

CODE MODIFICATION PROPOSAL No. 0074
"Clarification of requirement for flows at DN Offtakes on low demand days"
Version 1.0

Date: 09/02/2006

Proposed Implementation Date: 01/04/2006

Urgency: Non-Urgent

Proposer's preferred route through modification procedures and if applicable, justification for Urgency

(see the criteria at http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf)

National Grid Distribution recommends that this Proposal proceed direct to consultation, in accordance with Section 7.3 of the Modification Rules.

This has been discussed as a topic at the Offtake Arrangements Workstream and the consensus was that a Proposal of this nature should proceed direct to consultation.

Nature and Purpose of Proposal (including consequence of non implementation)

When demand in an LDZ falls below 50% of 1-in-20 peak day demand, then National Grid NTS may call a low demand Day for that LDZ. On such a Day, DNO's would be required to offtake gas at a single rate throughout the Day.

Clause 2.5.2 (a) (OAD Section I) states that actual flows of gas at the offtakes in aggregate for that LDZ are to be at a single rate throughout the Day. However, clause 2.5.2 (b) (ii) states that the DNO shall specify, in its OPN, a single rate of offtake of the Day, at each individual offtake.

The configuration of pressure controlled offtakes can dictate that it is impractical to comply with 2.5.2 (b) (ii) because flow rates would not be controlled by the Distribution National Control Centre (DNCC) but be driven by consumer demand in the network. However, compliance with 2.5.2 (a) would be possible because a single flow rate into the LDZ could be achieved by making compensating adjustments to volumetrically controlled offtakes that allow for variations at pressure controlled offtakes.

It is therefore proposed that a change be made to 2.5.2 (b) (ii) to achieve a workable solution that best meets the requirements of the Gas National Control Centre (GNCC).

Actual flow rates would continue to be governed by the tolerances allowed in OAD Section I 3.1.

If this Proposal were not implemented then substantial investment would be required in Distribution Networks (DNs) to all pressure controlled offtakes to enable them to be offtake gas at a single rate throughout the Day on low demand Days.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence

- in respect of Standard Special Condition A11 paragraph 1(a), implementation of this Proposal would enable DNO Users to continue to operate their networks as they have done on previous years on low demand Days. If this were not approved, then substantial inefficient investment would be triggered in the networks which would not, otherwise, be required by either NTS or the DNs. By removing the requirement for this unnecessary investment, implementation of this Proposal would better facilitate the efficient and economic operation of their pipe-line systems; and
- in respect of Standard Special Condition A11 paragraph 1(b), implementation of this Proposal would enable National Grid NTS and DNO Users to operate their networks as they were originally designed to do, which would ensure the continued co-ordinated, efficient and economic operation of the combined pipe-line system.

Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text

Implementation of this Proposal would ensure the Offtake Arrangements Document reflected both the current operational practice in DNs and the requirements of the NTS on low demand Days. This Proposal should be implemented by 1 April 2006 and implementation would have no cost, systems, process or procedural impact on any Users.

Suggested legal text:

UNC - OAD

SECTION I - NTS OPERATIONAL FLOWS

Amend paragraph 2.5 to read as follows

2.5 Low demand Days

2.5.1 Where, in relation to any LDZ, LDZ demand for any Day is forecast (in the first LDZ demand forecast on the Preceding Day pursuant to TPD Section H5) to be less than 50% of 1-in-20 peak day demand, (for the avoidance of doubt, except where the amount of NTS Offtake (Flexibility) Capacity held by the DNO at the offtakes for that LDZ is in aggregate negative) National Grid NTS may, by giving notice to the DNO not later than 17:00 hours on the Preceding Day, require that paragraph 2.5.2 shall apply, subject to paragraph 2.5.3.

2.5.2 Where this paragraph applies, irrespective of the amount (if any) of NTS Offtake (Flexibility) Capacity held by the DNO at any Offtake:

- (a) the DNO shall operate the LDZ and each Offtake such that, subject to the restrictions in paragraph 2.3 on revisions of Offtake Profile Notices, for any given level of LDZ demand, the flows of gas at the Offtakes in aggregate for that LDZ are even throughout the Day;
- (b) in accordance with paragraph (a):
 - (i) after the DNO has submitted its initial Offtake Profile Notices, a revision of such Offtake Profile Notices under which the aggregate (for all Offtakes serving the LDZ) of the rates of offtake is revised, shall only be made to reflect changes in forecast LDZ demand; and

- (ii) subject to the requirements of paragraph 4, ~~each~~the Offtake Profile Notice(s) for all Offtakes serving the LDZ, or revision thereof of such Offtake Profile Notice(s), submitted by the DNO shall specify a single aggregate rate of offtake:
 - (aa) in the case of the initial Offtake Profile Notice(s), for the whole of the Day; and
 - (bb) in the case of any revised Offtake Profile Notice(s), with effect from the time from which the rate of offtake is revised, for the remainder of the Day.

2.5.3 Where, in relation to any Day for which National Grid NTS gives a notice under paragraph 2.5.1, compliance with paragraph 2.5.2 would (in the reasonable opinion of the DNO) significantly prejudice security of supply or the safe operation of the LDZ:

- (a) the DNO shall so notify National Grid NTS promptly upon receipt of National Grid NTS' notice;
- (b) paragraph 2.5.2 shall not apply, but the DNO and National Grid NTS will cooperate with a view to agreeing on limits on the variation of rates of offtake within the Day, and the DNO's Offtake Profile Notices shall comply with the limits so agreed.

Code Concerned, sections and paragraphs

Uniform Network Code, Offtake Arrangements Document
Section I NTS Operational Flows Paragraph 2.5

Proposer's Representative

Mark Freeman (National Grid)

Proposer

Declan McLaughlin (National Grid)

Signature

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