bp

Andrew Pearce

European Regulatory Affairs
Gas Trading Europe and LNG

BP Gas Marketing
20 Canada Square
Canary Wharf
London
E14 5NJ

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Clement Perry
Ofgem
9 Millbank
London, SW1P 3GE

Meinoud Hehenkamp
ACM
Pastbus16326
2500 BH Den Haag

Direct: +44 (0)20 7948 4027
Main: +44 (0)20 7948 4000
Mobile: +44 (0)7900 654136
Andrew.Pearce2@bp.com

Dear Sirs

Options for implementation of the European Union Network Code on Congestion Management Procedures on BBL Company

Thank you for the opportunity to respond to the above consultation document. As a shipper across several European interconnection points, BP wishes to make the following comments. These comments are not confidential.

BP holds the view that OSBB should be implemented as a CMP measure on the BBL pipeline as opposed to FDA UIOLI. Our reasons for this can be found below.

1. Which of the potential options – OSBB or FDA UIOLI – do you prefer? Why?

BP is in favour of implementing OSBB as the primary tool to use in CMP. We do not agree that FDA UIOLI should be implemented on BBL. CMP says that OSBB along with Capacity Surrender and Long Term UIOLI should be implemented from October 2013. FDA UIOLI may be used from July 2016 if other CMP measures have not led to the freeing up of booked capacity.

National Grid and GTS have implemented OSBB so it would seem logical that BBL do the same. To implement FDA UIOLI could lead to issues when trying to bundle capacity products. We also note that the other gas interconnector between GB and mainland Europe, Interconnector UK (IUK) has proposed to implement OSBB as their main CMP measure.

2. Which of the potential options discussed in this document would provide the greatest level of flexibility that you are seeking in flowing gas from the Netherlands to GB, subject to the requirements of the CMP Guidelines?

OSBB offers the greater level of flexibility. FDA UIOLI by its very nature takes away flexibility from the system users even when there is no contractual congestion.

3. Do you agree with the advantages and disadvantages of each option as presented? Are there any further advantages or disadvantages to be considered?

We do not see advantages with FDA UIOLI. To restrict downward nomination means a shipper may be forced to flow even when the conditions are uneconomic to do so. A restriction on renominations also encourages shippers to put in higher nominations than they may have wanted just so that they are guaranteed the ability to flow at a high rate, to preserve higher levels of optionality. Renomination restrictions also devalue the primary product, requiring shippers to reacquire capacity if they wish to maintain full flexibility after the nomination deadline.

4. How would you value the potential threat of curtailment under an OSBB mechanism with a pot, relative to the potential loss of flexibility due to restriction of renomination rights under the FDA UIOLI mechanism?

In our opinion there is still more value in OSBB than there is in FDA UIOLI where you are certain to be restricted in your firm flows regardless of how the system is operating. Additionally, FDA UIOLI is more likely to be implemented as a permanent restriction; curtailment under OSBB would only happen in rare circumstances. There could also be advance warning of when a pot is likely to be reached and the extent of overselling could be adjusted in future years

We hope that you find these comments helpful. If you wish to discuss further please don't hesitate to contact me on the number above.

Yours sincerely

Andrew Pearce
Regulatory Affairs