

Draft Modification Report
Amendment of Network Entry Provisions at BP sub terminal
at West Sole Easington
Modification Reference Number 0732
Version 1.0

This Draft 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.

Gas Quality Characteristic	Current Specification As Stated	Proposed Specification
Wobbe No : -		
Upper Limit	51.2 MJ/m ³	51.41 MJ/m ³
Lower Limit	48.2 MJ/m ³	47.20 MJ/m ³
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.

Gas Quality Characteristic	Current Specification As Stated	Proposed Specification
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 compete for transportation of low wobbe carboniferous gas on an equitable basis with other terminals

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 would welcome views from these parties on the likely 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 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 are now sought.

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 accepted, 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. Text

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

Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report

Signed for and on behalf of Transco.

Signature:

Richard Court
Commercial Frameworks Manager
NT & T

Date: