

Modification Report
Notification to Users of Emergency Incidents - Impacts on Code
Communications
Modification Reference Number 0033
Version 2.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 9.6.

1. The Modification Proposal

The proposer believes that Modification of the Uniform Network Code (UNC) is required to enable the notification of emergency incidents to Users in accordance with the document – 'Schedule for Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency' (to be referred to within the UNC as the 'Shipper Incident Communication Procedure' ¹).

Pursuant to the implementation of Modification 0649 notifications will be required to be issued pursuant to the rules contained within the Schedule. Transco has elected to implement these requirements by developing an Internet based incident reporting system. This will incorporate an e-mail alert facility to enable Users to be informed of relevant incidents. It is anticipated that other Transporters will inform Users of the method of code communication each choose to use in accordance with the Schedule.

It is proposed to extend the current allowable forms of Code Communication to incorporate Internet/e-mail for the communication to Users of emergency incidents as detailed within the Schedule.

In absence of this Modification, Relevant Transporters would not be able to utilise Internet/e-mail based communication to adhere to the provisions relevant to emergency incidents. The UNC specifies that Code Communications may only be made 'by UK-Link Communication' (in accordance with Section U) or 'by delivery or by post or facsimile'. Currently, Internet based communications are not included within the above definition.

¹ The schedule is to be introduced within the remit of Network Code Modification Proposal 0649 'Referencing Incident Notification Within Network Code' and is planned for implementation on 1 October 2005.

2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives

Network Code Modification 0649 is scheduled for implementation on 1st October 2005. The Proposal develops Transporters' existing obligations to provide communication to Users upon the occurrence of Loss of Gas Supply incidents and incidents of Carbon Monoxide Poisonings. A new obligation to issue a communication to Users in the event of gas fire/explosions is also required in the above Proposal.

Changes to the UNC are required to ensure that where supporting Internet based systems functionality is utilised by the Relevant Transporter to deliver communications required by rules contained within the Schedule, this is identified within the UNC as a means of Code Communication. Transco believes that the measures identified within this UNC Modification Proposal ensure that Users are able to access data made available by the Relevant Transporter. Transco thus assess that full availability and transparency of information in these circumstances furthers the GT Licence 'code relevant objective' of securing competition between relevant shippers as set out within Standard Special Condition A11 of the Gas Transporters Licence.

In its representation Wales and West Utilities, Gaz de France and Total Gas & Power concurred with this view in respect of facilitation of the GT Licence 'code relevant objective'.

3. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

No implication on security of supply or operation of the total system has been identified. As a consequence of industry fragmentation, expansion of the allowable forms of 'Code Communication' for the purposes of incident communication would afford each Transporter choice as to by what means such communication is delivered.

4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including

a) implications for operation of the System:

No such implications have been identified.

b) development and capital cost and operating cost implications:

The Proposal would not impose any additional cost for Transporters other than that already required in order to implement Modification 0649.

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

No such cost recovery is anticipated

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

No such consequences have been identified.

5. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal

Implementation of this Modification Proposal would not increase the level of each Transporter's contractual risk. If implemented, the Modification would allow Transporters additional choice as to the method of delivery of a contractual obligation.

6. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users

No changes would be required to the UK-Link System to facilitate implementation of this Modification Proposal.

7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

It is expected that Users would need to ensure effective procedures are established to receive relevant information from Transporters. In the event of implementation of the Proposal, such procedures may need to accommodate information transmitted by email/internet in addition to the existing forms of 'Code Communication'

8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

No such implications have been identified.

9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal

No such implications have been identified.

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

Advantages:

- Enables Transporters greater choice in respect of the method of communicating relevant information.
- Use of internet/email would realise communication efficiencies associated with such electronic communication.
- Users would be able to access a 'real time' source of data to obtain incident updates.

Disadvantages:

- Potential requirement for Users to manage/process incident communications received by additional means.

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

Nine representations (from the following) were received with respect to this Modification Proposal. All supported implementation.

Northern Gas Networks	[NGN]
Wales and West Utilities	[WWU]
Transco	[Transco]
RWE Npower	[RWE]
EdF Energy	[EdF]
British Gas	[British Gas]
Total Gas & Power	[Total]
Gaz de France	[GdF]
E.on	[E.on]

The proposer Transco confirmed its support for the proposal by confirming “*As the initiator, Transco supports its implementation.*”

A number of respondents commented on the advantages of the use of email and the internet as a method of communication for this purpose. WWU commented “*in the event of emergencies...it is important that Users are alerted and updated...quickly...the use of an internet based reporting system would best meet this objective*”.

Npower added that it “*welcome[d] any initiative that looks to embrace new technologies*” and identified that the Proposal was “*an example of an industry participant looking to improve the Code to facilitate the implementation of a new process that will improve service to the industry*”.

Total commented that “*utilization of such communication methods will realise operational efficiencies*” and in a similar vein E.on stated that the proposal “*improves efficiencies in the Transporters method of communicating relevant information*”. GdF added that “*an internet based reporting system should increase the quality of information available to shippers and customers*”.

A number of respondents recognised that implementation would extend the potential methods of code communication in respect of incident reporting. NGN that it “*welcome[d] any sensible extension of...code communications*” and added “*retention of the existing communication methods...allows each transporter to utilize the most appropriate method for its own internal processes*”.

EdF identified recognised that “*each [Network] owner may implement different processes of notifying Shippers*” and identified that this was “*likely to have an adverse overhead for all shippers...EDF Energy believes a single process is required*”. Total also identified that “*this notification method may not be used by all of the four Distribution Network Operators. The most efficient ...method ...would be for all DNO’s to use the same system*”. E.on believed that the “*proposal may create a potential requirement for Users to manage / process incident communications received by additional means*”.

GdF commented that *“in the event of system failure...there should be a robust contingency process in place”*. Additionally, BGT believed *“...adequate contingency arrangements must be in place”*.

In respect of the development of Transco’s chosen method of implementation, EdF noted *“there seems to have been very little interaction between Transco and Shippers on the functionality of the system”*.

Whilst appropriate to Workstream discussions in respect of Modification 0649 and subsequent implementation matters, the above two matters are not within the scope of this Modification Proposal.

BGT clarified *“the proposal is dependent upon the contact email account specified by the User being continuously updated 24 hours a day, 365 days a year”*.

E.on suggested that *“it would be most constructive if the email had a direct link to the internet based incident reporting system”* and also requested *“that the SME seeks confirmation from each of the Transporters that they will inform Users of the method of code communication each choose to use in accordance with the Schedule”*.

The following is an extract from a notice issued by the Joint Office of Gas Transporters on 16 September 2005:

Northern Gas Networks

NGN currently uses e-mail facility as its preferred option within office hours (fax as the alternative) to provide notification of incidents. Out of hours communication is provided by way of fax and/or telephone (subsequently confirmed by e mail during office hours). NGN has no immediate plans to develop a web based solution, however the streamlining of the above process is currently under consideration. E-mail communication in respect of this issue should be directed to Duncan.Lawton@uuplc.co.uk.

Scotia Gas Networks

Scotia Gas Networks has reviewed the number of gas supply incidents in the 50 to 250 supply point range and believe that the numbers are such that the existing fax based solutions for incidents above 250 supply points can easily be extended to cover incidents from 50 to 250 supply points.

For the whole of Scotia Gas Networks, which represents just under 30% of UK supply points, it is estimated that there will be around 20 incidents per year in the 50 to 250 supply point range. Scotia Gas Networks do not believe that a technology solution can be justified for such a small number of incidents when the existing systems and mechanisms, which have operated successfully for the last 10 years, can be easily extended.

Scotia Gas Networks, however, accept that a parallel e-mail incident notification could be issued to support the formal fax notification. If shippers

provide up to four key contact e-mails each (to allow for holidays, sickness, etc) then Scotia Gas Networks will create an e-mail distribution list to issue e-mail notifications of all incidents above 50 supply points. If shippers do not require this additional notification, then they can continue to rely on the existing fax based system. E-mail contact details should be sent to Steve Mills (stephen.mills@scotiagasnetworks.co.uk).

With regard to carbon monoxide, fires and explosions, Scotia Gas Networks already has a system in place to issue faxes to shippers for carbon monoxide incidents which it will extend to cover fires and explosions. It is estimated that there will be around 20 fires and explosions per year, within the Scotia Gas Networks area, resulting from gas released downstream of the maincock, which will be notified to shippers in this way.

Wales and West Utilities

WWU is currently using faxes to provide notification of all incidents both in and out of hours. WWU is looking at the implementation issues involved in moving to an email based system but we have no plans to develop our own web based solution. When this review of the issues involved in implementing an email based system has been completed WWU will contact shippers.

12. The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation

Implementation is not required to facilitate such compliance

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

This Proposal is not required to facilitate any such change

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

No programme of works would be required to enable implementation of this Modification Proposal.

In its representation, Wales and West Utilities sated that it “does not envisage any system changes would be required to implement” and “...would expect the costs of implementation...to be immaterial and...heavily outweighed by the benefits expected to be realised”.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

To the extent that this Proposal addresses a requirement associated with implementation of Modification 0649 (anticipated 1 October 2005), this Modification Proposal may be implemented with effect from 1 October 2005.

16. Implications of implementing this Modification Proposal upon existing Code Standards of Service

No such implications have been identified..

17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

At the Modification Panel meeting held on 20 October 2005, of the 9 Voting Members present, capable of casting 10 votes, 9 votes were cast in favour of implementing this Modification Proposal. Therefore the Panel recommend implementation of this Proposal.

18. Transporter's Proposal

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

19. Text

UNC General Terms Section B, Paragraph 5.1

Paragraph 5.1.1 (c) delete “or”

Paragraph 5.1.1 (d) add “; or”

Add new sub paragraph (e) to read:

“(e) for the purposes of TPD Section V5.13.3 only, by such methods as set out in the Shipper Incident Communication Procedure.”

TPD Section V5.13

Add new sub paragraph 5.13.3 to read:

“5.13.3 The Shipper Incident Communication Procedure shall contain the methods by which a User may obtain the information set out therein.”

Subject Matter Expert sign off:

I confirm that I have prepared this modification report in accordance with the Modification Rules.

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

Tim Davis
Chief Executive Joint Office of Gas Transporters

Signature:

Date :