

Representation - Draft Modification Report 0581S

Amending the Oxygen content limit specified in the Network Entry Agreements at Grain LNG

Responses invited by: **5pm 13 May 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Phil Hobbins
Organisation:	National Grid NTS
Date of Representation:	13 th May 2016
Support or oppose implementation?	Support
Relevant Objective:	d) (i) Positive d) (ii) Positive d) (iii) None

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We consider that the Proposer has made a persuasive case that implementation of this Modification would benefit UK security of supply. We have not identified any adverse impacts of the Modification on NTS assets, nor have we seen any evidence that it would cause problems at any NTS offtake. (The liquefaction process at National Grid's LNG storage sites was particularly sensitive to oxygen content, however, these sites are no longer operational). Whilst a higher level of oxygen content in natural gas presents a higher risk of asset corrosion, the presence of water is needed to make this materialise and, historically, the NTS has been a dry network.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

We are content that this Modification satisfies the self-governance criteria.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We envisage the implementation timescale of this Modification to be consistent with the self-governance process. Following implementation, we would expect National Grid NTS, Scotia Gas Networks and Grain LNG to amend the Network Entry Agreements accordingly.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

We may incur some costs if instrumentation and/or telemetry systems need to be re-ranged but do not expect these would be material.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

On page 4 of the Draft Modification Report, the Proposer summarises the oxygen content limits at NTS entry points as stated in Ofgem's open letter of 20th September 2004 and concludes that the proposed oxygen limit for Grain LNG sits well towards the lower end of the distribution. Whilst this is a true statement, we think it is important to clarify that the four entry points with a limit of 0.2% are all storage facilities, not beach entry points.

Please provide below any additional analysis or information to support your representation

We have no further comments.