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Dear Julian

UNC Modification Proposal 0069: 'Amendment of Network Entry Provisions at the European Interconnector sub-terminal at Bacton'

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

National Grid Gas plc (UK Distribution) ("Distribution") is of the opinion that this modification should be implemented. The reasons why we believe that this proposal should be implemented are detailed below.

Our principal reason is that we support the view of National Grid NTS ("NTS"): by increasing the upper limits for in the Gas Entry Conditions for Wobbe Number and Sulphur at the European Interconnector System Entry point, while still remaining within the requirements of GS(M)R, the modification would effectively ensure that sources gas that could "commercially" enter the UK would not be prevented by doing so for reasons of physical composition. Distribution have analysed the proposed limit changes and have concluded that implementation would have no effect on our continuing statutory duty to ensure that the gas delivered to supply points on our network is GS(M)R compliant

Consequently, we concur that NTS's view that implementation would enhance security of supply.

However, with respect to impacts of implementation on the operation of our distribution business, there are some issues that we would like to draw to Ofgem's attention, (at high level only at this stage), which could potentially arise as a consequence of a variation to the composition of gas flowing in our networks.

First, there is a possibility that an increased sulphur content, particularly if the sulphur was in the form of mercaptans, could mean effectively that odourant levels in LDZ gas would be increased. As a consequence, this could result in an increased number of reported escapes. Odourant injection rates are set to ensure that the appropriate concentration of gas in air is detectable by sense of smell. A “stronger” smelling gas could lead to operational issues regarding the utilization and deployment of our emergency response teams.

Secondly, it is noted that it is not proposed to permit any higher levels of H₂S, and therefore, we agree with the HSE position and would not expect to see any greater incidence of “black-dust” arising from the sulphide / copper chemical reaction.

Finally, in terms of CV management, it would be very unlikely that the gas would contribute to gas entering an LDZ being the lowest source and could even serve to raise the Flow Weighted Average CV for some LDZs. We are confident that flows on the NTS could be managed to avoid any commercial downside associated with CV shrinkage.

With the above operational issues in mind, Distribution would, at this stage, wish to reserve its position on whether or not increasing these limits, in particular the sulphur limit, would improve the economic and efficient operation of *its* pipeline system.

We will provide more detail on the in our response to the DTI’s consultation “Future Arrangements for Great Britain’s Gas Quality Specification”

However, overall, we believe implementation would be consistent with National Grid’s licence obligation to promote competition between shippers and suppliers by ensuring that the gas entry condition specification at Bacton allows for the maximum volume of gas to be accepted into the NTS and made available to the UK gas market. Accordingly, Distribution agree with the proposer’s view that implementation would be consistent with requirements of Standard Special Condition A11.1(d) of a gas transporter’s licence.

Yours sincerely,

Declan McLaughlin