

**CODE MODIFICATION PROPOSAL No 0236**  
**Amendment to px (TGPP) Limited Network Entry Agreement**  
**Version 1.0**

**Date:** 05/11/2008

**Proposed Implementation Date:**

**Urgency:** Non Urgent

**1 The Modification Proposal**

**a) Nature and Purpose of this Proposal**

Energy24 Limited a shipper at Teesside, in consultation with px (Teesside Gas Processing Plant) Limited (px), one of the Delivery Facility Operators (DFO) at the Teesside Aggregated System Entry Point (ASEP), has proposed that three of the Gas Entry Conditions, which form part of the Network Entry Provisions, for the px (TGPP) Limited terminal are amended.

**Proposed Specifications**

Gas Quality Characteristic	Current Specification	GS(M)R	Proposed Specification
Wobbe Lower Limit	48.2 MJ/m <sup>3</sup>	47.2 MJ/m <sup>3</sup>	47.2 MJ/m <sup>3</sup>
Calorific Value Low range	38 MJ/m <sup>3</sup>	36.9 MJ/m <sup>3</sup>	36.9 MJ/m <sup>3</sup>
Delivery Pressure	75 barg		70 barg

The amendment of the px (TGPP) Limited Wobbe number and lower Calorific Value (CV) limit to those permitted in the GS(M)R 1996 would align the terminal entry conditions with those of other UK ASEPs. The change in delivery pressure would allow the Network Entry Agreement to reflect the actual pressure rating of the downstream pipework at the Teesside System Entry Point.

These amendments to the Network Entry Provisions at the px (TGPP) Limited terminal will support the development of additional UKCS gas production coming to market via the Teesside System Entry Point (SEP).

As a consequence of potentially additional gas flows into the NTS as a result of this proposal, security of supply would be enhanced. The proposal will also support competition between ASEPs and between gas shippers and suppliers.

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

Urgent procedures are not requested for this Modification Proposal.

**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.**

The Proposer recommends that the proposal proceeds directly 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**

In enabling the economic and efficient delivery of new gas supplies at Teesside, implementation of this Proposal would be expected to facilitate the achievement of securing effective competition between relevant shippers and relevant suppliers.

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

As a consequence of implementation, additional gas supplies from the UKCS could be more readily developed and brought ashore, enhancing security of supply. It is believed that National Grid support these proposals.

No adverse implications in respect of 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:**

Reduction in the lower limit for the Wobbe number has no impact on shippers. The reduction in lower CV limit may have an impact on CV shrinkage costs. However, it is not possible to forecast whether any new fields will, overall, increase or reduce shrinkage because this depends on other flows in the NTS over which the shippers through the PX entry point have no control.

Incentives on National Grid to reduce shrinkage at all ASEPs are part of the SO Price Control and are not addressed through restrictions on CV at existing entry points.

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

It is believed that implementation would not have any capital and operating cost implications.

**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:**

As above, there are no costs that can be attributed to this change.

**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**

It is not believed that there would be any such consequences.

**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)**

**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**

It is believed that implementation of this Modification Proposal would not have any impact.

**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 impact has been identified.

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

No impact has 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 impact has 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)**

The reduction in the lower Wobbe and CV limits may allow the DFO, at the sub-terminal, scope to process a wider range of offshore reserves and thereby allow additional gas fields to be economically developed.

Increased security of supply as a consequence of facilitating the development of new gas reserves.

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

No impact has 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**

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**Disadvantages**

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- 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)**

Representations are now sought.

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

Implementation is not required for this purpose.

- 13 Any other matter the Proposer considers needs to be addressed**

Implementation is not required having regard to any such proposed change.

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

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- 15 Comments on Suggested Text**

Implementation could follow any determination of the Authority to implement this Proposal.

- 16 Suggested Text**

**Code Concerned, sections and paragraphs**

Uniform Network Code

Transportation Principal Document

**Section(s)** I: Entry Requirements

**Proposer's Representative**

John Baldwin (CNG Services Ltd)

**Proposer**

Colin Harrison (Energy 24 Limited)