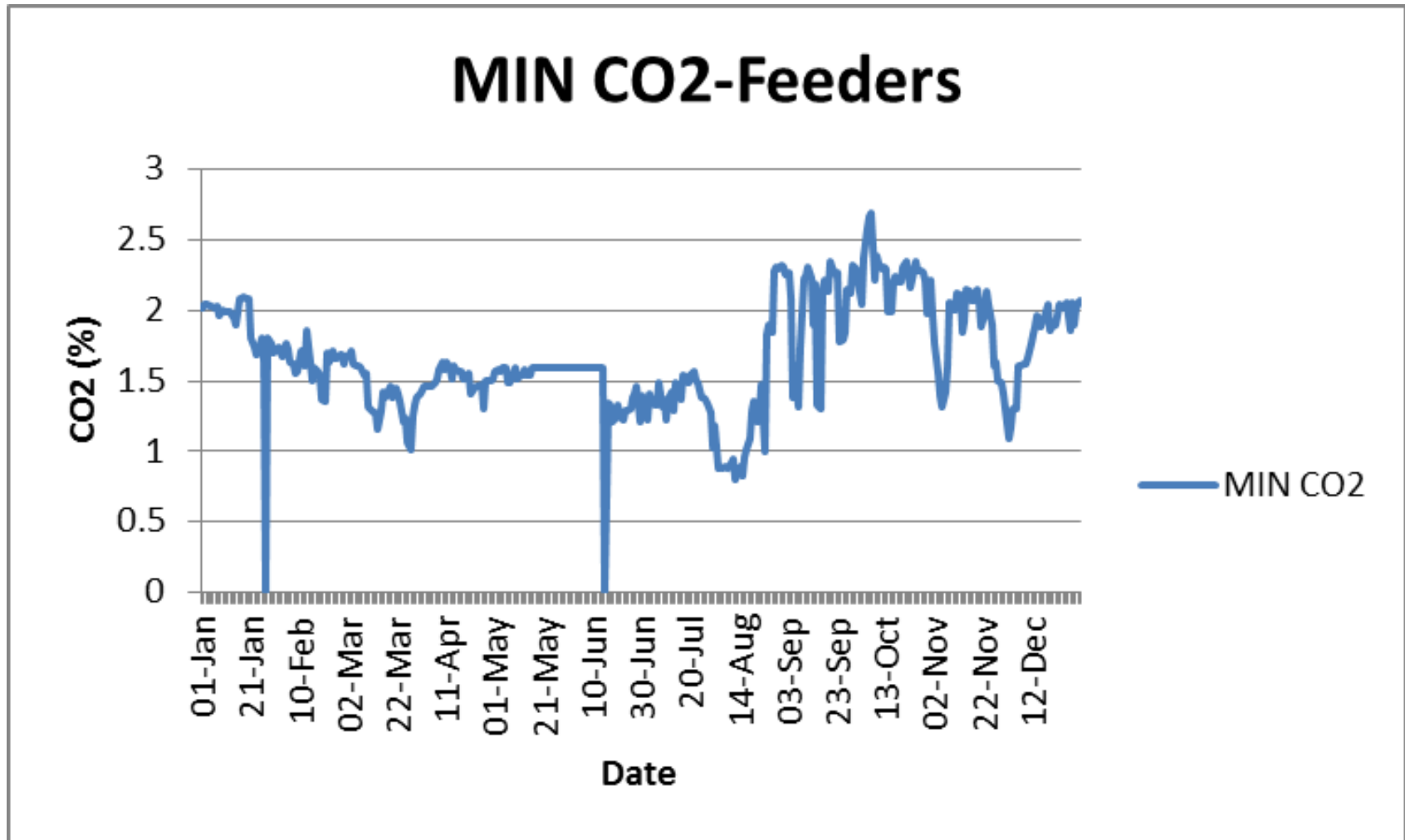


Modification 0607S

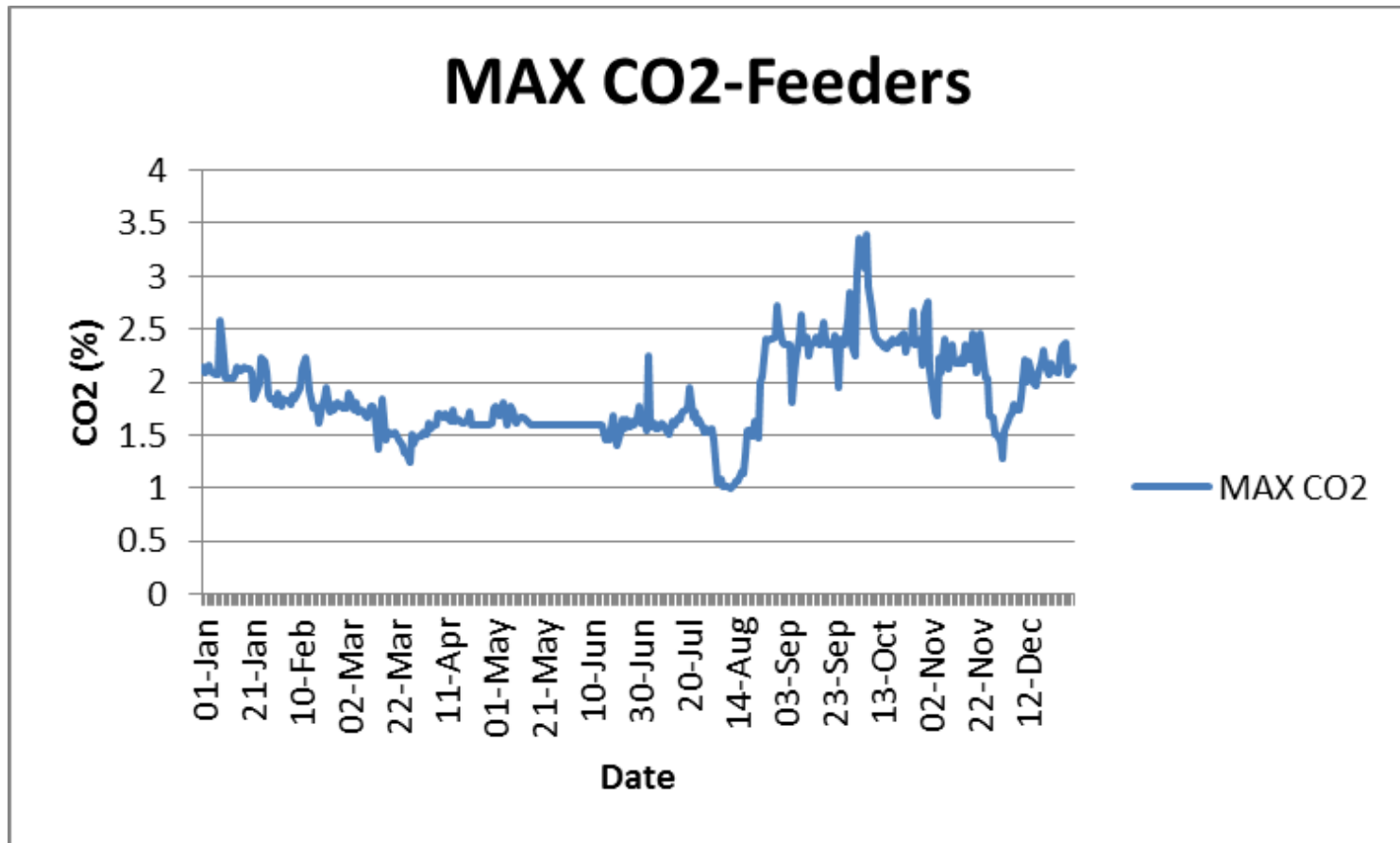
National Grid NTS Actions Update

Workgroup Meeting 22 May 2017

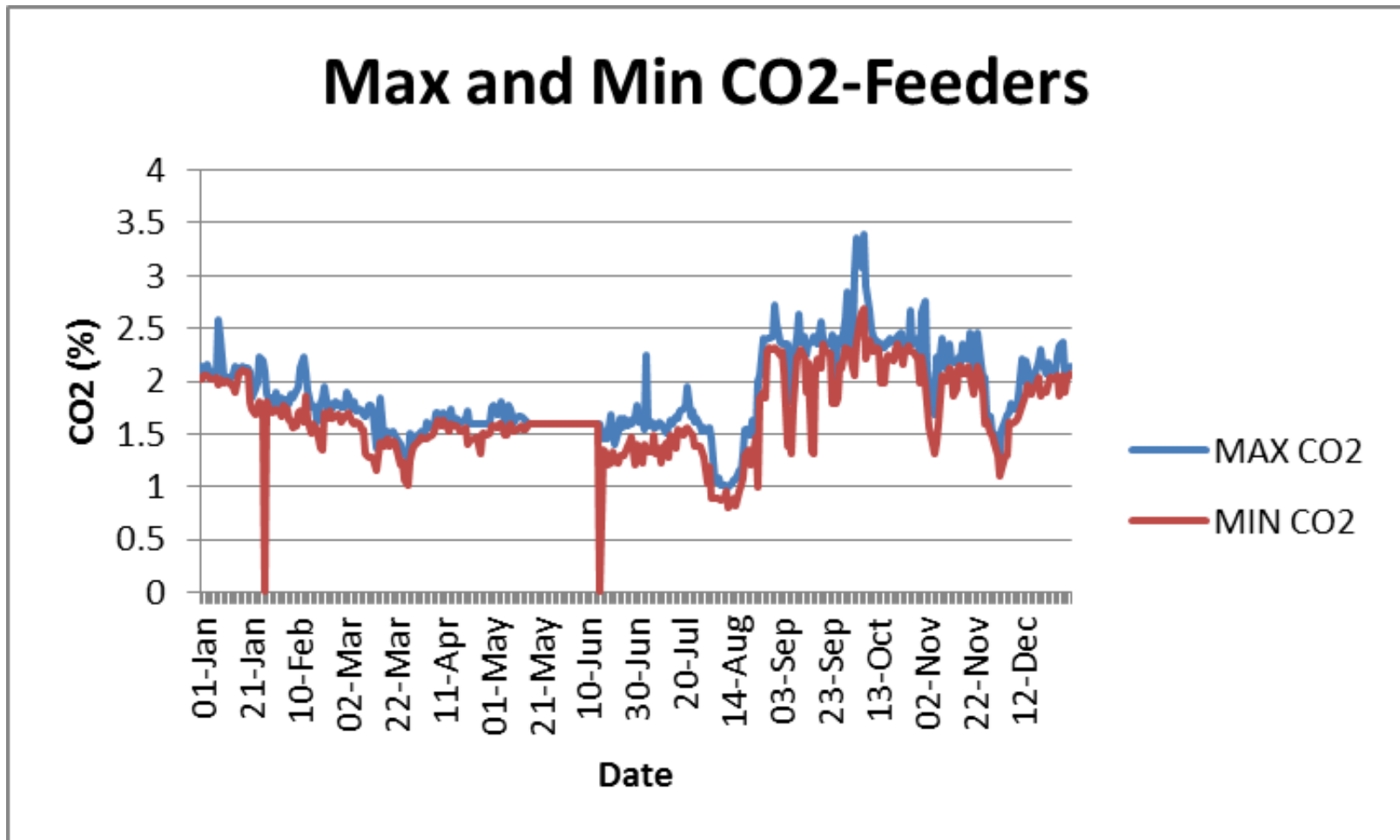
Action 0202: Minimum Daily CO₂ Content of Gas Entering NTS Pipelines at St Fergus



Action 0202: Maximum Daily CO₂ Content of Gas Entering NTS Pipelines at St Fergus



Action 0202: Max & Min Daily CO₂ Content of Gas Entering NTS Pipelines at St Fergus



Action 0108: National Grid NTS Statement of Operational Risks

- National Grid NTS has investigated
 - Increased risk of pipeline corrosion associated with high CO₂ content
 - Operational risk for St Fergus compressors
- High level conclusions are:
 - Transportation of gas with a CO₂ content of 5.5mol% would not increase pipeline corrosion risk if the network is dry or if small amounts of water are present
 - Compressor operation would not be impacted by 5.5mol% CO₂ but may be impacted if total inerts (i.e. CO₂ and nitrogen) exceed 7mol%
- More detail will be provided in the Workgroup Report

Action 0405: Assess Impact on CNG Offtake

- National Grid NTS is aware of one CNG offtake that plans to connect to the NTS
- National Grid NTS has made contact with the relevant party developing this connection and informed them about Modification 0607S
- That party has confirmed that it has no concerns with the Modification

Action 0406: Alert for Shippers if 4%^{nationalgrid} CO₂ is exceeded at St Fergus

- Since the last meeting, National Grid NTS has corresponded with some Workgroup participants about this action to understand what information would be useful
- An update will be provided at the Workgroup meeting

Application of the CO₂ Limit

- If an increase to the NSMP CO₂ limit to 5.5mol% is agreed, such a limit would be materially higher than at any other NTS entry point
- National Grid NTS seeks to minimise any potential detrimental effects of such a change on other parties, including any future supplies that may wish to access such flexibility
- National Grid NTS has therefore been exploring with BP and NSMP how an increase to 5.5mol% could be linked to a need for its use within the NEA. Once that need no longer exists, the limit would revert to 4mol%
- Options considered:
 - Defined future date
 - Rhum cessation of production
 - NSMP demonstration of an ongoing requirement for 5.5mol%
 - Actual NSMP CO₂ measurements
 - Future UNC Modification