

CODE MODIFICATION PROPOSAL No. 0019

"Amendment of Network Entry Provisions at ConocoPhillips sub-terminal at Theddlethorpe to
align with Transco's 10 Year Statement"

Version 1.0

Date: received 12/05/2005

Proposed Implementation Date:

Urgency: Non-Urgent

**Proposer's preferred route through modification procedures and if applicable, justification
for Urgency**

(see the criteria at http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf)

The proposed changes to the Network Entry Provisions (NEPs) are required for the forthcoming winter, as they will facilitate the delivery of additional gas as well as reducing the risk of having to constrain flows should offshore problems arise.

Adoption of the proposed changes to the NEPs at ConocoPhillips sub-terminal at Theddlethorpe would: -

- Secure greater flexibility in the operation of the sub-terminal.
- Allow additional, proven gas fields to be economically developed.
- Extend the life of the sub-terminal.
- Remove the risk of discrimination due to aligning the lower Wobbe limit to that contained in both the Gas Safety (Management) Regulations (GS(M)R) and Transco's current 10 Year Statement.

Nature and Purpose of Proposal (including consequence of non implementation)

Changing the Network Entry Provisions at the Theddlethorpe sub-terminal will enable additional ullage capacity and enhance the availability of proven gas supplies at the Theddlethorpe System Entry Point (SEP). The reduction of the lower Wobbe number limit would allow the Delivery Facility Operator (DFO) increased scope to process greater quantities of offshore reserves and to extend the life of the Terminal. Producers would also be incentivised to develop new, proven gas fields with lower Wobbe numbers. In enabling the economic and efficient delivery of new gas supplies at Theddlethorpe, implementation of the proposal would be expected to facilitate the achievement of securing effective competition between the relevant shippers and relevant suppliers.

As a consequence of additional gas flows into the NTS through this proposal, security of supply would also be enhanced. Additional gas supplies from the UKCS could be readily developed and brought ashore without anticipated capital investment being required to develop Transco's system. The new gas supplies are likely to ease some of the constraints in the North Sea as gas fields are being depleted and as greater quantities of lower Wobbe gas reserves are being

discovered. The Theddlethorpe sub-terminal would benefit from increased peak day capacity and a reduced risk of constraining gas due to the loss of blending gas.

When Transco raised modification proposal 681, 'Amendment of Network Entry Provisions at ConocoPhillips sub-terminal at Theddlethorpe', Transco's 10 Year Statement made reference to a lower Wobbe limit of 48.2MJ/m³ and not the GS(M)R limit of 47.2MJ/m³. In late 2003 Transco amended its 10 Year Statement in this respect so the lower Wobbe limit is now the same as that in the GS(M)R. The Calorific Value (CV) in the 10 Year Statement is 36.9MJ/m³. This proposal shall align the gas quality specification at the Theddlethorpe sub-terminal with the gas quality specification contained in the GS(M)R 1996 and published in Transco's current 10 Year Statement in respect of the Wobbe Number and CV limits.

It is proposed that some of the Gas Entry Conditions, which form part of the Network Entry Provisions, for Theddlethorpe SEP be amended in accordance with the following:

Gas Quality Characteristic	Current Specification	Proposed Specification
Wobbe No: - Lower Limit	47.36 MJ/m ³	47.2 MJ/m ³
Calorific Value:- Lower Limit	37.3 MJ/m ³	36.9 MJ/m ³

It has been identified that if the present gas quality specification is retained at Theddlethorpe sub-terminal this would impact on the flexibility, capacity and/or costs of offshore/beach terminal processing. Such additional costs or lack of flexibility would not be justified by any corresponding benefit to Users.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence

In enabling the economic and efficient delivery of new gas supplies at Theddlethorpe, implementation of this Proposal would be expected to facilitate the achievement of securing effective competition between relevant shippers and relevant suppliers.

Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text

This proposal is raised in accordance with the provisions of UNC, Section I2.2.3 that require amendment of Network Entry Provisions by way of a Network Code Modification once Transco and the DFO have agreed to change the Network Entry Provisions and to incorporate these in a Network Entry Agreement (NEA). In raising this modification proposal, ConocoPhillips confirms that agreement in principle to change the Network Entry Provisions has been achieved with Transco. Therefore legal text is not required, as implementation would be achieved via

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completion of a modification to the NEA. ConocoPhillips proposes implementation of this modification proposal immediately following direction.

Implementation of this modification proposal is not believed to have any impact on systems, processes or procedures.

Code Concerned, sections and paragraphs

UNC Section I – Entry Requirements

Proposer's Representative

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Proposer

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Signature

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