

**Draft Modification Report**  
**Change to Telemetry Requirements in OAD for SOMSA Exit**  
**Modification Reference Number 0207**  
**Version 1.0**

This Draft Modification Report is made pursuant to Rule 9.1 of the Modification Rules and follows the format required under Rule 9.4.

## **1 The Modification Proposal**

### **Background**

*Where capitalised words and phrases are used within this Modification Proposal, those words and phrases shall usually have the meaning given within the Uniform Network Code (unless they are otherwise defined in this Modification Proposal). Key UNC defined terms used in this Modification Proposal are highlighted by an asterisk (\*) when first used. This Modification Proposal\*, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.*

There are currently 117 shared sites where both National Grid NTS\* and Distribution Networks\* (DNs) assets are present and where National Grid NTS depends upon DN telemetry facilities for site control and information provision.

In the future, DN Operators\* (DNOs) may decide to exit the System Operator Managed Services Agreement\* (SOMSA) and take control of their own networks using their own Supervisory Control And Data Acquisition (SCADA) systems.

Section E of the UNC Offtake Arrangements Document\* (OAD) contains enduring arrangements for telemetry facilities which will come into effect as each DNO leaves the SOMSA arrangements. At present, the enduring arrangements assume that National Grid NTS-owned telemetry will be installed and commissioned on all shared sites and that National Grid NTS will no longer need to use the DNO-owned equipment. While this is the long-term aim, it is generally more economic and efficient to change existing assets at the end of their life cycle.

### **Proposal**

It is proposed that Section E of the UNC OAD is modified to allow National Grid NTS to continue to use DN telemetry facilities for site control and information provision following a DNO exiting the SOMSA arrangements until this equipment comes to the end of its service life. This would enable an economic replacement programme whilst facilitating DNO exit from SOMSA by formalising the continued exchange of telemetry and control signals between existing National Grid NTS and DNO equipment.

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

*Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system to which this licence relates;*

Implementation may assist the achievement of this objective by enabling National Grid NTS to progress with a phased programme for telemetry and control systems replacement, allowing for a gradual change out of assets as they reach the end of their operational life. This would allow the full value of the existing assets to be realised before additional investment is undertaken.

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

No such implications have been identified.

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

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

Implementation of this proposal would allow National Grid NTS to continue to use DNO telemetry systems for both information provision and control of valves and plant that is essential for the safe operation of the NTS.

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

There would be no additional costs for the implementation of this proposal as it seeks to continue with the current position post a DN exit from the SOMSA arrangements. In the event that the proposal is not implemented, National Grid NTS would have to install new telemetry at all 117 affected DNO sites within uneconomic timescales.

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

Not applicable.

**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**

No such consequences have been identified.

**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.

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

*Administrative and operational implications (including impact upon manual processes and procedures)*

No such implications have been identified.

*Development and capital cost and operating cost implications*

No such implications have been identified.

*Consequence for the level of contractual risk of Users*

No such consequences have been identified.

**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 consequences have been identified.

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

**Advantages**

This proposal will allow an economic and efficient replacement programme to be progressed whilst facilitating DNO exit from the SOMSA arrangements by formalising the continued exchange of telemetry and control signals between existing National Grid NTS and DNO equipment.

**Disadvantages**

None identified.

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

*Written Representations are now sought in respect of this Draft Report.*

**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 enable each Transporter to facilitate compliance with safety or other legislation.

**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**

Implementation is not 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.

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

No programme of works has been identified as a consequence of implementing the Modification Proposal.

**15 Proposed implementation timetable (including timetable for any necessary information systems changes and detailing any potentially retrospective impacts)**

It is recommended that the whole of this proposal be implemented by 01/07/2008.

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

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

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

**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 and Electricity Markets Authority in accordance with this report.

**19 Text**

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

For and on behalf of the Relevant Gas Transporters:

**Tim Davis**  
**Chief Executive, Joint Office of Gas Transporters**