

Agency for the Cooperation of Energy Regulators
Trg republike 3
1000 Ljubljana, Slovenia
Email: a1_2014@acer.europa.eu

21 January, 2015

NON-CONFIDENTIAL

Subject: Public Consultation on the Oil and Gas UK Proposal to amend the Gas Network Codes CAM and BAL in order to retain the UK Gas Day

Dear Sir or Madam,

Thank you for the opportunity to respond to the consultation regarding an amendment to the CAM and BAL network codes with regards to the UK gas day.

1. Respondant's name and contact details, name and type of organisation or stakeholder:

- a) [REDACTED];
- b) [REDACTED]
- c) Total E&P UK Ltd.;
- d) Total is an upstream producer, terminal operator and shipper within the UK gas market. The Total-operated St. Fergus sub-terminal is the largest volumetric exporter of gas to the UK gas market from UK and Norwegian continental shelf sources.

2. Please provide a short description of your interest, motivation and role in this amendment proposal.

As a major upstream producer and terminal operator, servicing the UK gas market, Total E&P UK Ltd. is directly affected by the ACER proposal to amend the CAM and BAL network codes in order to maintain the existing UK gas day. A change in the UK gas day will require significant changes to many of our metering, IT, allocation, nomination, attribution and validation systems, as well as commercial and legal costs for amending all agreements in place which govern the commercial operations of our upstream production and terminal management.

Furthermore, the Total St. Fergus sub-terminal is the largest volumetric exporter of gas into the UK National Transmission Service. As such, Total is keen to be involved in the discussion regarding options to ameliorate the balancing gap created by a one- hour shift of the UK gas day.

Thus far, Total E&P UK Ltd. has been an active member in the Oil and Gas UK upstream producer group. We have been fully supportive of OGUK's lobbying efforts at the EU level, and have been broadly supportive of the work conducted by UK producers and terminal operators, in designing and testing a technical solution for all UK upstream producers.

3. Do you support oppose or have a neutral position towards the proposed amendment being further considered by ACER? Please specify the main reasons why you think ACER should or should not pursue this amendment request.

Total supports the proposed amendment for ACER to consider derogation to the CAM and BAL network codes, permitting the UK to remain on the existing gas day. It is our opinion that the spirit of the CAM network code is to harmonise markets, including trading systems, products and procedures for gas transactions, thus maximising the capabilities and efficiencies of a fully integrated EU gas market. We believe that this can be fully achieved by permitting UK gas producers to remain on the existing gas day by approaching the gas day legislation as a national and international issue, rather than passing it on to individual producers, terminal operators and shippers.

At the EU level, the current gas day legislation was intended to be an upgrade to national transmission systems for gas to create an international transmission system. Given this, ACER should approach the gas day change as a national or international issue best resolved at the TSO or European level. At present, compliance with the legislated new gas day has widely varied commercial and technical complexities, thus costs, associated with it when delegated down to the individual producer, terminal operator and shipper. This has created competitive advantages and disadvantages between market participants, based on their ability to comply with the new gas day, which negates the imperative of creating a unified EU gas market.

We recommend that ACER consider two options: a) obligate the TSO to manage the one-hour balancing difference through linepack resources within the national transmission system, or b.) create a derogation to the EU CAM and BAL network codes, whereby the gas day change would be managed by the TSO at the cross-border points only, through hourly balancing. Secondly, we recommend that ACER consider de-coupling the CAM and BAL network codes. When implemented in combination, CAM and BAL effectively pass on the gas day compliance question to each NTS aggregated system entry point, and thus the entirety of the upstream. This is unnecessary, as much of the gas produced and consumed remains within the UK.

We are keen to continue working with ACER to resolve the issue of the change in the gas day in the UK. Please contact us for any further information.

Kind Regards,

[Redacted]

[Redacted]

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