

## Stage 01: Modification

# 0516:

## Information provision by large Customers to aid understanding of site characteristics

At what stage is this document in the process?



This modification proposes to create a clear process for large gas customers to provide information to the gas transporters for use in emergency plan and constraint management.



The Proposer recommends that this modification should be:

- assessed by a Workgroup



High Impact:

Daily read Consumers, Gas Transporters.



Medium Impact:

Shippers.



Low Impact:

Non-daily read consumers, Transporters' Agent.

0516

Modification

16 September 2014

Version 1.0

Page 1 of 9

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## Contents

1	Summary
2	Why Change?
3	Solution
4	Relevant Objectives
5	Implementation
6	Legal Text
7	Recommendation

## About this document:

This modification will be presented by the proposer to the UNC Panel on 16 October 2014.

The panel will consider the proposer's recommendation, and agree whether this modification should be:

- referred to a workgroup for assessment.



Any questions?

Contact:  
Code Administrator

 [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

 0121 288 2107

Proposer:  
Robin Johnson

 [robin.johnson@wingas-uk.com](mailto:robin.johnson@wingas-uk.com)

 020 8439 9686

Transporter:  
Scotia Gas Networks

Systems Provider:  
Xoserve

 [commercial.enquiries@xoserve.com](mailto:commercial.enquiries@xoserve.com)

Proposer's  
Representative:  
Gareth Evans

 [Gareth@waterswye.co.uk](mailto:Gareth@waterswye.co.uk)

 01473 822503  
07500 964447

0516

Modification

16 September 2014

Version 1.0

Page 2 of 9

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# 1 Summary

## Is this a Self-Governance Modification?

Self-Governance is not proposed as this modification may have a material impact on consumers.

## Is this a Fast Track Self-Governance Modification?

Fast Track Self-Governance is not proposed, as this modification is not clearly a house keeping modification or correcting a factual error.

## Why Change?

It is important that the Distribution Network gas transporters have appropriate information regarding consumption patterns on their gas networks to help plan for local and national emergencies. This information is especially important for the largest individual site loads. At present there is no clearly defined or mandated mechanism for such individual site information to be provided to the transporters, and no process for storing or maintaining such information.

## Solution

It is proposed that daily read customers (i.e. DM Mandatory, DM Voluntary and DM Elective – product 1 post Nexus) connected to a DN would be able to register their site needs in advance of potential emergency conditions (on a System Needs Register established for the purpose). In the event of a local emergency the DN would be able to use this information and have regard for these site needs when handling the emergency, removing the need for further information provision during emergency conditions. For the avoidance of doubt simply having their site needs registered does not provide the customer any further protection or leeway from being curtailed and the transporters will continue to have complete discretion over how they handle an emergency. Furthermore, the creation of the register does not prevent individual customers from discussing its requirements in more detail with gas transporters as desired or prevent it from making its requirements known to the transporters in the event of an issue.

## Relevant Objectives

This proposal provides greater certainty to the transporters that a customer will reduce its gas consumption in a timelier manner when required. The modification will therefore have positive impacts to relevant objectives a) & c).

## Implementation

Although no timescales are proposed, it would be desirable if implementation was as soon as possible following an Ofgem decision to do so.

## Does this modification affect the Nexus delivery, if so, how?

This modification is proposed to be implemented prior to Nexus implementation; therefore it will not have an impact on Nexus delivery.

## 2 Why Change?

It is important that the DN gas transporters have as much information as possible regarding consumption patterns on their gas networks to help plan for local and national emergencies. This information is especially important for the largest individual site loads and for many such sites the lack of readily available information on their gas needs may hamper the speedy resolution of the emergency. At present there is no clearly defined mechanism for such individual site information to be provided to the transporters, and no process for storing or maintaining such information.

0516

Modification

16 September 2014

Version 1.0

Page 4 of 9

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### 3 Solution

Daily read sites (class 1 post Project Nexus) connected to the distribution network, will be able to join a register with the purpose of notifying their transporter of their site's characteristic with regard to gas supply to notify the transporter what is required to facilitate efficient shut down of the site. It is our understanding that sites directly connected to the NTS have more frequent dialogue and so such a process is unnecessary and therefore the NTS is out of scope for this modification.

The key principle behind this process is to ensure the gas transporter has complete clarity with regard to the gas needs of the customer [possible process for determination], whether it be a pre-determined turn down to a specified proportion of the customer's offtake with a view to eventual shut down or an desired specific notice period to turn off where possible. To enable this, the process would be triggered by the shipper on behalf of the customer submitting a formal request to the transporter to join the register. The shipper will be required to provide justification for this request as part of the application. As part of the application, the customer would have to provide detailed and independent information to support their application. ***For the avoidance of doubt simply having their system needs registered does not provide the customer any further protection or leeway from being disconnected; the transporters will continue to have complete discretion over how they handle an emergency.***

The transporter will then be required to provide a response, acknowledging that they have received the information and asking for any clarifications they deemed acceptable.

As part of its consideration of the application, the transporter may ask for any additional information it reasonably requires to support the application.

#### Business Rules

1. A register (the System Needs Register) will be established, detailing site specific system needs when a customer is directed to discontinue taking gas from the network during an emergency
2. DN transporters shall be responsible for maintaining the System Needs register
3. Applications to join the System Needs Register will be submitted by shippers on behalf of their customers.
4. Applications will be submitted by shippers on behalf of their customers to the relevant transporter.
5. Each application to join the System Needs Register must set out:
  - a. Name of the customer
  - b. Applicable Meter Point Registration Number (MPRN)
  - c. End user emergency contact details to be used during an emergency with sufficient backup emergency contact details
  - d. Preferred shutdown timescales and expected gas needs during that shutdown process.
  - e. Detailed and independent justification for the application, including details on the likely damage (including cost) a site may incur or the hazards that may be caused if they are required to shut-down immediately.

0516

Modification

16 September 2014

Version 1.0

Page 5 of 9

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6. Shippers may only apply for a single MPRN per application.
7. No application can be made by a customer unless:
  - a. It can demonstrate through independent analysis that it will suffer damage or cause a hazard specifying time and financial cost to replace equipment, along with an estimate of lost production.
  - b. It is a Daily Read site
  - c. It is not connected to the NTS
8. If a site no longer meets the criteria set out in BR7, then they must immediately inform the transporter directly who will then update the System Needs Register.
9. Once accepted onto the System Needs Register, the customer will be required to notify the transporters of any changes to the information on the register as soon as possible, this should also be backed up by independent analysis in line with the requirements of 7a above, provided by the customer.
10. Once submitted the application may be amended with the mutual agreement between the relevant Transporter and customer. (this process can be initiated by either the customer or Transporter and is intended to accommodate changes following any discussion).
11. Transporters will respond to the customer no later than 90 days after any application received. Any response will contain the following information:
  - a. Name of the customer
  - b. Applicable MPRN
  - c. Whether it require any further information from the customer.
12. As part of its consideration of the application, the transporter may ask for any additional information it reasonably requires.
13. Any agreed shutdown procedures will only apply during an emergency as declared by the transporters
14. During an emergency the transporter will have regard for the System Needs Register, but will not be obliged to act on the information contained therein.
15. It is the customer's responsibility to take all reasonable steps to be added to the register.
16. Being on the register will not necessarily mean that a customer will be treated differently to any other customer not on the register during an emergency.

## User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

We do not believe that this service will impact on Xoserve systems as this is an agreement directly between the transporter and the customer and therefore should not incur a user pays charge

Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

Not applicable

Proposed charge(s) for application of User Pays charges to Shippers.

Not applicable

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

Not applicable

0516

Modification

16 September 2014

Version 1.0

Page 7 of 9

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## 4 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive
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.	Positive
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

The proposals set out in this modification would further Relevant Objectives a) & c) – as a clear process of prior notification to the transporter of a site's gas needs during an emergency will aid planning and management of network emergencies and allow parties put in place suitable communication processes.

## 5 Implementation

Although no timescales are proposed, it would be desirable if implementation was as soon as possible following an Ofgem decision to do so.

## 6 Legal Text

To be provided by the Transporters when requested by the Modification Panel.

## 7 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should not be subject to self-governance; and
- Should progress to a Workgroup for assessment.

0516

Modification

16 September 2014

Version 1.0

Page 9 of 9

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