

Draft Modification Report
Programmed Maintenance Notice Periods at NTS System Exit Points
Modification Reference Number 0066

Version 1.0

This Draft 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 Proposal was as follows:

"Programmed Maintenance refers to maintenance of any part of a relevant System by the Transporter. Various notice periods are prescribed in the UNC for different categories of System Point. This proposal only seeks to modify the notice period arrangements at NTS Supply Points. Any changes to the arrangements at NTS/LDZ offtakes or DN connected sites could be considered by separate modification proposals.

The proposal is for NGNTS to send to Maintenance Relevant Parties at NTS Supply Points, at the time of the publication of the draft of the Maintenance Programme (1st February), Programmed Maintenance notifications identifying wherever possible the specific dates on which planned maintenance work will be carried out. Where it is not possible to provide specific dates, as may be case in respect of online inspections, a "**Maintenance Window**" will be notified that will be no longer than two weeks in duration.

No later than the publication of the final Maintenance Programme (1st April) NGNTS will issue revised notifications to the Maintenance Relevant Parties where the dates have changed since the publication of the draft of the Maintenance Programme or where more precise dates are available.

Notwithstanding any notifications provided as part of the draft of the Maintenance Programme or the final Maintenance Programme. NGNTS will notify Maintenance Relevant Parties as soon as reasonably practicable, but no less than 42 days before maintenance work is due to commence, the actual dates on which Planned Maintenance will be carried out. This additional notification provision will ensure that where maintenance is due to start on or soon after 1 April the Maintenance Relevant Parties will still get at least six weeks notice.

In addition, it is proposed that NGNTS will publish information to the Maintenance Relevant Parties at each NTS Supply Point concerning its online pipeline inspection programme carried out under the provisions of Section L 4.4 so that these parties are aware when a prolonged period of maintenance affecting their offtake will be expected. The information to be provided by NGNTS should include the affected site, the feeder, the date of the last inspection and the latest date by which the next inspection must take place, noting when this is a confirmed date. The information should be provided by 30th September so that Users and consumers can consider this in their maintenance planning submissions by 30 November as per section L 1.5a. This advanced period of notice may allow Users and consumers to align significant

site maintenance with the NGNTS maintenance and encourage early dialogue on maintenance planning schedules.

Non-implementation would mean that consumers could continue to be significantly affected and given inadequate notice of NTS maintenance. This would perpetuate the current lack of co-ordination between shippers, affected sites and NGNTS in respect of maintenance."

National Grid NTS prepared a proposed process for Notification of NTS Planned Maintenance and this was circulated with the Proposal.

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

The Proposer stated the following:-

"Increasing notice periods for long cessations and applying a cancellation notice period would better facilitate the achievement of the following relevant objectives:

- A11 1 (a) The efficient and economic operation of the pipe-line system to which the licence relates. The operation of the System covered by the Maintenance Programme would potentially benefit from better co-ordination of maintenance as a result of implementation of this Proposal.
- A11 1 (c) The efficient discharge of the licensee's licence obligations. This includes securing that no shipper, supplier or DN operator obtains any unfair commercial advantage from a preferential or discriminatory arrangement. Improvements in the notice period arrangements would ensure that all relevant parties would be informed on an equivalent basis
- A11.1 (d) The securing of efficient competition between relevant shippers, suppliers and DN operators. This would result from the benefit of implementation outlined above in respect of Standard Special Condition A11.1 (c)."

Views would be welcome on these or other relevant objectives.

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

Views are invited as to whether implementation of the proposal would have implications for security of supply, operation of the Total System and industry fragmentation

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

a) implications for operation of the System:

The proposal should not directly affect operation of the System since implementation simply addresses provision of information to Maintenance Relevant Parties (as defined in UNC L 1.4). Views are invited on implications that may arise from implementation.

b) development and capital cost and operating cost implications:

No such implications have been identified.

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 has been proposed.

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

No such implications 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

Views are invited on the level of contractual risk for the relevant Transporter.

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 such implications have been identified. Views would be welcome if any Party believes there would be such implications.

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

The Proposer stated that, "This advanced period of notice may allow Users and consumers to align significant site maintenance with the NGNTS maintenance and encourage early dialogue on maintenance planning schedules."

Views would be welcome on the implications of implementation for Users.

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

Views would be welcome on the implications of implementation for such parties.

The statement referenced in the previous paragraph would suggest a benefit for large consumers in alignment of maintenance.

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

Views would be welcome on any such consequences arising from implementation.

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

The Proposer argued that implementation would : -

- allow Users and consumers to align significant site maintenance with the NGNTS maintenance and encourage early dialogue on maintenance planning schedules.
- allow Users and consumers to be better placed to manage their commercial position. In the case of gas fired generation, this would promote effective competition within and between energy markets.
- facilitate better co-ordination between shippers, affected sites and National Grid NTS in respect of maintenance

The Proposer did not identify any disadvantages.

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

Representations are now invited.

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

No such requirement has been identified.

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

A proposed process has been developed by National Grid NTS, building on existing practice, which may require revision if the Proposal was implemented.

It is believed that the associated programme for works would be minor.

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

The Proposer suggested 1st February 2006. This is the date of publication of the draft of the Maintenance Programme in accordance with the current provisions of the UNC.

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

19. Text

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

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 :