Introduction

Phoenix has prepared this report in accordance with section 3 of its Transmission Code Modification Rules.

1. Subject of Proposed Modification:

This modification is to amend the Phoenix Transmission Network Code to reflect the proposed changes made to the PTL Network Code under Modification Proposal 14.

At NIAUR request Phoenix Natural Gas Limited (Phoenix Distribution) books Capacity on the Postalised Network on behalf of all Shippers to Greater Belfast. This method provides for efficiency as Phoenix Distribution can make the best estimate of Capacity requirements and also the approach prevents double booking or hoarding of Capacity and supports the introduction of Supply Competition in the Greater Belfast area.

Phoenix Natural Gas currently has a Combined Gas Licence, which includes a gas supply element. Due to business separation the supply element of the licence is soon to be revoked leaving Phoenix Distribution with a licence to convey gas only.

Under section J3 of the Phoenix Transmission Network Code a Shipper must provide proof that it is bound by the terms of the PTL Transportation Code, which includes providing proof of an Exit Point Registration. Phoenix Distribution has approval from the Authority to hold an Exit Point Registration despite not having a valid Gas Supply Licence, which is a prerequisite to acceding to the PTL Transportation Code. Therefore it is entitled to accede to the Phoenix Transmission Code. However, similar to clause 16.2 of the PTL Transportation Code, under section J7 of the Phoenix Transmission Code, Phoenix should declare a ‘Termination Default’ if Phoenix Distribution ‘ceases to hold a valid Gas Supply Licence’

Therefore this modification proposes to amend the Phoenix Transmission Code such that Phoenix Transmission is not required to terminate a Shippers Accession Agreement if the Authority provides the consent for that Shipper to either hold Capacity or exit the Postalised System as if it had a Gas Supply Licence.

2. Modification Proposed by:

Phoenix Transmission
3. **Date Proposed Modification submitted:**

23rd April 2007

4. **Consultation Period**

20 Business Days - Responses from Consultees are requested on or before 22nd May 2007.

Responses can be sent by email, by fax or by post.

Email: Joanne.Quinn@Phoenix-Natural-Gas.com

Fax: 028 9057 8890

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197 Airport Road West
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5. **Operator’s justification for implementation of proposal**

As this modification proposal will amend the Phoenix Transmission Network Code to allow Phoenix Distribution to continue to hold capacity on the Postalised Network for all Suppliers operating in Greater Belfast without holding a valid Gas Supply Licence and also maintain continuity between the Phoenix Transmission and the other DPO’s Transportation codes we believe the proposal achieves the Relevant Objective as set out in condition 2A.7 of the Phoenix Combined Licence.

6. **Proposed Implementation Date**

Phoenix Transmission would propose an implementation date of 31st May 2007 or any earlier data as proposed by the Authority.

7. **Impact on other Designated Pipeline Operator’s Network Codes:**

The Phoenix Transmission proposal has been developed to reflect proposed changes to the PTL Transportations Code, ensuring consistency between both codes.