

Review Group Report
Review Proposal Reference Number 0217
Gemini Code Contingency Arrangements
Version 1.0

This Review Group Report is presented for the UNC Modification Panel's consideration. Consensus has been reached by the Review Group on the contingency arrangements required in the event of a partial or complete failure of the Gemini system which is part of UK Link. In respect of other parts of UK Link, the Review Group has agreed that the existing contingency arrangements documents be transferred from the UK Link Manual to a new document that incorporates all contingency arrangements associate with UK Link breakdown.

Specifically, agreement has been reached, in principle, by the Review Group on the following.

1. The "Code Contingency Guidelines Documents" ("the guidelines") which set-out in detail the processes to be followed in the event of a partial of complete failure of UK Link.
2. The governance arrangements to be applied to these guidelines as a UNC Related Document.
3. The suggested text required to affect the change.

National Grid NTS has advised the Review Group that it intends to raise a Proposal in the near future to which the first draft of the Code Contingency Guidelines will be attached. Approval of the Proposal by the Authority would, in effect, be both approval of the initial version of these guidelines and of the changes to the UNC itself.

The Review Group recommends that when this Proposal and its attachments are raised, it be referred to the Transmission Workstream. By exposure to a wider audience than the Review Group itself, it is considered that the consultation responses would be better informed and an opportunity would be given to this audience for the Proposal to be clarified and enhanced. National Grid NTS has also indicated that it wishes to give a presentation to the Operational Forum, at which operational information is routinely shared between National Grid NTS and Shippers.

1 Review Proposal

National Grid NTS raised Review Proposal 0217, for which the Terms of Reference are in Appendix 1.

It should be noted that whilst the Terms of Reference stated that the Review Group stated that it would not concern itself with Contingency Procedures for any systems of the UK Link suite except Gemini, it became clear that there was a substantial benefit in having all procedures within the same suite of guidelines documents. National Grid NTS will, therefore, be proposing that the guidelines include the procedures currently included within the UK Link Manual for non-Gemini systems.

2 Review Process

In accordance with the Modification Rules, at its meeting on 19 June 2008, the Modification Panel determined that this Review Proposal should be referred to a Review Group for progression. This Review Group Report was subsequently compiled by the Joint Office of Gas Transporters, and approved by Review Group attendees.

3 Areas Reviewed

The Review Group discussions focussed on the following areas:

a) Gemini Contingency Processes

Flow diagrams were developed by the Proposer that set-out the steps to be followed during a “Gemini Code Contingency”. These were presented in detail to the Review Group and amended to reflect suggestions for improvement. These agreed diagrams have been incorporated in the guidelines and are as follows:

Energy Balancing

GE01 Manage Gas Flow and Energy Trade Nominations

Entry Capacity Auctions

GC01 Manage QSEC auction

GC02 Manage AMSEC auction

GC03 Manage RMTTSEC auction

GC04 Manage Short term auctions (Firm and interruptible)

GC05 Manage DRSEC auction

Entry Capacity Trading

GC06 Manage Capacity trades

Capacity Constraint Management

GC07 Manage Capacity Buyback auctions

GC08 Manage Scale Back

Associated with each of these flow diagrams, a description of each numbered procedural stage identified within the diagrams themselves, is included in the guidelines.

These procedural stage descriptions in turn refer to a proforma to be completed by the UNC party concerned. Specimens of each proformas are also included in the guidelines

b) Definitions

The Review Group examined current UNC definitions of “Contingency” and related definitions such as “Planned Downtime”. It also examined current planning principles for the management of contingency including restoration to normal operation. Where improvements have been identified these have been reflected in the suggested UNC text. Further details have also been included within the guidelines, particularly where they apply specifically to Gemini. Agreement was reached by the Review Group on all these aspects.

c) Communications

The Review Group discussed the communications principles to be followed by Transporters and UK Link Users including use of the Active Notification System (ANS), telephone via the helpdesk, email, fax and website. The agreement reached is reflected in the guidelines.

c) Contingency Testing

As familiarity by all affected parties is critical for the success of contingency arrangements, the Review Group agreed that exercises should be conducted to test the processes and participants’ familiarity with them. It was also agreed that participation in these exercises would be mandatory.

d) Governance Arrangements

The Review Group agreed that the UNC already provided a satisfactory form of governance for a number of UNC Related Documents and that this should apply to

these guidelines. National Grid NTS will therefore propose that the Code Contingency Guidelines Documents be added to the list of documents in UNC TPD V12.1.

This form of governance allows any UNC party to propose changes to the guidelines but a majority of UNC Committee members present have to approve the change. The initial guidelines document, however, will be attached to the Proposal and automatically come into force from the implementation date of the Proposal itself.

The Review Group also agreed to the principle that current guidelines, within the UK Link Manual, for UK Link Systems outside Gemini would be incorporated within the Code Contingency Guidelines Documents.

e) Development of Legal Text

National Grid NTS developed the changes to the UNC legal text and agreed these with the Review Group. This will be included in the Proposal as Suggested Text.

4. Recommendation

The Modification Panel is invited to accept this Report, which reflects the consensus reached on the proposed contingency guidelines and associated governance. The Review Group recommends that following submission of the Proposal by National Grid NTS, it be referred to the Transmission Workstream, prior to entering the consultation phase.

Terms of Reference – Version 1.0
UNC Modification Reference Number 0217
Gemini Code Contingency Arrangements

Purpose

A Uniform Network Code Review Group is required to:

- 1 Review the Contingency Procedures in place for Gemini related Code Contingencies to ensure they meet National Grid NTS, DNO and User requirements;
- 2 Clarify responsibilities and obligations placed on National Grid NTS, DNOs and Users during a Code Contingency;
- 3 Review the governance arrangements for management of a Code Contingency;
- 4 Update documentation associated with a Code Contingency and review how this documentation is made available to Users;
- 5 Define a testing regime associated with industry preparedness for a Code Contingency;
- 6 Identify where changes are required to UNC and UK Link Manual to better facilitate the management of a Code Contingency; and
- 7 Address issues associated with appropriate access to all Code Contingency documentation, and consider the merits of sourcing all relevant documentation from one area.

Background

The existing Code Contingency arrangements have been in place for a number of years without any significant review of their appropriateness being undertaken in that time. The recent Gemini failure in October 2007 highlighted to the industry the importance of having clear, accessible, well understood and tested contingency arrangements that reflect the differing needs and priorities of Users and Transporters.

The aim of the Proposal is to review the procedures in place for Gemini given the experiences of October 2007, and also to review the governance arrangements around the management of Code Contingency in general. It is not the aim of this Review Group to review the specific contingency procedures around the other elements of the UK Link suite at this time, other than their impact from changes in governance recommended by the group. A key element of the group will be to develop a clear understanding among Users and Transporters of the balance between the risk of a prolonged Code Contingency occurring and the costs of the various contingency options available.

Scope and Deliverables

The Review Group is asked to consider:

- Define the commercial processes that are seen as key by the industry
- Review and revise existing Gemini Code Contingency Procedures and develop a new suite of Contingency Procedures for all of these key processes, where required
- Clarify each party's responsibilities, authorities etc, in operating to these Gemini Contingency Procedures
- Assess the need for separate procedures for different severities and periods of contingency operation
- Clarify responsibilities, and communication procedures etc invoking a Gemini Code Contingency and implementing specific Contingency Procedures
- Define a process for managing contingencies which are not defined within a specific procedure, or where the procedure cannot be met (decision making, responsibilities,

rights), or where National Grid NTS believes that there are options for managing a contingency, which are at variance to the defined procedure, but which may deliver an improved result for the Users

- Define processes for appropriately managing after the day issues (invoicing, reconciliations etc)
- Define arrangements for testing Gemini Code Contingency arrangements and procedures
- Clarify overall Code Contingency governance arrangements and flexibility provided to National Grid NTS to interpret procedures
- Define required changes to UNC, the UK Link Manual and other industry documentation required to facilitate commercial operations during a Code Contingency period

Limits

The Review Group will consider:

- 1 Potential changes to the Uniform Network Code
- 2 Potential changes to the UK Link Manual
- 3 Potential changes to the Code Contingency Procedures for Gemini
- 4 Introduction of a new UNC Related Document

Changes to these will be recommended prior to the completion of the Review Group meetings where a distinct requirement has been identified and developed by the Group.

Reports of progress will be made to the Modification Panel and the Transmission Operations Forum

The Review Group will not concern itself with:

- Contingency Procedures for any systems of the UK Link suite except Gemini

Composition

The Review Group will comprise the following representation:

Name	Organisation
John Bradley (Chair)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	Joint Office of Gas Transporters
Steve Pownall (Proposer)	National Grid NTS
Alan Raper	National Grid Distribution
Caroline Watson	xoserve
Chris Milne	RWE Npower
Chris Wright	Centrica
Claire Thorneywork	National Grid NTS
Gareth Mills	Northern Gas Networks
James Smith	EDF Energy
Jamie Walsh	E.ON UK plc
Joel Martin	Scotia Gas Networks
Michael Doherty/Adam Lane	Centrica
Patricia Moody	xoserve
Paul Gallagher	National Grid NTS
Richard Fairholme	E.ON UK plc
Simon Trivella	Wales & West Utilities
Stuart Wing	Shell

A Review Group meeting will be quorate provided at least 2 Transporters and 2 User representatives are present.

The Review Group may invite specialists to attend as necessary

Information Sources

- Uniform Network Code
- UK Link Manual

Timetable

- Frequency of meetings – at least monthly. The frequency of meetings will be subject to review and potential change by the Review Group.
- A work plan has been produced and accompanies this document.
- Meetings will be administered by the Joint Office and conducted in accordance with the Chairman's Guidelines.