Phoenix Natural Gas Ltd.
Transmission Network Code Modification Proposal Number 2
Final Modification Report
8th December 2005

1. Introduction

Phoenix has prepared this final modification report in accordance with section 8 of its Transportation Code Modification Rules.

2. Subject of Proposed Modification and Proposed Text Amendments to the Code:

This modification proposal is to make minor typographical corrections to the drafting of the Phoenix Transmission Network Code.

The sections of the Transportation Code that require amendment are:

- Section E, paragraph 1.2
- Section F, paragraph 8.3(a)
- Section I, paragraph 3.1 and 3.11
- Section J, paragraph 2.1 and 6.3

Proposed text amendments to the code are detailed in Appendix 1

3. Third Party Representations Made:

Phoenix has not received any comments on the modification from interested parties.

4. Likely Implementation Date

Phoenix suggests that the proposed implementation date is 16th December 2005.

5. Impact on the Operation of Other Designated Pipeline Operator’s Network Codes

Both PTL and BGE (NI) have raised modification proposals to make similar changes to their transportation codes.
6. Phoenix Transmission’s Opinion:

In Phoenix’s opinion the amendment of minor typographical errors does not alter the nature or overall intent of the Phoenix Transmission Code, but aids in clarification. The Relevant Objective (see condition 2A.7 of the Phoenix combined licence) is facilitated by the Licensee’s Network Code. Therefore, correction of errors in the Network Code drafting also facilitate the relevant objective.
Appendix 1
Proposed Text Amendments in the Transportation Code

SECTION E: ENTRY AND EXIT REQUIREMENTS

Amend paragraph 1.2 to read as follows:

"There is no Measurement Equipment…"

SECTION F: CHARGES, PAYMENT AND TAX

Amend paragraph 8.3(a) to read as follows:

"....

Account name: Postalisation Trustee Account
Bank: Ulster Bank Dublin Trust Company
Sort Code: 98-00-60
Account number: 48543060"

SECTION I: DISPUTES

Amend paragraph 3.1 to read as follows:

"3.1 The procedure for the appointment of an Expert shall be as follows:

(a) the parties shall attempt to agree on the appointment of a single Expert to settle the Dispute;

(b) if within 15 business days of the date of the Dispute Notice the parties have been unable to agree on the choice of an Expert, any party may inform the President of the Institution of Gas Engineers and Managers (the "President of the IGEM") of the nature and complexity of the Dispute and request him to appoint a single Expert for the determination of the Dispute within 30 business days of the date of the Dispute Notice, and in doing so the President of the IGEM may take such independent advice as he thinks fit;

(c) if the President of the IGEM does not exist at the time of such request, refuses to make such an appointment, or fails to do so within 30 business days of the Dispute Notice, any of the parties may then apply to the President of the Law Society of Northern Ireland who shall appoint an Expert within 15 business days of being requested to do so;
Amend paragraph 3.11 to read as follows:

"…. (if he is or they are appointed by the President of the IGEM or the President of the Law Society of Northern Ireland) shall be borne equally by the parties, but each party shall bear its own costs."

SECTION J: GENERAL

Amend paragraph 2.1 to read as follows:

"This paragraph 2 applies until such time as it is no longer required to apply by reason of the legal separation of the transmission, the distribution and the supply businesses carried on by Phoenix in accordance with the Phoenix Licence at the date of the Code."

Amend paragraph 6.3 to read as follows:

" ....

(a) as respects the liability of Phoenix to any one Shipper or of any one Shipper to Phoenix, an amount equal to 2% of the total postalised revenue of Phoenix as stated in the most recently available annual audited accounts for Phoenix; and

(b) as respects the liability in aggregate of Phoenix to Shipper collectively or of Shippers collectively to Phoenix, an amount equal to 2% of the total postalised revenue of Phoenix as stated in the most recently available annual audited accounts for Phoenix."