BGTL Proposed Modification & Initial Modification Report No.9
Update re VRF following introduction of IME2

5th November 2012

Please find attached details of Proposed Modification 9 & Initial Modification Report 9, raised by Belfast Gas Transmission Ltd as required under Section 2 and 3 of BGTL’s Transportation Code Modification Rules.

A  Description of the nature and purpose of the modification

As part of the introduction of VRF, PTL has put in place upstream arrangements with BGE(UK) under the Transportation Agreement (“TA”) between PTL and BGE(UK) which facilitate the VRF from Northern Ireland to Moffat. Further amendments to the BGTL code have therefore been required in relation to VRF liabilities in order to reflect the changes made to the TA and are incorporated in this code modification.

B  How the modification better facilitates the relevant objective

The Relevant Objective, (condition 2.4 of the BGTL Licence), will be better facilitated by the Licensee’s Network Code as a result of this modification. This modification contains some amendments to reflect the upstream arrangements introduced to facilitate the introduction of VRF from Northern Ireland to Moffat, which will ensure completeness for the VRF Services under the BGTL Code.

C  The clauses of the Transportation Code that require amendment

Please see the attached marked up version of the relevant parts of the BGTL Transportation Code.

D  Impact on other Designated Pipeline Operator’s Network Codes:

This code modification aligns the liabilities regarding VRF with those contained in the PTL code modification no. 23.

E  The date proposed for implementation

BGTL proposes an implementation date of 17th December 2012.

The consultation period for this code modification is 20 business days and therefore responses are requested no later than Monday 3rd December 2012.

Please send responses to:

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Belfast
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Proposed code modifications

1 Add the following paragraph 6.13 to Section J:

"Each Shipper:

(a) undertakes to Belfast Gas, PTL and BGE (UK) that it will not make, raise or assert any claim or action of any kind against Belfast Gas, PTL and / or BGE (UK) with respect to any matters which relate directly or indirectly to (i) any arrangements which are in place at any time or from time to time between all or any of Belfast Gas, PTL and BGE (UK) in relation to the interruptible virtual reverse flow service which is made available pursuant to this Code, including, for the avoidance of doubt, the exercise or performance of any right or obligation pursuant to such arrangements or (ii) any Interruptible VRF Nominated Quantity or utilisation of Belfast Gas Interruptible VRF Capacity or otherwise to the provision by Belfast Gas of an interruptible virtual reverse flow service to that Shipper pursuant to this Code or the said arrangements; and

(b) shall indemnify and keep indemnified Belfast Gas and PTL from and against any and all demands, claims, losses, costs, liabilities and damages of any kind whatsoever and howsoever arising (and whether arising under any indemnity or other contractual obligation or in any other way) which Belfast Gas and / or PTL may suffer or incur directly or indirectly in relation to or arising from or in connection with any contravention by that Shipper of the undertaking in (a) above.

2 Renumber the first paragraph of Section J13 as 13.1 and amend the opening text to read:

"Subject to paragraph 13.2, a person........"

3 Add the following paragraph 13.2 to Section J:

"Paragraph 13.1 shall not apply in relation to any obligation on the part of a Shipper pursuant to paragraph 6.13 and PTL and BGE (UK) may enforce any term of such paragraph against a Shipper and the provisions of such paragraph shall create rights which are enforceable by PTL and BGE (UK) against Shippers."

4 Add the following paragraph 13.3 to Section J:

"Subject to compliance by Belfast Gas with any requirement for consultation under any applicable law or regulation, Belfast Gas may rescind and / or vary any of the provisions of this Code (including those in paragraph 13.1) or terminate this Code without notice to or the consent of any Shipper or other third party."