










| UNC Final Modification Report | At what stage is this document in the process? |
|---|--|
| <h1 data-bbox="134 322 730 416">UNC 0771S:</h1> <h2 data-bbox="134 450 1110 734">Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections</h2> | <div data-bbox="1214 318 1477 638"> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div> |
| <p>Purpose of Modification:</p> <p>This Modification would remove the absolute requirement for every new NTS Entry connection to include a Remotely Operable Valve (ROV) Installation.</p> | |
| <p>Next Steps:</p> <p>The Panel determined that this Self-Governance Modification should be implemented.</p> | |
| <p>Impacted Parties:</p> <p>Low: Transporters, Shippers and Consumers</p> | |
| <p>Impacted Codes:</p> <p>None</p> | |

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| Timetable | |  |
| Modification timetable: | | Contact: Joint Office of Gas Transporters |
| Pre-Modification Discussed | 03 June 2021 |  enquiries@gasgovernance.co.uk |
| Date Modification Raised | 08 June 2021 |  0121 288 2107 |
| New Modification to be considered by Panel | 17 June 2021 | Proposer: Rachel Hinsley, National Grid |
| First Workgroup Meeting | 01 July 2021 |  rachel.hinsley@nationalgrid.co.uk |
| Interim Workgroup Report presented to Panel | 21 October 2021 |  07811 762440 |
| Workgroup Report to be presented to Panel | 21 April 2022 | Transporter: Rachel Hinsley, National Grid |
| Draft Modification Report issued for consultation | 21 April 2022 |  rachel.hinsley@nationalgrid.co.uk |
| Consultation Close-out for representations | 13 May 2022 |  07811 762440 |
| Final Modification Report available for Panel (at short notice) | 16 May 2022 | Systems Provider: Xoserve |
| Modification Panel decision | 19 May 2022 |  UKLink@xoserve.com |

1 Summary

What

At present, there is an absolute requirement for a new NTS Entry connection to include a Remotely Operable Valve (ROV) Installation as part of the connection. National Grid NTS wishes to allow discretion as to whether the installation of a ROV is required or whether a manual isolation valve will be sufficient.

Why

National Grid NTS has challenged that a ROV installation is not needed in all instances and in particular at new Entry Point connections. By removing the requirement for a ROV the customer will have a choice between installing a high integrity gas quality measurement system or Gas quality measurement and a ROV. Based on feedback from customers this would remove the requirement for installation of assets making it a more efficient connection and it is anticipated a saving can be made on the cost of connection.

How

A change would be made to the UNC to enable National Grid NTS to determine, via an appropriate assessment, and in collaboration with our customer, whether there is a requirement for a new NTS Entry connection to include a ROV Installation, as part of the connection or whether a manual isolation valve will be sufficient.

2 Governance

Justification for Self-Governance

National Grid recommend that this Modification be subject to Self-Governance as it is unlikely to have a material impact on consumers, competition, operation of the pipeline system, matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies, or governance procedures. In addition, it is unlikely to discriminate between different classes of parties to the UNC. This is on the basis that it seeks to make a minor change to the current requirement for all new NTS Entry connections to include a ROV Installation.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.

3 Why Change?

Project CLoCC (Customer Low Cost Connections) was introduced in 2015 with the aim of minimising the cost and time of new gas connections to the national transmission system (NTS). Project CLoCC simplified designs to include a non-Remote Operable Valve (ROV) solution for NTS Exit connections. This resulted in the implementation of the UNC Modification 0627S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections, on 17th January 2018. UNC Modification 0627S allowed National Grid (NG) discretion over whether to include a ROV at new NTS exit connections.

Following lessons learned between National Grid and a new customer, completed after a new Entry connection, it was found that in that particular instance a ROV performs no safety functions and was not required. If action

was required at this entry point, as a result of a GS(M)R breach, a manual valve would be appropriate. As a result, we have assessed whether installing a ROV is an absolute requirement for Entry connections. We are proposing to remove the absolute requirements so that in the future customers can collaborate with National Grid and will have a choice whether to install a ROV for an NTS Entry connection.

The removal of the 'absolute requirement' would leave the customer with two options:

- Installation of high integrity gas quality measurement systems which would remove the requirement for downstream Gas Quality measurement and a ROV. This will be subject to a Formal Process Safety Assessment (FPSA) conducted by National Grid¹
- Installation of NTS downstream (and upstream if bi-directional flow on the feeder) GQ measurement, and a ROV which can be closed should gas conveyed on the NTS be measured as GS(M)R non-compliant.

This change is proposed based on customer feedback, the ability to make the process of connection more efficient and to create cost savings for each connection where a ROV is not required.

Removal of this requirement would result in a significant cost saving for a customer (since the ROV requires associated Electrical and Instrumentation kiosk, telemetry, a power supply, an Asymmetric Digital Subscriber Line (ADSL) back-up to very small aperture terminal (VSAT) communications and site extensions to accommodate the equipment). Savings are estimated up to £250,000, also reducing cyber risk.

There is a requirement to raise a UNC Modification as currently within Code there is an absolute requirement to install a ROV at NTS Entry connections.

4 Code Specific Matters

Reference Documents

Previously approved and implemented modification 0627S:

[0627S - Removal of the absolute requirement to include a Remotely Operable Valve \(ROV\) Installation for all new NTS Exit connections | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/0627S-Removal-of-the-absolute-requirement-to-include-a-Remotely-Operable-Valve-(ROV)-Installation-for-all-new-NTS-Exit-connections)

Knowledge/Skills

None.

5 Solution

This Modification will remove the absolute requirement for a ROV to be included in new Entry connections and will state that new Entry connections may include a ROV.

Implementation of this Modification will require TPD Section Y, Part A-II Section 3 CONNECTION CHARGING METHODOLOGY, paragraph 26.

¹ When completing any work to the National Transmission System (NTS) it is a requirement to carry out a Formal Process Safety Assessment on the planned works. A FPSA is carried out with all build projects as part of the detailed design stage of the project. The assessment covers any hazards in the operation of the work and any potential hazards in the design that has been proposed.

This section will include:

- All new connections may include a ROV Installation, the need for which will be determined at National Grid's sole discretion (in accordance with the appropriate Hazard and Operability Study (HAZOP) assessment).
- Paragraph 27 UNC already gives National Grid sole discretion on design of connection at or adjacent to an existing site and does not specify the ROV requirement. National Grid carries out Formal Process Safety Assessments which will include the ROV assessment. It is a requirement of National Grids Gas Transporters Safety Case to have an isolation valve and to carry out the HAZOP assessment.
- If the assessment concludes that a Remotely Operable Valve is not required, then a Locally Operated Valve allowing a manual isolation will be included in the design. Note that Gas Safety Management Regulations (GS(M)R) 1996 states 'Where any gas escapes from a network the person conveying the gas in the part of the network from which the gas escapes shall, as soon as is reasonably practicable after being so informed of the escape, attend the place where the gas is escaping, and within 12 hours of being so informed of the escape, he shall prevent the gas escaping'.

6 Impacts & Other Considerations

Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None

There was no disagreement from Workgroup participants.

Consumer Impacts

It is expected that connection costs will be reduced for connecting parties/shipper users which in turn may result in lower costs to consumers. Lower costs could result in increased competition to benefit the market.

What is the current consumer experience and what would the new consumer experience be?

Connections can be lengthy in time and costly resulting in additional costs and timeframes for the consumer. If not implemented these issues will continue and connections will continue to take time and be expensive. This change allows consumers to choose between high integrity gas quality monitoring or a ROV, allowing consumers choice over the process (subject to the FPSA).

Impact of the change on Consumer Benefit Areas:

| Area | Identified impact |
|---|-------------------|
| Improved safety and reliability There are no impacts to safety as a result of this change. | None |

| | |
|--|----------|
| <p>Lower bills than would otherwise be the case</p> <p>Whilst the result on bills may be minimal cost savings (up to £250,000) are estimated where a ROV is not required; this in turn should result in lower charges for the consumer.</p> | Positive |
| <p>Reduced environmental damage</p> <p>None.</p> | None |
| <p>Improved quality of service</p> <p>Allows the consumer choice over the process – timeframes, costs and cyber risks</p> | Positive |
| <p>Benefits for society as a whole</p> <p>None.</p> | None |

Cross-Code Impacts

None identified.

EU Code Impacts

None.

Central Systems Impacts

None identified.

Workgroup Impact Assessment

No ROM is required for this Modification.

At the 31 August 2021 Extraordinary Workgroup meeting, when observing that Connections can be lengthy in time and costly resulting in additional costs and timeframes for the consumer a Workgroup Participant noted that the FPSA should assure that the experience of customers further downstream should not be adversely affected where the decision is taken not to install an ROV.

The Workgroup of 31 August 2021 was informed that a review by the HSE will determine whether the proposed change would constitute a material change to National Grid's safety case. A Workgroup Participant commented that the expectation is that the change is non-material and that confirmation is being sought. The Workgroup concluded that submitting the Modification for consultation before receiving a response from the HSE regarding the materiality of the safety case change might leave unanswered an important question for respondents and lead to ambiguity on whether the Modification still satisfied Self-Governance status.

The Workgroup of 07 October 2021 was informed that confirmation regarding the safety case is still awaited. The Workgroup suggested waiting for the safety case response from the HSE before requesting that the modification is issued for consultation.

The Workgroup of 07 April 2022 received confirmation from National Grid that the HSE has considered the change to the safety case and judged it as non-material. This means that HSE note the change and are not intending to undertake an impact assessment. The Workgroup considered the response received from the HSE and in light of this information the Workgroup agreed this Modification should proceed under Self-Governance Procedures.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

| Relevant Objective | Identified impact |
|---|-------------------|
| a) Efficient and economic operation of the pipe-line system. | None |
| b) Coordinated, efficient and economic operation of <ul style="list-style-type: none"> (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters. | None |
| c) Efficient discharge of the licensee's obligations. | None |
| d) Securing of effective competition: <ul style="list-style-type: none"> (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers. | Positive |
| e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers. | None |
| f) Promotion of efficiency in the implementation and administration of the Code. | None |
| g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. | None |

This Modification furthers Relevant Objective d) by allowing more efficient connections, as such the market may be more open and accessible for Shippers and result in more effective competition.

Workgroup Assessment

Workgroup Participants recognised that this Modification may make connection easier and less costly. Workgroup Participants did not have any counter arguments, concerns or objections to the views above.

Impact of the Modification on the Transporters' Relevant Charging Methodology Objectives:

| Relevant Objective | Identified impact |
|--|-------------------|
| a) Save in so far as paragraphs (aa) or (d) apply, that compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business; | None |
| aa) That, in so far as prices in respect of transportation arrangements are established by auction, either: <ul style="list-style-type: none"> (i) no reserve price is applied, or (ii) that reserve price is set at a level - | None |

| | |
|---|----------|
| (I) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and (II) best calculated to promote competition between gas suppliers and between gas shippers; | |
| b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business; | Positive |
| c) That, so far as is consistent with sub-paragraphs (a) and (b), compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers; and | Positive |
| d) That the charging methodology reflects any alternative arrangements put in place in accordance with a determination made by the Secretary of State under paragraph 2A(a) of Standard Special Condition A27 (Disposal of Assets). | None |
| e) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. | None |

Relevant Objective c) is furthered in this case since the Modification, if implemented, will facilitate cheaper and simplified connections and access to the NTS.

In addition, Relevant Objective b) is furthered since the Modification, if implemented, will facilitate customers being charged for the relevant installation and will also better facilitate new customers being brought onto the system.

Workgroup Assessment

The Workgroup considered whether the Transmission Charging objectives were relevant for this Modification as the Proposal does not require any change to the Methodology. Workgroup Participants recommended the assessment need not form of the Consultation, unless the UNC Modification Panel believe specific consideration should be undertaken.

8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

Workgroup Assessment

The Workgroup did not have any counter arguments, concerns or objections to the views above.

9 Legal Text

Legal Text has been provided by National Grid and is included below.

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

Text Commentary

Changes to TPD Section Y to include any new connection

Text

Amend TPD Section Y - Remotely Operable Valve (ROV) Installations as follows:

- 26A. Subject to paragraph 27 and unless National Grid determines that a manually operated valve installation shall be installed rather than an ROV installation ~~Subject to paragraph 26B and any determination by National Grid under paragraph 27 that an ROV installation is not required,~~ all new connections will include an ROV Installation which may be situated either:
- at a point on the NTS, where the customer wishes to:
 - construct and connect a pipeline with a view to owning and operating the pipeline (such pipeline would not be a System Extension as it would not be owned and operated by National Grid), or
 - construct and connect a pipeline with the intention that it will transfer to National Grid under a Taking Ownership Agreement (in which case it would become a System Extension); or
 - at the termination point of a System Extension constructed by National Grid.
- ~~26B. If a For any new connection comprises a New Exit Point, National Grid may determine that a manually operated valve installation shall be installed rather than an ROV installation.~~
- ~~26G~~26B. The costs of the ROV Installation, or manually operated valve installation, will form a part of the connection charge irrespective of whether the connection is for Exit, Entry or Bidirectional purposes.
27. Where a connection is requested at or adjacent to an existing National Grid site, National Grid will at its sole discretion determine the most appropriate point and design of the connection taking into account potential costs of connection, future operational costs, security of supply and operational flexibility.
28. National Grid does not provide gas flow and energy measurement equipment for transmission connections.
29. In addition to the equipment provided by National Grid, there are several technical requirements that a customer must fulfil if it is to have a connection to the NTS. These relate principally to the customer's metering and telemetry equipment and, where relevant, Gas Quality Instrumentation.

10 Consultation

Panel invited representations from interested parties on 21 April 2022. All representations are encompassed within the Appended Representations section.

The following table provides a high-level summary of the representations. Of the 5 representations received 1 supported implementation, 3 provided comments and 1 was not in support.

| Representations were received from the following parties: | | | |
|---|----------|----------------------------|--|
| Organisation | Response | Relevant Objectives | Relevant Charging Methodology Objectives |
| Cadent | Comments | d) no response | b) no response c) no response |
| National Grid NTS | Support | c) positive d) positive | b) none c) none |

| | | | |
|------------------------|----------|----------------|----------------------------------|
| Northern Gas Networks | Comments | d) no response | b) no response c) no response |
| SGN | Oppose | d) negative | b) negative c) negative |
| Wales & West Utilities | Comments | d) no response | b) none c) none |

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

Discussion

The Panel Chair summarised that Modification 0771S would remove the absolute requirement for a remotely operable valve (ROV) to be specified in the design for new NTS Entry connections in the same way that Modification 0627S had removed the obligation in respect of new NTS Exit connections. This additional flexibility may allow for the design of less costly entry connections and thus be advantageous to customers.

Panel Members considered the representations made, noting that, of the 5 representations received, 1 supported implementation, 3 provided comments and 1 was not in support.

Some Panel Members were also concerned in the same way as SGN in its consultation response, that the absence of an ROV might mean that out-of-specification gas could enter the NTS and might then be passed to a GDN system.

The Proposer's representative countered that the HSE did not raise this as a concern. Further, the overall impact is within the gas quality specifications so the gas reaching consumers is unlikely to be affected. The Party connecting will be obliged to provide "on spec" gas as with any other Party. The Network Operator has the tools to manage the unlikely event of out of specification gas reaching the network.

A Panel Member commented that, in regard to the HSE conversations which National Grid has clearly had, that without seeing the full context of their report and their findings it is difficult to see what has and has not been considered in that assessment. Panel Members discussed whether it is likely that further insight into these conversations and/or documents may be forthcoming and whether Panel could defer its decision until this has taken place.

The Proposer's representative countered that Panel Members were discussing areas which had been covered at Workgroup. The Workgroup's discussions are summarised in the report above.

Some Panel Members who had not been able to attend Workgroup still had some concerns over the impact of the Modification if implemented.

Panel Members briefly considered the cost savings per connection where an ROV is not required, noting that £250,000 is the estimated cost saving per connection stated in the Modification report. This cost saving may translate into lower costs for consumers.

Some Panel Members summarised that, other than the Transporters, industry does not generally see any detail of Safety Cases, Networks are generally unwilling to share this information. Further the UNC Modification Panel is not a technical group and in general would not want to challenge a HSE decision. In this case the green light from the HSE must carry some weight.

The Proposer's representative clarified that the points made by SGN should be considered against the commentary in the Modification Report (section 5) and the Workgroup discussions of 31 August 2021 that National Grid is obliged to carry out Formal Process Safety Assessments which will include the ROV assessment. It is a requirement of National Grid's Gas Transporters Safety Case to have an isolation valve and to carry out the HAZOP assessment. Whilst the absolute obligation to install an ROV would be removed under this Modification National Grid may still determine that such equipment is required if there is an unacceptable risk that non- GS(M)R gas could enter the System. If the assessment concludes that a Remotely Operable Valve is not required, then a Locally Operated Valve allowing a manual isolation will be included in the design. National Grid has other measures to deploy to prevent out of specification gas arriving on the network including TFA which have been deployed ~500 times over the last 10 years.

Some Panel Members expressed concern that the manually operated isolation valve requires human input and if this must be operated out of hours, this is still of concern.

The Proposer's representative noted that ROVs still require a manual intervention and thus the existence of an ROV still does not wholly prevent out of specification gas reaching the network. The connections in question here are likely to be reasonably small in the context of NTS flows, meaning that comingling has a role to play here too.

A Panel Member noted that this Modification means that an ROV doesn't have to be installed but still may be installed if required, this mirrors the same situation as GDNs have now.

A Panel Member asked National Grid how many connections recently would have not required an ROV if this Modification had been in place. The Proposer's representative confirmed that there has only been one instance where an ROV would NOT have been installed had the modification been in place in recent times.

Panel Members debated whether this constituted a new issue. The Independent UNC Modification Panel Chair noted that the safety issue was effectively covered in Workgroup and not considered an issue. Workgroup accepted the Proposer, National Grid's explanation in the Modification.

The Proposer's representative explained that if there was a risk of downstream investment required by DNs then the HSE would not have given the green light to the proposal because that would have implied a safety concern.

Panel Members debated whether changing the governance route would enable Ofgem to make further enquiries as they considered appropriate.

When asked, the Ofgem Representative confirmed they were content for the UNC Modification Panel to work through its process.

When asked, the Proposer's representative explained that it was unlikely that National Grid would share the information from the discussions with the HSE nor the Safety Case information because it sets a precedent; the Safety Case is a confidential document between National Grid and the HSE. Panel Members were also reminded that consideration of the Modification had been paused to allow Panel to derive comfort from the conclusion of the process of consideration by the HSE, whereas now some Panel Members appeared to be questioning HSE's decision.

A Panel Member noted that the related Modification 0627S received a unanimous vote in favour of Self Governance. See Panel minutes from September 2017 <https://www.gasgovernance.co.uk/panel/210917>

The Independent Modification Panel Chair asked if Ofgem wished to comment on Panel's determination on Self Governance and the Ofgem Representative confirmed that the Ofgem view in relation to this Modification is that Panel must work through its process.

Consideration of the Relevant Objectives

Panel Members briefly discussed which Relevant Objectives should be considered and concluded that Relevant Objective d) is the only appropriate one for this Modification.

Some Panel Members considered Relevant Objective d) *Securing of effective competition between Shippers and/or Suppliers* and concluded that implementation would have a positive impact and that this Relevant Objective would be better facilitated if the Modification were implemented since lower connection costs could make NTS connection more attractive, potentially leading to greater supply diversity and thus more choice for customers.

A Panel Member considered Relevant Objective d) would be negatively impacted because the network party may need to install equipment to monitor gas quality on their network.

A Panel Member countered that they did not believe that the DN was at risk of needing to invest as a result of this Modification being implemented.

Panel Members considered the views submitted in respect of the Charging Methodology Relevant Objectives and agreed with the points made by the Workgroup and by National Grid in its consultation response, that these Objectives are not relevant in consideration of this Modification because the proposed change impacts only the connection charging methodology not National Grid's transportation charging methodology.

Determinations

Panel Members voted unanimously that Modification 0771S does not have an SCR impact.

Panel Members voted with 11 votes in favour (out of a possible 14) and agreed by majority that no new issues were identified as part of consultation.

Panel Members voted with 9 votes in favour (out of a possible 14) and agreed Modification 0771S should continue to follow Self Governance Procedures.

Panel Members voted with 8 votes in favour (out of a possible 14) and agreed to implement Modification 0771S.

12 Recommendations

Panel Determination

Panel Members agreed that Modification 0771S should be implemented.

13 Appended Representations

Representation – Cadent

Representation – National Grid NTS

Representation – Northern Gas Networks

Representation – SGN

Representation – Wales & West Utilities

Cadent Gas Limited
Brick Kiln Street, Hinckley
Leicestershire LE10 0NA
cadentgas.com

Bob Fletcher
Joint Office of Gas Transporters
Radcliffe House,
Blenheim Court,
Warwick Road,
Solihull
B91 2AA

Andy Clasper
Andy.clasper@cadentgas.com
Direct tel +44 (0)7884 113385

13th May 2022
Your Reference: UNC Modification Proposal 0771S

UNC Modification Proposal 0771S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which Cadent would like to provide comments.

Do you support or oppose implementation?

Comments

Relevant Objective:

d)

Relevant Charging Methodology Objective:

b)

c)

Reason for support/opposition:

This modification relates to entry connections into the NTS only and does not impair the DNs right to fit ROVs at Distribution Network Entry Connections.

Implementation

N/A

Impacts and Costs

N/A

Legal Text

No further comments

Are there any errors or omissions in this Modification Report that you think should be taken into account?

We have not identified any errors or omissions.

Please provide below any additional analysis or information to support your representation

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07884 113385 (andy.clasper@cadentgas.com) should you require any further information.

Yours sincerely,

Andy Clasper

Representation - Draft Modification Report UNC 0771S

Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

Responses invited by: **5pm on 13 May 2022**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

| | |
|---|----------------------------|
| Representative: | Phil Hobbins |
| Organisation: | National Grid NTS |
| Date of Representation: | 12 May 2022 |
| Support or oppose implementation? | Support |
| Relevant Objective: | c) Positive d) Positive |
| Relevant Charging Methodology Objective: | b) None c) None |

Reason for support: Please summarise (in one paragraph) the key reason(s)

As Proposer of this Modification, we support implementation because we believe it will deliver greater efficiency and customer choice in the process of connecting new sources of gas for delivery to the NTS. Where our formal process safety assessment concludes that an ROV installation is not a mandatory requirement for an NTS entry connection, there is potential for a material saving in the cost of connection for that customer to be realised.

We therefore agree with the statement in the Draft Modification Report that Relevant Objective (d), 'securing of effective competition between relevant shippers', would be better facilitated because lower connection costs would make NTS connection more attractive, potentially leading to greater supply diversity. We also consider that Relevant Objective (c), 'efficient discharge of the licensee's obligations' would be better facilitated; Condition 4F in the NTS Licence requires us to offer access to our system in line with the Gas Act, which in turn at paragraph 9(1)(b) requires gas transporters to comply with all reasonable connection requests and this Modification would facilitate some NTS connections to be completed at a lower cost than would otherwise be the case.

Consistent with the discussion at the Workgroup meeting of 7th April 2022, we consider that the Charging Methodology Objectives are not relevant to this Modification because it

only impacts our connection charging methodology not our transportation charging methodology.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

We agree that this Modification should continue to be subject to self-governance procedures. The only potential challenge to this approach raised in the Workgroup was whether a material impact on safety was a possibility but as stated in the Draft Modification Report, HSE have concurred with our view that the amendment to our Safety Case to give effect to this Modification is non-material.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

Sixteen business days after a Modification Panel decision to implement, subject to no appeal being raised.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

None.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

A minor error in the Workgroup Impact Assessment on page 6; we suggest the following edit:

“At the 31 August 2021 Extraordinary Workgroup meeting, when observing that connections can be lengthy in time and costly resulting in additional costs and timeframes for the ~~consumer~~ customer, a Workgroup Participant noted that...”

Please provide below any additional analysis or information to support your representation

We have nothing further to add.

Joint Office
enquiries@gasgovernance.co.uk

12th May 2022

Dear Sir or Madam,

Re: UNC 0771S Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

Thank you for the opportunity to provide representation on the above noted Modification/Change Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this change.

NGN offers comments only in relation to this Modification Proposal.

We would like to highlight that this modification is only applicable to sites directly connected to NTS, and therefore DN connects will still be subject to a ROV where applicable, including where stated as part of a Network Entry Agreement (NEA).

We believe that the legal text satisfies this, but still wanted to draw it to the attention of industry to aid in avoiding confusion.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)
Market Services Manager
Mobile: 07580 215 743

Smell gas?

Call the National Gas Emergency
Service on 0800 111 999



1100 Century Way
Thorpe Park Business Park
Colton, Leeds LS15 8TU



0113 397 5300



northerngasnetworks.co.uk

**we are
the network**

Representation - Draft Modification Report UNC 0771S**Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections****Responses invited by: 5pm on 13 May 2022****To:** enquiries@gasgovernance.co.uk*Please note submission of your representation confirms your consent for publication/circulation.*

| | |
|---|--|
| Representative: | David Mitchell |
| Organisation: | Scotland Gas Networks Ltd & Southern Gas Network Ltd |
| Date of Representation: | 13 th May 2022 |
| Support or oppose implementation? | Oppose |
| Relevant Objective: | d) Negative |
| Relevant Charging Methodology Objective: | b) Negative c) Negative |

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SGN does not support the implementation of this modification due to our concerns of the potential of non-compliant gas entering the LDZ via National Grid Gas network offtake points system entry points where There is a risk of the GDN receiving non-compliant GS(M)R gas into the LDZ as a result of a Remotely Operated Valve not being an absolute obligation for new entry points. In the future the NTS may have a large volume entry point which majorly influences the flow of gas into the LDZ due to the push to introduce green gas which may further increase this risk. We believe that the implementation of this Modification may result in an increased risk of non-compliant gas entering the GDNs network and a resulting requirement to install additional monitoring equipment if we consider there's a heightened risk.

We acknowledge that currently there is not an obligation in the UNC on the GDN's to install an ROV at a LDZ system entry point, however SGN's policy and procedure requires the installation due to a recognised risk of non-compliant GS(M)R gas entering into the network without this additional risk mitigation.

We are mindful that the HSE have stated that this modification is a non-material change to the safety case however no additional information has been provided as to the background to this decision. Therefore, SGN is not clear whether there is an increased risk and whether this has been deemed to be acceptable or whether there is no additional risk? We note

Joint Office of Gas Transporters

NGG's reliance on a manual valve should there be a requirement to curtail gas entry and would question whether this type of valve would provide a timely solution to prevent non-compliant GS(M)R gas from entering the network or networks.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

This modification should not be Self-Governance as per the self-governance rules on the basis that it has the potential to increase investment in network assets.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We have no preference regarding the lead-time for this Modification if it were implemented, however we would highlight National Grid Gas should provide prior notification to the GDNs should there be a new entry connection connecting to the NTS without ROV protection.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

SGN may decide to implement additional gas quality monitoring equipment should there be deemed to be an additional risk of non-compliant gas entering the SGN network.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No comments.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None identified.

Please provide below any additional analysis or information to support your representation

None identified.

Representation - Draft Modification Report UNC 0771S

Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

Responses invited by: **5pm on 13 May 2022**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

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|---|------------------------|
| Representative: | Tom Stuart |
| Organisation: | Wales & West Utilities |
| Date of Representation: | 27.4.22 |
| Support or oppose implementation? | Comments only |
| Relevant Objective: | d) |
| Relevant Charging Methodology Objective: | b) None c) None |

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We would like to note that this modification is in relation to Remotely Operable Valve (ROV) Installations on NTS Entry Connections and has no implication on the requirement to include ROVs on Distribution Network Entry Connections.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

N/A

Implementation: *What lead-time do you wish to see prior to implementation and why?*

N/A

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

N/A

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

N/A

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

N/A

Please provide below any additional analysis or information to support your representation

N/A