

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: National Grid NTS
Representative: Martin Connor
Date of Representation: 4 April 2014

Do you support or oppose implementation?

Comments

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

The Modification Proposal is stated to be applicable only to Local Gas Supply Emergencies (LGSE) and therefore only impacting on the Distribution Networks. A new Supply Needs Register is proposed for large sites not connected directly to the NTS whereby consumers could apply for registration on the basis that a LGSE may result in at least £25m of damage to their plant in the event of immediate shut off via firm load shedding. National Grid NTS has some comments which are explained below.

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?

No

Q2:

Insert Text Here

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

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Impacts and Costs:

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

None

Implementation:

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

N/A

Legal Text:

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

The modification is not intended to apply to sites connected to the NTS. Therefore the legal text would benefit from use of the term 'DN Operator' (rather than 'Transporter') in several places, in order properly to reflect the intention of the Modification having no impact on NTS and high impact of the modification on DN Operators.

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

The legal text proposes 'independent analysis' to support a consumer's case that compliance with the Transporter's instructions during a LGSE could result in at least £25m of damage. However, the £25m amount may be perceived as a 'target' and there may be a 'high' number of applicants able to provide analysis to justify this amount of potential damage, which the Transporters could not reasonably challenge.

Over time the relevant legal text will become less prominent in the minds of consumers included within the new Supply Needs Register. This may mean that some such consumers assume they have additional protection from the need to take Emergency Steps in a LGSE. As we raised during workgroup discussions, we are concerned that this may lead to ambiguity around processes and responsibilities in the event of a National Gas Supply Emergency.