

CODE MODIFICATION PROPOSAL No 0153
Amendment of Interconnector UK's Network Entry Provisions
Version 1.0

Date: 13/06/2007

Proposed Implementation Date: 01/09/2007

Urgency: Non Urgent

1 The Modification Proposal

a) Nature and Purpose of this Proposal

As part of an importation capacity expansion of the Bacton Interconnector that is taking place this year, an upgrade of Interconnector UK Ltd's (IUK) fiscal metering system at Bacton is required. This upgrade, which is scheduled to be implemented in September 2007, requires that some technical parameters of IUK's Network Entry Provisions (NEPs) be amended.

IUK's NEPs are contained within its Interconnection Agreement (IA). It is therefore proposed to make the following change to Annex D, Part 4, Table 1 of IUK's IA – from which the table below is an extract:

	Current range	Upgraded range
Primary Meters Volume Flow Rate (Nm ³ /hour)	86,765 - 3,500,000	86,765 - 4,000,000
Primary Meters Energy Flow Rate (MJ/hour)	3,375,139 - 140,000,000	3,375,139 - 180,000,000

It is also proposed to update the standards to be used for the determination of volume and energy measurement uncertainties from EN ISO 5167-1:1991 to EN ISO 5167-1:2003 and EN ISO 5167-2:2003 and from EN ISO 5168:1978 to EN ISO 5168:2005 by suitable amendment to Annex D, part 1, paragraph 3.2.

Section I2.2 of the UNC Transportation Principal Document provides that the prevailing NEPs at a System Entry Point (SEP) may only be amended either with the written consent of all Users who hold NTS Entry Capacity at the Aggregate System Entry Point (ASEP) in which the relevant SEP is comprised or by way of a Uniform Network Code Modification. The Proposer wishes to effect this proposed change to IUK's IA by implementation of this Proposal.

If this Proposal is not implemented, the flow rate data in IUK's IA will become incorrect which may hinder the delivery of additional gas supplies to the UK, to the detriment of security of supply.

b) Justification for Urgency and recommendation on the procedure and timetable to be followed (if applicable)

Urgency is not requested

c) Recommendation on whether this Proposal should proceed to the review procedures, the Development Phase, the Consultation Phase or be referred to a Workstream for discussion.

With the recommendation of the Transmission Workstream, the Proposer requests that this Proposal proceeds direct to Consultation.

2 Extent to which implementation of this Modification Proposal would better facilitate the achievement (for the purposes of each Transporter's Licence) of the Relevant Objectives

Under phase III of IUK's Interconnector Enhancement Project, the approximate import capacity of the Interconnector is expected to increase to 25.5 bcm/year, which this Proposal directly seeks to facilitate.

Such enhanced supply capability is expected to better facilitate the securing of effective competition between relevant shippers and between suppliers and should also help to further mitigate any risk of excessive gas prices this winter, thereby better facilitating the efficient and economic operation of the pipe-line system.

3 The implications of implementing this Modification Proposal on security of supply, operation of the Total System and industry fragmentation

National Grid NTS believes that this Proposal, if implemented, would enhance security of supply by facilitating additional volumes of gas to flow into the Total System.

National Grid NTS is unaware of any implications connected with industry fragmentation.

4 The implications for Transporters and each Transporter of implementing this Modification Proposal, including:

a) The implications for operation of the System:

NTS telemetry systems will require re-ranging and associated end-to-end tests will need to be performed. Subject to these tests proving successful and the receipt of satisfactory measurement uncertainty calculations from IUK, National Grid NTS has agreed to accommodate IUK's metering equipment upgrade as described in this Proposal. The present measurement accuracy tolerance percentages required of IUK's metering equipment will remain unchanged.

National Grid NTS is unaware of any implications for other Transporters of implementing the Proposal.

b) The development and capital cost and operating cost implications:

No development, capital or operating costs are expected to be incurred by Transporters or Users as a consequence of implementing this Proposal.

c) Whether it is appropriate to recover all or any of the costs and, if so, a proposal for the most appropriate way for these costs to be recovered:

National Grid NTS does not believe that this Proposal, if implemented, requires it to recover any additional costs.

d) The consequence (if any) on the level of contractual risk of each Transporter under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal

National Grid NTS does not believe that this Proposal, if implemented, would have any consequences on price regulation.

5 The extent to which the implementation is required to enable each Transporter to facilitate compliance with a safety notice from the Health and Safety Executive pursuant to Standard Condition A11 (14) (Transporters Only)

No such requirement is identified.

6 The development implications and other implications for the UK Link System of the Transporter, related computer systems of each Transporter and related computer systems of Users

National Grid NTS does not envisage any impact on the UK Link System if this Proposal were to be implemented.

7 The implications for Users of implementing the Modification Proposal, including:

a) The administrative and operational implications (including impact upon manual processes and procedures)

National Grid NTS considers that implementation of this Proposal will not affect the administrative and operational costs of Users.

b) The development and capital cost and operating cost implications

No such implications are identified.

c) The consequence (if any) on the level of contractual risk of Users under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal

National Grid NTS considers that implementation of this Proposal will not affect Users' level of contractual risk.

8 The implications of the implementation for other relevant persons (including, but without limitation, Users, Connected System Operators, Consumers, Terminal Operators, Storage Operators, Suppliers and producers and, to the extent not so otherwise addressed, any Non-Code Party)

National Grid NTS considers that this Proposal will impact the IUK terminal operator but none of the above groups in generality.

9 Consequences on the legislative and regulatory obligations and contractual relationships of the Transporters

No such consequences have been identified.

10 Analysis of any advantages or disadvantages of implementation of the Modification Proposal not otherwise identified in paragraphs 2 to 9 above

Advantages

Implementation of this Proposal would contractually recognise the potential for higher import flow rates through the Bacton Interconnector, which National Grid NTS believes would both enhance security of supply and mitigate any risk of excessive gas prices this winter.

Disadvantages

National Grid NTS is unaware of any disadvantages.

11 Summary of representations received as a result of consultation by the Proposer (to the extent that the import of those representations are not reflected elsewhere in this Proposal)

None

12 Detail of all other representations received and considered by the Proposer

None

13 Any other matter the Proposer considers needs to be addressed

None

14 Recommendations on the time scale for the implementation of the whole or any part of this Modification Proposal

It is recommended that the whole of this Proposal be implemented on 01/09/2007.

15 Comments on Suggested Text

Implementation would be effected by a modification to the text of IUK's IA, therefore legal UNC text is not required.

16 Suggested Text

None

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s) I2.2

Proposer's Representative

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Proposer

National Grid NTS