

National Grid Gas Quality Consultation Response Template

To provide written feedback, please complete this form and by email it to box.gas.market.devel@nationalgrid.com and philip.hobbins@nationalgrid.com no later than Friday 17th November 2017. Alternatively, if you wish to provide feedback verbally, please use the contact details above to make arrangements for a meeting / conference call / video conference.

Name:Terry Burke.....

Company: Statoil UK Ltd.....

Do you wish National Grid to keep the details of your response confidential?.....No.....

Questions for Consultation

Existing NTS Entry Connections

1. Do you expect the number of requests by existing NTS entry parties to amend gas quality limits in their Network Entry Agreements (NEAs) that are within GS(M)R but outside GTYS limits to increase in the coming years? Please provide your rationale.

Statoil feels that on the back of mods 498,502 & 607 there is a probability of further requests to follow however we are unaware of any specific proposals at this present time.

2. Do you believe that National Grid's current method of assessment for individual NEA parameter changes is appropriate? If not, how could our approach be improved?

Statoil feels the current method of assessment is appropriate and that each individual request to amend NEA parameters is taken on its merits while undergoing the full governance process.

3. Which of the NEA change options detailed in section 7.0 for individual limit parameters do you prefer and why? Are there other options that should be considered?

Statoil refers you to our previous answer and feels each proposal should be taken on its merits. Option 2 could possibly delay such a process by implementing a window for gas quality.

New NTS Entry Connections

4. Do you believe that the process of agreeing gas quality limit parameters for new NTS entry connections requires reform? If so, what changes do you suggest?

Statoil is unclear on what the parameters for new NTS entry connections are so we can't provide comment. Maybe National Grid could provide more information to the industry on this area?

5. Do you consider that the demand for new NTS entry connections to deviate from GTYS gas quality limits will grow in the future? If so, please provide your rationale.

Statoil feels that as we move more towards a low carbon future and the likelihood of a greater diversity of supply sources that gas quality limit requests are likely to increase.

Generic Questions

6. Where National Grid's ability to agree to higher gas quality limits is limited, e.g. a higher limit could be agreed at one NTS entry point but not more widely due to an impact at NTS exit point(s), how should National Grid manage and allocate the available flexibility?

Should such an eventuality occur National Grid and/or shippers could provide flexibility to the market via chargeable blending services. Each case will have to be considered individually as outlined earlier in this response.

7. Do you support further consideration of National Grid providing gas quality services to process and/or blend at NTS entry points in the RIIO-2 period or do you believe that the responsibility to deliver compliant gas should continue to rest with upstream parties? Are there specific projects / locations where this type of service could be valuable?

Please see our previous answer.

8. If your business is adversely affected by variations in gas quality, how could National Grid help you to manage those issues? (Note: at this stage, we are not proposing to publish real-time gas quality data measured at entry points to the NTS).

Short terms variations in gas quality don't have an adverse impact on our business.

9. Is there a case to treat smaller connections that Project CLoCC seeks to facilitate differently to larger coastal terminals in respect of gas quality arrangements?

N/A

10. The GTYS limit for oxygen is 200 times more stringent than that required by GS(M)R (10ppm compared to 2000ppm). Do you anticipate any adverse consequences if the GTYS limit were to be increased?

Statoil would appreciate further context around GTYS around why there is such a significant difference from the current GSMR limit. The potential impact of such a change on the wider gas value chain should be discussed with relevant stakeholders.