link to: [Gas Safety \(Management\) Regulations 1996 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

Knowledge/Skills

No additional knowledge/skills, above those available, required to assess this Modification.

5 Solution

This Modification seeks to amend the Network Entry Provision between Shell and National Grid at St Fergus for a specified time period of 12 months starting as soon as possible after this UNC proposal has been accepted. It is proposed to increase the Wobbe Index upper limit from 51.2 MJ/m³ to 51.4 MJ/m³ for this period subject to the conditions set out below.

With this Modification, export from Shell St Fergus to National Grid will still have a Wobbe Index no higher than other entrants who already operate within 51.4 MJ/m³. Should Shell St Fergus exceed 51.4 MJ/m³, then this will be reduced back below 51.4 MJ/m³ in accordance with the Transportation Flow Advice process.

6 Impacts & Other Considerations

Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None.

Consumer Impacts

A benefit to consumers through security of supply could result by enabling increased energy deliveries to National Grid thereby aiding diversity of supply. These increased deliveries could assist consumers through downward pressure on gas prices.

What is the current consumer experience and what would the new consumer experience be?

This modification seeks to help increase energy delivered to National Grid. The knock on effect to consumers could be to mitigate against price rises due to increased diversity of supply.

| Impact of the change on Consumer Benefit Areas: | |
|--|-------------------|
| Area | Identified impact |
| <p>Improved safety and reliability</p> <p>None</p> | None |
| <p>Lower bills than would otherwise be the case</p> <p>This change is unlikely to reduce bills however it could help mitigate against further price rises by optimising gas deliveries to National Grid.</p> | Positive |
| <p>Reduced environmental damage</p> <p>None</p> | None |
| <p>Improved quality of service</p> <p>None</p> | None |
| <p>Benefits for society as a whole</p> <p>This modification can help with security of supply by optimising current energy supplies to National Grid.</p> | Positive |

Cross-Code Impacts

No impact identified.

EU Code Impacts

No impact identified.

Central Systems Impacts

No impact identified.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

| Relevant Objective | Identified impact |
|--|-------------------|
| a) Efficient and economic operation of the pipe-line system. | Positive |
| 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. | None |
| c) Efficient discharge of the licensee's obligations. | None |
| d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers. | Positive |
| e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers. | None |
| f) Promotion of efficiency in the implementation and administration of the Code. | None |
| g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. | None |

The implementation of this proposal would better facilitate the following Relevant Objectives:

a) The efficient and economic operation of the pipeline system is positively impacted by this Modification because it would facilitate increased energy to be processed through the existing network infrastructure than would otherwise be the case.

d) Securing of effective competition between relevant shippers would be better facilitated as all would be operating in line with the GS(M)R legislation ≤ 51.41 MJ/m³ thereby creating a level playing field.

8 Implementation

As Self-Governance procedures are proposed, implementation could be within sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

The proposer is seeking implementation as soon as possible after this UNC proposal has been accepted in order to increase energy deliveries without delay.

9 Legal Text

Text

No change to the text of the UNC is required since this is an enabling Modification in accordance with UNC Transportation Principal Document Section I 2.2.3 (a).

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to issue this Modification directly to Consultation.