

CODE MODIFICATION PROPOSAL No 0222
Amendment of Interconnector UK's Minimum Wobbe Limit
Version 1.0

Date: 26/08/2008

Proposed Implementation Date: 30 November 2008

Urgency: Non Urgent

1 The Modification Proposal

a) Nature and Purpose of this Proposal

Where capitalised words and phrases are used within this Modification Proposal, those words and phrases shall usually have the meaning given within the Uniform Network Code (unless they are otherwise defined in this Modification Proposal). Key UNC defined terms used in this Modification Proposal are highlighted by an asterisk () when first used. This Modification Proposal*, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.*

The Wobbe Index* provides a measure of the chemical energy contained within a unit of gas that is released upon combustion. The range of Wobbe Index that National Grid can accept into the NTS* is specified in the Gas Safety (Management) Regulations (GSMR) as being between 51.41 and 47.2 MJ/m³. In some cases, however, more stringent requirements are set out for specific sites in their Network Entry Provisions* or Network Exit Provisions* (NEPs).

IUK have raised a concern that the minimum Wobbe Indexes set out in the NEPs of their Interconnection Agreement (IA) are higher than the GSMR minimum, constraining the volumes of gas available to be entered or offtaken from the NTS. This Modification Proposal is being raised with IUK's support and aims to reduce the minimum Wobbe Indexes within IUK's NEPs to the minimum set out in GSMR of 47.2 MJ/m³.

The TPD* provides that the prevailing Network Entry and Exit Provisions at a System Entry Point* or System Exit Point* may only be amended either with the written consent of all Users* who hold NTS Entry Capacity* or NTS Exit Capacity* at the Aggregate System Entry Point* or NTS Exit Point* or by way of a Modification Proposal. The Proposer* wishes to effect this change to IUK's IA through raising a Modification Proposal.

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

It is recommended that the change be implemented by 30 November 2008 to remove any obstacles to bringing gas into the UK for the winter period 2008/09.

Discuss Issue at Workstream	4 September
Discuss at Modification Panel	18 September
Draft Modification Report Issued	19 September
Consultation Closed	10 October
Discuss at Modification Panel	16 October
Final Modification Report Issued	17 October
Ofgem Decision	November

- 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.**

It is recommended that this proposal should proceed to the consultation phase.

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

“(d) the securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; (iii) between DN operators ... and relevant shippers;”

Implementation of this Modification Proposal would facilitate this objective by bringing IUK into line with the majority of other ASEPs and NTS Exit Points where the lower Wobbe limit of 47.2 MJ/m³ is applicable and hence enhancing competition.

“(e) the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards ... are satisfied as respects the availability of gas to their domestic customers;”

Implementation of the Modification Proposal would facilitate this objective by increasing the flexibility of the link between the UK and the Continental European markets, better enabling the capability to deal with gases from low Wobbe sources. This has the potential to increase the volume of gas available to the UK from Europe, enhancing the security of domestic customer supply.

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

It is anticipated that security of supply will be increased by the implementation of this Modification Proposal by making it easier for IUK Users to deliver gas to the NTS by removing a potential barrier to the transfer of gas from different sources in Europe.

The Modification Proposal would have a minimal impact upon system operation when IUK is importing gas into the UK, as any volumes with a lower Wobbe Index will be quickly mixed with gas from the many other System Entry Points in the vicinity, but would increase flexibility and ease of operation when IUK is exporting to Europe as it would remove any requirement for mixing prior to export.

No implications on industry fragmentation have been identified.

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

a) The implications for operation of the System:

Having undertaken analysis across various supply patterns and demand levels, National Grid NTS can confirm that it is satisfied that the level of CV shrinkage would not be adversely impacted by this Modification Proposal.

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

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

No such implications have been identified.

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:

No such costs have been identified.

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

No such consequences have been identified.

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 requirements have been 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

No such implications have been identified. The current measurement range and NTS systems are capable of handling the reduced limit without modification.

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

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

No such implications have been identified.

b) The development and capital cost and operating cost implications

No such implications have been 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

No such consequences have been identified.

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)

No such implications have been identified.

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

Subsequent to the approval of the Modification Proposal, the Interconnection Agreement between National Grid and IUK will be modified to reflect the changed value.

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

Advantages

Reduction of the minimum allowed Wobbe Index within IUK's Network Entry Provisions and Network Exit Provisions to the current GSMR minimum of 47.2 MJ/m³ would remove potential barriers to increased gas flows into the UK from Europe, increasing security of supply to the UK.

Disadvantages

No disadvantages have been identified.

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)

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

13 Any other matter the Proposer considers needs to be addressed

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

It is recommended that the Modification Proposal be progressed towards an implementation date of 30 November 2008 in order that the anticipated benefits are available for the majority of the 2008/9 winter period.

15 Comments on Suggested Text

16 Suggested Text

No text is required as the Modification Proposal is concerned with a change to IUK's Network Entry and Exit Provisions.

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s) Sections I2.2 and J4.3.7

Proposer's Representative

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Proposer

National Grid NTS