

0516:

Information provision by large Customers to aid understanding of site characteristics

At what stage is this document in the process?

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

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 Workgroup recommends that this modification should now proceed to consultation.



High Impact:
Daily read Consumers, Gas Transporters.



Medium Impact:
Shippers.



Low Impact:
Non-daily read consumers, Transporters' Agent.

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About this document:

This report will be presented to the panel on xx xxx 2015.

The panel will consider whether the modification should proceed to consultation or be returned to the workgroup for further assessment.

The Proposer recommends the following timetable:

Initial consideration by Workgroup	23 October 2014
Amended Modification considered by Workgroup	24 November 2014
Workgroup Report presented to Panel	19 February 2015
Draft Modification Report issued for consultation	dd month 2015
Consultation Close-out for representations	dd month 2015
Final Modification Report presented to Panel	dd month 2015
UNC Modification Panel decision	dd month 2015



Any questions?

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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 [Site Characteristics](#) ~~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 impact a Significant Code Review (SCR) or other significant industry change projects, 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.

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~~site characteristics 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

A register (the ~~System-Needs-Register~~Site Characteristics 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~~Site Characteristics Register
3. Applications to join the ~~System-Needs-Register~~Site Characteristics 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~~[Site Characteristics 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.
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 [prior to the implementation of Project Nexus or Class 1 after the implementation of Project Nexus.](#)
 - 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~~[Site Characteristics Register](#).
9. Once accepted onto the ~~System Needs Register~~[Site Characteristics Register](#), the ~~customer will be required to~~ [transporter is not required to verify or update the information that have been provided to it](#) ~~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. if agreed to by the transporter.~~ (this process can be initiated by either ~~the customer or Transporter~~ [party](#) and is intended to accommodate changes following any discussion). [Any update will be treated as an acceptance onto the Site Characteristics Register in accordance with BR 13.](#)
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. [Once accepted onto the Site Characteristics Register the customer details will be remain on the register for a period of 12 months. Once 12 months have elapsed the transporter will remove the customer's details from the register and inform the customer they have done. For the avoidance of doubt any re-submission or adjustment to details already provided by the customer will "reset the clock".](#)

134. Any agreed shutdown procedures will only apply during an emergency as declared by the transporters
154. During an emergency the transporter will have regard for the ~~System Needs Register~~ [Site Characteristics Register](#), but will not be obliged to act on the information contained therein.
16. [The transporter may share any or all of the information contained on the Site Characteristics Register with any other Transporter that is a signatory to the Uniform Network Code.](#)
17. It is the customer's responsibility to take all reasonable steps to be added to the register.
18. 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.	<i>We do not believe that this service will impact on Xoserve systems as this is an agreement directly between the transported-transporter and the customer and therefore should not incur a user pays charge</i>
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

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 None
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 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

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

Pre [Project Nexus] Implementation

Is this modification to be implemented prior to the identified Change being implemented?

If yes, the proposer should provide the likely benefits for a pre-Change implementation and an assessment of the development timescales. In addition, if a central system is impacted, a view from Xoserve is required to consider if there would be an impact on the delivery of any in flight or approved modifications that are, or are proposed, to be implemented.

Insert text here

[Project Nexus] Implementation

Is this modification proposing to add to or amend existing requirements prior to or at the time the Change is implemented?

If yes, the proposer should indicate the reasons why and whether the changes are considered material. If a central system, a view from Xoserve should be sought as to the likely impacts/costs on the Change delivery and if consideration should be given to post-Change delivery.

Insert text here

Post [Project Nexus] Implementation

Is implementation proposed after delivery of the Change?

If yes, the proposer should indicate an implementation date and the reasons why, focusing on the impacts on that Change.

Insert text here

7 Legal Text

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

Text Commentary

Text

8 Recommendation

The Workgroup invites the Panel to:

- AGREE that this [self-governance] modification should be submitted for consultation.