

## Representation - Draft Modification Report UNC 0826S

### Amendment to Network Entry Provision at Shell St Fergus Terminal

Responses invited by: **5pm on 08 December 2022**

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

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

<b>Representative:</b>	Christiane Sykes
<b>Organisation:</b>	Shell Energy Europe Limited (SEEL)
<b>Date of Representation:</b>	5 December 2022
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	a) Positive d) Positive
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

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

Shell Energy Europe Limited (SEEL) supports this proposed modification for the reasons set out in our proposal.

According to Ofgem figures, the average British household uses 14900 kWh/year<sup>i</sup> (0.05364 TJ/year) of energy (gas and electricity combined). This proposal could, therefore, increase deliveries to the NTS to meet the demand of 136,000-204,000 households per year, which would benefit UK energy supply security.

As National Grid states in their Gas Winter Outlook 2022/23, the 'potential for a shortfall in gas supplies within continental Europe could have a range of knock-on impacts in Great Britain, creating risks around the ability of GB to import from continental Europe if required<sup>ii</sup>'. In light of the current market uncertainty, fine-tuning our St Fergus operations will enable Shell to provide more energy to the NTS, which will help to mitigate at least some of the risk this winter related to a reduction in gas supplies to continental Europe.

This proposal better facilitates the Transporters' Relevant Objectives:

Securing of effective competition between relevant shippers: by levelling the playing field and preventing discrimination through aligning the Shell St Fergus Upper WI limit with the GS(M)R legislation and with other terminals delivering gas onto the NTS, consistent with the standard Network Entry Agreement limit and within the existing GS(M)R range.

Efficient and economic operation of the pipe-line system: by facilitating increased energy to be processed through the existing network infrastructure than would otherwise be the case.

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.

We note National Grid's assessment of this proposal, presented in the November Transmission Working Group that in their view, this is a low impact change to equalise the Wobbe spec for Shell with other terminals and, therefore, they do not believe there would be value in lengthening the timeframe for this Modification's passage through the governance process by completing network penetration analysis in this case<sup>iii</sup>.

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

The Modification would have no detrimental impact on competition and 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.

The modification: is unlikely to have a material effect on:

- (a) existing or future gas consumers; and
- (b) 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
- (c) the operation of one or more pipe-line system(s); and
- (d) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- (e) the uniform network code governance procedures or the network code modification procedures; and is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

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

Should the Modification Panel make a determination to implement this Proposal, no further development is required so the proposer is seeking implementation as soon as possible in order to increase energy deliveries without delay.

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

No detrimental impact or increase in costs for other network users is foreseen by implementation of this proposal on the basis of the minor increase in the Upper WI limit;

the relatively small percentage increase in energy and volumes, compared to overall St Fergus volumes / energy content and comingling with other gases before entering the NTS, all of which are within the GS(M)R limit.

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

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).

**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**

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<sup>i</sup> [https://www.ofgem.gov.uk/sites/default/files/docs/2020/01/tdcvs\\_2020\\_decision\\_letter\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2020/01/tdcvs_2020_decision_letter_0.pdf)

<sup>ii</sup> <https://www.nationalgrid.com/gas-transmission/document/140921/download>

<sup>iii</sup> <https://www.gasgovernance.co.uk/sites/default/files/ggf/2022-10/6.2%20UNC0826%20-%20NG%20view.pdf>