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Ofgem
10 South Colonnade
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Subject: UNC728/A/B/C/D ('Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS'): minded to decision and impact assessment

Dear David O'Neill / Alsarif Satti / Thomas Bourke

SEEL welcomes Ofgem's commitment to commission CEPA to conduct quantitative analysis, which demonstrates the risk of bypass of the NTS in the absence of a 'shorthaul' discount, which has also been demonstrated through representations made by several stakeholders.

Whilst SEEL continues to support all of the proposals in the ambition to avoid inefficient bypass of the NTS and consequently avoid lost revenues for National Grid with an associated upward impact on network user tariffs, our preference remains for 0728D, which targets the vast majority of routes that are identified as risks under CEPA's analysis and all of the routes that Ofgem has classified as 'higher' risks.

Ensuring continued utilisation of the NTS will further support the transition to net zero as any associated investment in the gas transmission system to meet continued demand for natural gas serves to ensure the system is adaptable and available for future use for decarbonised gases.

Gas networks users have recently faced an almost unprecedented level of tariff uncertainty and volatility. We therefore urge that Ofgem publishes their final decision as soon as possible to inform network users' capacity booking strategies and contract negotiations at the earliest stage possible and ahead of implementation from October 2021, should Ofgem decide to implement one of the proposals.

Please do not hesitate to contact me should you wish to discuss any aspect of this response.

Yours sincerely
Shell Energy Europe Limited
Christiane Sykes
Gas Commercial Regulatory Affairs Manager