

**Modification Report**  
**Amendment of Network Entry Provisions at BP sub terminal**  
**at West Sole Easington**  
**Modification Reference Number 0732**  
Version 2.0

This Modification Report is made pursuant to Rule 8.9 of the Modification Rules and follows the format required under Rule 8.9.3.

## 1. The Modification Proposal

It is proposed that some of the Gas Entry Conditions, which form part of the Network Entry Provisions, for West Sole Easington System Entry Point be amended in accordance with the following:-

- Proposed changes to gas quality specification items currently specified at West Sole Easington to bring the specifications in line with GS(M)R specifications.

<b>Gas Quality Characteristic</b>	<b>Current Specification As Stated</b>	<b>Proposed Specification</b>
Wobbe No : -		
Upper Limit	51.2 MJ/m <sup>3</sup>	51.41 MJ/m <sup>3</sup>
Lower Limit	48.2 MJ/m <sup>3</sup>	47.20 MJ/m <sup>3</sup>
Water Dewpoint	Variable Winter/Summer spread: < -9 °C to +4 °C @ 48.26 barg	< = -10 °C @ 48.26 barg
Hydrocarbon Dewpoint	Variable Winter/Summer spread: < -1 °C to +10 °C @ 48.26 barg	<= -2 °C @ 48.26 barg

- Proposed changes to update the gas quality specification to take into account specific requirements within GS(M)R not currently specified at West Sole Easington.

<b>Gas Quality Characteristic</b>	<b>Current Specification As Stated</b>	<b>Proposed Specification</b>
Hydrogen	-	< =0.1 % (molar)
Soot Index	-	< =0.6
Incomplete Combustion Factor	-	< =0.48
Gas Temperature Range	-	Between 1 °C and 38 °C

If this Modification Proposal were approved then the revised Gas Quality Specification would be intended to be incorporated within a Network Entry Agreement at the BP West Sole Easington sub terminal.

## **2. Transco's Opinion**

Transco supports implementation of this modification proposal which would facilitate bringing the contractual gas quality specification for gas entering Transco's NTS at West Sole in line with the full GS(M)R range for wobbe number.

## **3. Extent to which the proposed modification would better facilitate the relevant objectives**

The implementation of this Modification would facilitate the relevant objective of securing effective competition between relevant shippers and between relevant suppliers by allowing the terminal to accept the full wobbe range under GS(M)R.

## **4. The implications for Transco of implementing the Modification Proposal , including** **a) implications for the operation of the System:**

Transco notes that the existing contractual lower Wobbe Number limit is narrower than the limits prescribed in GS(M)R. The Proposal would therefore remove this margin and presents an increased risk that any Wobbe Number excursion would breach GS(M)R. Transco requires the full co-operation of the Delivery Facility Operator (DFO) at each System Entry Point to ensure that gas supplies are compliant with GS(M)R.

### **b) development and capital cost and operating cost implications:**

Changes in capital and operating costs would only be expected were implementation of the Modification Proposal to lead to a change in flow patterns on Transco's network. Transco would welcome views as to any changes in flow patterns, which may result from implementation of the Modification Proposal.

### **c) extent to which it is appropriate for Transco to recover the costs, and proposal for the most appropriate way for Transco to recover the costs:**

To the extent that implementation of the Modification Proposal were to lead to increased costs, Transco believes it would be appropriate for these to be considered as part of the next price control review. However, were a significant impact on operating costs to be identified within the present price control period, Transco believes the most appropriate way for Transco to recover the costs would be by application of paragraph 14(11) of Part 2 of Special Condition 28 of its Gas Transporters Licence.

### **d) analysis of the consequences (if any) this proposal would have on price regulation:**

Transco is unaware of any such consequences.

## **5. The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal**

Transco is unaware of any such consequences.

**6. The development implications and other implications for computer systems of Transco and related computer systems of Users**

No implications have been identified

**7. The implications of implementing the Modification Proposal for Users**

Implementing the Modification Proposal would allow users to deliver gas to this facility which complies with GS(M)R.

**8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non-Network Code Party**

Transco has not been made aware of any implications.

**9. Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal**

Transco has not identified any such consequences.

**10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

**Advantages**

Would facilitate bringing the contractual gas quality specification at this terminal in line with the full GS(M)R range for the wobbe number.

**Disadvantages**

None identified.

**11. Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)**

**Representations have been received from:**

Respondent	Response
Centrica Storage Ltd (CSL)	Partial Support
E.ON UK plc (EON)	Support
Scottish & Southern Energy plc (SSE)	Support
BP Energy (BP)	Support
British Gas Trading (BGT)	Support

**10.1 General Principles**

This Modification Proposal received five representations. Four were supportive and one (CSL) offered partial support for the amendment to the wobble limit but did not support the change to Water or Hydrocarbon Dewpoints nor the need to implement the proposal by executing a Network Entry Agreement (NEA).

## **10.2 Safety and GS(M)R**

BGT noted the Transco comment in the Draft Modification Report that the adoption of the GS(M)R wobble index increased the possibility of gas flows outside of the legal limits and agreed that it "will require a more rigorous monitoring by the Operator in order to ensure that the limits are not exceeded".

CSL stated that they felt the limits that Transco were suggesting for the Water and Hydrocarbon Dewpoints at West Sole were "significantly more restrictive than the existing levels" and that under the definition of these limits in GS(M)R (which states that Water and Hydrocarbon Dewpoints "shall be at such levels that they do not interfere with the integrity or operation of pipes or any gas appliance (within the meaning of regulation 2(1) of the 1994 Regulation) which a consumer could reasonably be expected to operate") then they are unaware that the existing limits cause gas to contravene the GS(M)R criterion, and the Modification Proposal offers no reason for them to be altered".

### **Transco response**

As BG suggest, Transco requires the full co-operation of the Delivery Facility Operator (DFO) at each System Entry Point to ensure that gas supplies are compliant with GS(M)R and does and will continue to monitor all gas quality limits at Entry at a suitable and appropriate standard and frequency.

Transco note CSL comments and agrees that the Modification Proposal did not offer a reason for the proposed change to the dewpoint limits.

## **10.3 Security of Supply**

BP stated that they felt this proposal promoted an increase in the number of potential supply sources to the UK and believed "such measures to be beneficial to the UK's security of supply position". BG commented that "it would increase the volume of gas landed at that entry point which would fall within specification of gas acceptable on the NTS"

### **Transco Response**

Transco agrees that the more terminals that have a gas quality specification that could attract potential supply sources in the future creates an increase in the likelihood of some or all of these supplies coming to the UK which in turn is of benefit to the security of supply position.

## **10.4 Securing competition**

EON stated that implementation of this proposal would better facilitate the relevant code objective (c) the securing of effective competition between relevant shippers and relevant suppliers through ensuring consistent gas entry conditions across the system. BP commented that "implementation of this Proposal would be expected to facilitate the achievement of securing effective competition between relevant shippers and relevant suppliers".

### **Transco Response**

Transco agrees with these comments.

## **10.5 Implementation**

CSL stated that they "would oppose any proposal that changes to Gas Entry Condition may only be accepted if accompanied by the need to sign a Network Entry Agreement".

### **Transco Response**

The Modification Proposal states that the Proposer would seek to implement the Modification Proposal by means of a Network Entry Agreement and as such this is a matter for the Proposer and Transco. Should a party wish to implement a change to their Gas Entry Conditions by another means then they would need to discuss this with Transco. However Transco is of the view that an NEA has to be entered into in order to alter the Gas Entry Conditions at any site that operates under legacy arrangements.

### **12. The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation**

Transco is not aware of any such requirement.

### **13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence**

Transco is not aware of any such requirement.

### **14. Programme of works required as a consequence of implementing the Modification Proposal**

Transco would contractually agree the revised gas quality specification through the execution of a NEA with BP Exploration Operating Company Ltd, acting in its role as a DFO at West Sole. Upon implementation of the NEA, System Users would be able to flow gas at the relevant System Entry Point in accordance with the revised gas quality specification.

### **15. Proposed implementation timetable (including timetable for any necessary information systems changes)**

Transco would envisage that, should this Modification Proposal be implemented, that the NEA could be agreed and implemented by Summer 2005.

### **16. Recommendation concerning the implementation of the Modification Proposal**

Transco recommends implementation of this Proposal.

### **17. Restrictive Trade Practices Act**

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

## **18. Transco's Proposal**

This Modification Report contains Transco's proposal to modify the Network Code and Transco now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

## **19. Text**

Revised Network Code legal text is not required as implementation would be achieved via execution of the NEA.

Signed for and on behalf of Transco.

Signature:

**Richard Court**  
**Commercial Frameworks Manager**  
**NT & T**

Date:

**Gas and Electricity Markets Authority Response:**

In accordance with Condition 9 of the Standard Conditions of the Gas Transporters' Licences dated 21st February 1996 I hereby direct Transco that the above proposal (as contained in Modification Report Reference **0732**, version **2.0** dated **11/02/2005**) be made as a modification to the Network Code.

Signed for and on Behalf of the Gas and Electricity Markets Authority.

Signature:

The Network Code is hereby modified with effect from, in accordance with the proposal as set out in this Modification Report, version **2.0**.

Signature:

**Process Manager - Network Code**  
**Transco**

Date:



## Annex

1. Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which The Restrictive Trade Practices Act 1976 ("the RTPA"), had it not been repealed, would apply to this Agreement or such arrangement shall not come into effect:
  - (i) if a copy of the Agreement is not provided to the Gas and Electricity Markets Authority ("the Authority") within 28 days of the date on which the Agreement is made; or
  - (ii) if, within 28 days of the provision of the copy, the Authority gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraphs 1(6) or 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996 ("the Order") as appropriate

provided that if the Authority does not so approve the Agreement then Clause 3 shall apply.
2. If the Authority does so approve this Agreement in accordance with the terms of the Order (whether such approval is actual or deemed by effluxion of time) any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which the RTPA, had it not been repealed, would apply this Agreement or such arrangement shall come into full force and effect on the date of such approval.
3. If the Authority does not approve this Agreement in accordance with the terms of the Order the parties agree to use their best endeavours to discuss with Ofgem any provision (or provisions) contained in this Agreement by virtue of which the RTPA, had it not been repealed, would apply to this Agreement or any arrangement of which this Agreement forms part with a view to modifying such provision (or provisions) as may be necessary to ensure that the Authority would not exercise his right to give notice pursuant to paragraph 1(5)(d)(ii) or 2(2)(b)(ii) of the Order in respect of the Agreement as amended. Such modification having been made, the parties shall provide a copy of the Agreement as modified to the Authority pursuant to Clause 1(i) above for approval in accordance with the terms of the Order.
4. For the purposes of this Clause, "Agreement" includes a variation of or an amendment to an agreement to which any provision of paragraphs 1(1) to (4) in the Schedule to the Order applies.