

Stage 01: Proposal

0412:

Changes to the Stages of Emergency Resulting from Changes Introduced by Exit Reform

This modification proposes to change the Stages of Emergency described within UNC Section Q to improve consistency in the management of an Emergency following review of the changes introduced by the Enduring Exit Regime. These changes match the proposed NEC and System Operator safety cases.



The Proposer recommends that this modification should be considered by the Panel as a new modification.



High Impact:
National Grid Transmission



Medium Impact:



Low Impact:
Distribution Networks, Shippers

What stage is this document in the process?

- 01 Proposal
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

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Modification

06 January 2012

Version 1.0

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About this document:

This document is a proposal, which will be presented by the Proposer to the Panel on 19 January 2012. The Panel will consider the Proposer's recommendation, and agree whether this modification should proceed to consultation or be referred to a Workgroup for assessment.



3 **Any questions?**

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1 Summary



Enduring exit reform

Enduring exit reform is the Capacity Booking process introduced under Modification 0195AV

Is this a Self-Governance Modification

National Grid Transmission (NGT) believes that this Proposal is not a candidate for self governance since it concerns matters relating to safety and the management of network emergencies.

Why Change?

The changes introduced (specifically the removal of Interruptible NTS Supply Points) by the enduring exit regime change the nature of Transporters' actions in managing a Gas Supply Emergency. Therefore a change to the NEC Safety Case has been raised to reflect the implementation of the enduring exit regime. To compliment the proposed changes in the safety case, a change to the UNC is required.

Solution

This modification proposes to rationalise the Transporters' steps to manage a Network Gas Supply Emergency thereby ensuring that UNC Section Q reflects the revised sequence of actions to be taken by Transporters during an Network Gas Supply Emergency post implementation of UNC Modifications 0090 and 0195AV and detailed in the proposed changes to the NEC safety case.

Impacts & Costs

No impacts to systems are anticipated. This modification is intended to inform users of the revisions to the Transporters' processes for managing Network Gas Supply Emergencies. NGT's assessment of the impact on DNs and Shippers is such that we anticipate little or no impact; however this will need to be assessed.

Implementation

This modification proposal aims to implement from 01 October 2012.

NGT proposes that if a decision to implement is issued by 15 June 2012 then implementation will take place on 01 August 2012, which will provide pre-warning to the industry of the commencement of the new rules. If a decision to implement is issued by 16 August 2012 then implementation will take place on 01 October 2012, which is necessary to ensure the proposals commence simultaneously with the enduring exit regime. In addition, a backstop lead time must be specified to allow for any later decision date: therefore if a decision to implement is received after 16 August 2012, implementation will be 15 business days following the decision to implement, which will ensure the implementation with minimum risk of mismatch between the NEC safety case and the UNC.

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The Case for Change

This modification proposal supports Relevant Objective a) Efficient and Economic operation of the pipe-line system.

This modification proposes to modify the steps of an Emergency described in Section Q of the UNC to reflect the changes proposed in the revised NEC safety case that has been submitted the HSE. This in turn reflects the new enduring exit regime introduced by Modifications 0090 and 0195AV. This proposal will promote efficiency in the administration and coordination of a Network Gas Supply Emergency and so the efficient operation of the various Transporters' pipeline systems.

Recommendations

The proposer recommends that this modification should proceed to Workgroup for assessment.

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2 Why Change?



What is the OCM?

The OCM is the On-the-day Commodity market, managed by independent market operator (currently APX Gas UK).

Changes Resulting from Exit Reform

During a review of the changes to the NEC Safety Case to reflect the nature of the new commercial regime introduced by Modifications 0090 and 0195AV, NGT has identified a requirement to amend UNC Section Q to ensure it remains aligned to the proposed changes to the NEC safety case.

In considering the impact of Modifications 0090 and 0195AV, it is prudent to consider UNC Section Q, which describes, within paragraph 3, the various stages of emergency which the Network Emergency Coordinator can declare. Section Q.3 goes on to describe the various steps that Transporters can carry out to manage an Emergency to an effective resolution.

The UNC currently describes 5 stages of emergency:

- Stage 1 steps include: Emergency Interruption, maximum usage of line-pack flexibility, utilisation of DN storage and emergency specification gas, and public appeal to reduce demand.
- Stage 2 steps include: Maximisation of user delivery to System Entry Points and suspension of NGT's taking Market Balancing Actions on the OCM.
- Stage 3 steps include: Shedding of firm demand.
- Stage 4 steps include: Direct allocation of gas supply by NGT to each distribution network.
- Stage 5 steps include: Return to normal operation.

Changes introduced in the management of a Network Gas Supply Emergency as a result of the enduring exit regime impact the Transporters' nature and timing of actions, in that from October 2012 no Interruptible NTS Supply Points are available (Off-peak NTS Exit Capacity is available, but the scale-back of such Off-peak NTS Exit Capacity prior to D limits its use to manage a Network Gas Supply Emergency). This has resulted in NGT and the NEC reviewing the stages of a Network Gas Supply Emergency to ensure that the current level of safety is maintained whilst at the same time the actions described in the various Safety Cases and UNC Section Q remain reflective of the actions that would be taken to manage a Network Gas Supply Emergency.

3 Solution



Insert heading here

Use this column in a Q and A style for explanations, in order to preserve the flow of the main text.

Insert text here

This modification proposes to change the Emergency steps (as described in UNC Section Q 3). The change proposed is to merge together the current stages 2 and 3. As this proposal effectively leaves only 4 stages the existing stages 4 and 5 will be renumbered to stage 3 and 4 respectively.

The proposal is to move Firm Load Shedding to stage 2. This will ensure that the Transporters are able to efficiently manage a Network Supply Emergency following the full implementation of Mod 0900 and 0195AV.

This modification also proposes to change references to Interruption throughout Section Q to clarify that all steps to carry out interruption refer to activation of Distribution Network (DN) Interruptibles only (if Off-peak NTS Exit Capacity continues to flow it will be bypassed directly to steps in Stage 1, 2, etc.).

This modification further proposes a non-material clarification to Section Q 1.2.3 where "...and a reference to a Network gas Supply Emergency includes..." should be changed to read "Network Gas Supply Emergency includes...".

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4 Relevant Objectives

Implementation is expected to better facilitate the achievement of Relevant Objectives a and c.

Proposer's view of the benefits against the Code Relevant Objectives

Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Simplified Stages of Emergency increase efficiency in implementing Section Q. Alignment of the code to the safety case.
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	Align UNC actions with proposed changes to the NEC Safety Case
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code	None
g) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	None

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a) Efficient and economic operation of the pipe-line system

This modification proposes to align the steps of an Emergency with the proposed NEC safety case to reflect the enduring exit regime introduced by Modifications 0090 and 0195AV. This in turn will promote efficiency in the administration and coordination of an Emergency and then the efficient operation of the various Transporters' pipeline systems.

In addition, aligning the UNC with the proposed NEC Safety Case changes will ensure that there is no discrepancy in the governance arrangements.

c) Efficient discharge of the licensee's obligations.

This modification ensures that UNC actions are aligned with the proposed changes to the NEC Safety Case.

5 Impacts and Costs

Consideration of Wider Industry Impacts

None identified.

Costs

Indicative industry costs – User Pays	
Classification of the proposal as User Pays or not and justification for classification	
This modification is not proposed as User Pays.	
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification	
N/A	
Proposed charge(s) for application of Users Pays charges to Shippers	
N/A	
Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve	
N/A	

Impacts

Impact on Transporters' Systems and Process	
Transporters' System/Process	Potential impact
UK Link	None
Operational Processes	Align UNC actions described in the proposed changes to the NEC Safety Case.
User Pays implications	None

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	Consistency in administering management of Network Gas Supply Emergencies post Mod 0195AV
Development, capital and operating costs	None
Contractual risks	None

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Impact on Users	
Legislative, regulatory and contractual obligations and relationships	Consistency in meeting GS(M)R requirements post Mod 0195AV

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	Consistency between the actions described in the proposed changes to the NEC Safety Case and the actions described in Section Q of the UNC.
Development, capital and operating costs	None
Recovery of costs	None
Price regulation	None
Contractual risks	None
Legislative, regulatory and contractual obligations and relationships	Consistency in meeting GS(M)R requirements post Mod 0195AV
Standards of service	None

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	None
UNC Committees	None
General administration	None

Impact on Code	
Code section	Potential impact
Section Q	Simplification of stages of Emergency and increased efficiency in applying steps.

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	None

Impact on UNC Related Documents and Other Referenced Documents	
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	None
Storage Connection Agreement (TPD R1.3.1)	None
UK Link Manual (TPD U1.4)	None
Network Code Operations Reporting Manual (TPD V12)	None
Network Code Validation Rules (TPD V12)	None
ECQ Methodology (TPD V12)	None
Measurement Error Notification Guidelines (TPD V12)	None
Energy Balancing Credit Rules (TPD X2.1)	None
Uniform Network Code Standards of Service (Various)	None

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	Consistency between the actions described in the proposed changes to the NEC Safety Case and the actions described in Section Q of the UNC.
Gas Transporter Licence	None

Other Impacts	
Item impacted	Potential impact
Security of Supply	Consistency in managing Network Gas Supply Emergencies post Mod 0195AV.
Operation of the Total System	None
Industry fragmentation	None
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	None

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6 Implementation

This modification proposal does not anticipate any system changes necessary to implement.

The Modification 0195AV Enduring Exit Regime will be fully implemented from 01 October 2012. Changes to the NEC Safety Case are also scheduled to take effect from 1st October. This modification aims to implement concurrently with this to avoid misalignment between the NEC Safety Case and the UNC, and to avoid any risk of decreased efficiency in managing a Network Gas Supply Emergency.

NGT proposes that if a decision to implement is issued by 15 June 2012 then implementation will take place on 01 August 2012, which will provide pre-warning to the industry of the commencement of the new rules. If a decision to implement is issued by 16 August 2012 then implementation will take place on 01 October 2012, which is necessary to ensure the proposals commence simultaneously with the enduring exit regime. In addition, a backstop lead time must be specified to allow for any later decision date: therefore if a decision to implement is received after 16 August 2012, implementation will be 15 business days following the decision to implement, which will ensure the implementation with minimum risk of mismatch between the NEC safety case and the UNC.

A caveat must be added to indicate that this Modification Proposal is dependant upon HSE approval of the relevant Safety Case Amendments.

7 The Case for Change

In addition to that identified the above, the Proposer has identified the following:

Advantages

None in addition to those noted above.

Disadvantages

None.

8 Legal Text

Legal text to be provided.

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9 Recommendation

The Proposer invites the Panel to:

- DETERMINE that this Modification Proposal progress to Workgroup for assessment.

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