

Draft Modification Report
Modification Reference Number 0323
Treatment of Urgent Network Repair Work Following an Emergency

This draft Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal:

The Network Code currently allows Transco to curtail supplies in order to repair or maintain the System only where it is given thirty days notice (notwithstanding Transco's obligations under the Gas Code - Network Code Section J1.6). The occurrence of a gas escape may however require urgent temporary repairs to the System. Following such repairs, which may be undertaken in less than ideal conditions, there can be an urgent requirement to carry out a permanent repair in order to ensure that the integrity of the Network is maintained.

This modification proposes a new maintenance category for urgent maintenance or repairs in this situation. For this type of work, where Transco may require certain strategically important loads to temporarily reduce their offtake, Transco will give as much notice as reasonably possible to the relevant user, and in any event the notice will be not less than three days unless prior agreement has been reached with the affected supply points.

Curtailment of supplies due to urgent repairs may apply equally to firm or interruptible supply points in the same way that curtailment due to planned maintenance and emergency interruption does.

2. Transco's opinion:

Transco is in favour of this proposal. Urgent repairs following an emergency cannot be dealt with within Network Code under the current rules, where planned maintenance requires a thirty day notice period and emergency interruption should only be used to prevent or alleviate an emergency.

3. Extent to which the proposed modification would better facilitate the relevant objectives:

The new category of urgent repairs will ensure that Transco can safely carry out permanent repairs in a timely and efficient manner and hence would aid Transco in the efficient and economic operation of the System, therefore meeting one of the relevant objectives of the Network Code.

4. **The implications for Transco of implementing the Modification Proposal, including:**

a) **implications for the operation of the System:**

The proposal should be of benefit to the operation of the System. Following a gas supply emergency, Transco currently has to either prolong emergency interruption or leave a temporary repair for at least thirty days, which may give rise to the risk of a further emergency situation resulting from the potential failure of a temporary repair.

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

No development, capital cost or operating costs implications are foreseen as a result of implementation of this proposal.

c) **extent to which it is appropriate for Transco to recover the costs, and proposal for the most appropriate way for Transco to recover the costs:**

Not applicable.

d) **analysis of the consequences (if any) this proposal would have on price regulation:**

It is not anticipated that this proposal will have any implications on price regulation.

5. **The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal:**

There will be no change to the level of contractual risk to Transco as a consequence of this proposal.

6. **The development implications and other implications for computer systems of Transco and related computer systems of Users:**

Transco does not foresee any development implications for computer systems as a result of this modification.

7. **The implications of implementing the Modification Proposal for Users:**

Since any curtailment or reduction of gas usage at affected supply points is expected to be a rare event, the implications for Users of implementing this proposal are negligible.

8. **The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Storage Operators, suppliers, producers and, any Non-Network Code Party:**

This modification will have implications for gas consumers if they are affected by a gas supply emergency. It will enable Transco, in some circumstances, to minimise the period of any emergency interruption.

Repairs are sometimes required to pipelines in the public highway. This modification will enable permanent repairs to be actioned in a timely manner therefore minimising disruption and inconvenience to highway users and the local community.

9. **Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal:**

There are no significant consequences on the legislative or regulatory obligations of Transco or Users.

10. **Analysis of any advantages or disadvantages of implementation of the Modification Proposal:**

The principal advantage of this proposal is that Transco will not have to prolong any emergency situation and will be able to carry out permanent safe repairs in a timely manner.

Transco is not aware of any disadvantages of this proposal.

11. **Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report):**

This draft Modification Report is to be issued for representations.

12. **The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation:**

This modification is not required to enable Transco to facilitate compliance with any legislation.

13. **The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 3(5) of the statement; furnished by Transco under Standard Condition 3(1) of the Licence:**

Not applicable.

14. **Programme of works required as a consequence of implementing the Modification Proposal:**

There are no modifications required to the UK-Link Systems and therefore a programme of works will not be required as a result of implementing the Modification Proposal.

15. **Proposed implementation timetable (inc timetable for any necessary information systems changes):**

Transco proposes that this modification is implemented from 1 September 1999.

16. **Recommendation concerning the implementation of the Modification Proposal:**

Transco recommend that the modification is implemented.

17. **Text :**

Indicative legal text is provided below :

Network Code Section L - Paragraph 4.2

Paragraph 4.2.1

delete paragraph 4.2.1(a), replace with:

- "(a) in the case of an NTS System Entry Point or NTS Exit Point, the maintenance day was either
- (i) a Day (in a Planned Maintenance Period) on which such maintenance was planned under the Maintenance Programme (including any revision of the Maintenance Programme notified to such User in accordance with paragraph 4.1.2); or

- (ii) a Day on which such maintenance was carried out as urgent maintenance and Transco gave notice of the same to such User in accordance with paragraph 4.2.1(d)"

Paragraph 4.2.1(b) add new paragraph 4.2.1(b)(v)

"(v) in the case of urgent maintenance in accordance with paragraph 4.2.1(d)"

Paragraph 4.2.1 add new paragraph 4.2.1(d)

"(d) in the case of urgent maintenance, Transco will give the User as much notice as is reasonably practicable of the carrying out of such urgent maintenance but in any event shall give the User either (i) not less than 3 Days notice or (ii) such lesser period of notice as agreed with the User"

Add new paragraph 4.2.6

"4.2.6 Where Transco has carried out a temporary repair of any part of the System as a result of an escape of gas from the System then Transco may at any time within 30 Days of the date such temporary repair has been completed, commence a permanent repair of such part of the system ("urgent maintenance")."

Paragraph 4.3.2 to read:

"4.3.2 Subject to paragraph 4.3.3, 4.3.6 and Section V.9, Transco will not be relieved Maintenance Affected Point."

Add new paragraph 4.3.6 to read:

"4.3.6 In the case of urgent maintenance, the provisions of paragraph 4.3.2(a) to (e) shall not apply in respect thereof and accordingly Transco will be relieved by virtue of paragraph 4.3.1(ii) of its obligations therein referred to in respect of a Maintenance Affected Point."

Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report.

Signed for and on behalf of Transco.

Signature:

A handwritten signature in black ink, appearing to read 'TZ R.', written over a horizontal line.

Tim Davis
Manager, Network Code

Date: 11.6.99