

Representation

Draft Modification Report

0470 - Notification of Minimal Safety operating gas needs of large customers

Consultation close out date: 04 April 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: British Gas Trading
Representative: Andrew Margan
Date of Representation: 04 April 2014

Do you support or oppose implementation?

Neutral – no customer interest

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

This modification seeks to allow very large customers to request that they are allowed to offtake maintenance gas during a localised gas emergency.

Whilst there are no obligations on GDNs to deliver the maintenance offtake volume, we are concerned that this process will add additional complexity to an emergency situation. Signals are already provided to customers to warn of the risk of gas shortages and loads being curtailed. From these signals the customer can take the appropriate action and enable the safe shut down of their plant without this modification change.

Furthermore we are concerned this proposal will give successful applicants a false sense of security that during any emergency they will be able to offtake a minimal volume of maintenance gas. This could lead to customers relying on GDNs for continuous supply rather than investing appropriately in back up or substitute fuels to maintain the safety of their site. Whilst the modification has morphed away from the safety case, we still believe this is a real issue.

We are also confused by what this change will achieve, as it does not seem to offer the protection to customers were seeking under the original proposal, as Transporters still retain the right not to deliver the offtake volume as requested.

Modification Panel Members have indicated that it would be particularly helpful if the following questions could be addressed in responses:

Q1: Do you consider that this change will have a material impact on either your business or competition in shipping, transportation or supply of gas, and if so, what?

We do not believe this change will have a material impact on completion in shipping, transportation or supply of gas.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

Under the criteria of the modification, customers can not apply for this service, unless they are a Daily Read site. We have tried to

0470
Representation

20 March 2014

Version 1.0

Page 1 of 2

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clarify the definition of Daily Read, from the Legal Text. The Legal Text provides no clarification and we believe the definition is open to interpretation. We believe the definition, without clarification could include any customer with a smart or AMR meter. We are not sure if this is the intention of the proposal or not. We suggest the scope of the term Daily Read site is clearly defined.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We are not sure that this change meets the relevant objects a) Efficient and economic operation of the pipe-line system and c) Efficient discharge of the licensee's obligations.

The modification benefit claim is the change will have a positive impact on network planning. Network plan is a long term process, although this change introduces an annual service. We are unclear how allowing more customers to offtake a volume of gas during a gas emergency will help the pipeline system run more effectively.

We would like to better understand which licensee's obligations are impacted by allowing some customers to maintain a volume of gas during a gas emergency, as again we cannot identify any positive impacts.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

Impacts and costs would relate to the setting up of the process to register nominations on behalf of our customers. These costs are seen to be minimal.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

We have no fixed minimum implementation timescale, although it would make sense to link this change to the start of the October gas year.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Upon review of the Legal Text we are unable to identify the changes or find the modification Business Rules within the text. The only change marked changes relate to re-numbering. Therefore we are unable to confirm if the Legal Text delivers the intent of this modification.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

We are confused by the title of the modification. The title states the change relates to a safety case to offtake gas during a localised emergency. The modification solution suggests the decision to allow some customers to pre-request to offtake maintenance gas during a localised emergency is commercial only. We believe it is good governance to clarify this paradox.