

**Modification Report**  
**Programmed Maintenance Notice Periods at NTS System Exit Points**  
**Modification Reference Number 0066**  
Version 3.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 9.6.

**1. The Modification Proposal**

The Proposal was made as follows:

"Programmed Maintenance refers to maintenance of any part of a relevant System by the Transporter. Various notice periods are prescribed in the UNC for different categories of System Point. This proposal only seeks to modify the notice period arrangements at NTS Supply Points. Any changes to the arrangements at NTS/LDZ offtakes or DN connected sites could be considered by separate modification proposals.

The proposal is for NGNTS to send to Maintenance Relevant Parties at NTS Supply Points, at the time of the publication of the draft of the Maintenance Programme (1st February), Programmed Maintenance notifications identifying wherever possible the specific dates on which planned maintenance work will be carried out. Where it is not possible to provide specific dates, as may be case in respect of online inspections, a “**Maintenance Window**” will be notified that will be no longer than two weeks in duration.

No later than the publication of the final Maintenance Programme (1st April) NGNTS will issue revised notifications to the Maintenance Relevant Parties where the dates have changed since the publication of the draft of the Maintenance Programme or where more precise dates are available.

Notwithstanding any notifications provided as part of the draft of the Maintenance Programme or the final Maintenance Programme, NGNTS will notify Maintenance Relevant Parties as soon as reasonably practicable, but no less than 42 days before maintenance work is due to commence, the actual dates on which Planned Maintenance will be carried out. This additional notification provision will ensure that where maintenance is due to start on or soon after 1 April the Maintenance Relevant Parties will still get at least six weeks notice.

In addition, it is proposed that NGNTS will publish information to the Maintenance Relevant Parties at each NTS Supply Point concerning its online pipeline inspection programme carried out under the provisions of Section L 4.4 so that these parties are aware when a prolonged period of maintenance affecting their offtake will be expected. The information to be provided by NGNTS should include the affected site, the feeder, the date of the last inspection and the latest date by which the next inspection must take place, noting when this is a confirmed date. The information should be provided by 30th September so that Users and consumers can consider this in their maintenance planning submissions by 30 November as per section L 1.5a. This advanced period of notice may

allow Users and consumers to align significant site maintenance with the NGNTS maintenance and encourage early dialogue on maintenance planning schedules.

Non-implementation would mean that consumers could continue to be significantly affected and given inadequate notice of NTS maintenance. This would perpetuate the current lack of co-ordination between shippers, affected sites and NGNTS in respect of maintenance.

## **2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives**

(Section 11 summarises the responses and the abbreviations used.)

The Proposer stated the following:-

"Increasing notice periods for long cessations and applying a cancellation notice period would better facilitate the achievement of the following relevant objectives:

A11 1 (a) The efficient and economic operation of the pipe-line system to which the licence relates. The operation of the System covered by the Maintenance Programme would potentially benefit from better co-ordination of maintenance as a result of implementation of this Proposal.

A11 1 (c) The efficient discharge of the licensee's licence obligations. This includes securing that no shipper, supplier or DN operator obtains any unfair commercial advantage from a preferential or discriminatory arrangement. Improvements in the notice period arrangements would ensure that all relevant parties would be informed on an equivalent basis

A11.1 (d) The securing of efficient competition between relevant shippers, suppliers and DN operators. This would result from the benefit of implementation outlined above in respect of Standard Special Condition A11.1 (c)."

SSE agreed with the Proposer that, *"implementation of the modification would better facilitate the relevant objectives of:*

- *Efficient & economic operation of the pipeline.*
- *Ensuring no shipper or supplier obtains unfair commercial advantage from preferential or discriminatory arrangements.*
- *Securing of efficient competition in that all affected parties will have access to the same information at the same time."*

EON commented that, *"This proposal will better facilitate the relevant objective A11.1 (a) the efficient and economic operation of the pipeline system, though improved coordination of maintenance."* It agreed with the Proposer that, *"in the case of Users, this will better facilitate the relevant objective A11.1 (d) the securing of effective competition between relevant shippers and between relevant suppliers."*

RWE believed that, *"It will further the relevant objective of the UNC to promote efficient and economic operation of the system as it will provide for greater coordination of the maintenance programmes of end user plant and National Grid's pipeline system."*

NGUKD was of the opinion that, *"The provision and timing of this information at the NTS level should enable the relevant parties to coordinate their operations and should help to minimise disruption of gas supplies. There may be good reason why NG NTS is not able to precisely meet the notice periods and the proposed modification could be drafted to give NG NTS some flexibility in provision of this information"*, and on this basis NGUKD was *"of the view that the proposal would better facilitate the relevant objectives by increasing the efficient and economic operation of the pipeline system."*

AEP considered that, *"The proposed improvements to the notice periods for planned maintenance and provision of planned maintenance will further the relevant objectives."* In its view:

*"The efficient and economic operation of the pipe-line system may be enhanced by better coordination of pipeline and plant maintenance which could lead to higher utilisation of the pipeline system than would be the case if maintenance could not be aligned as may be the case if this proposal is not implemented and poor information provision and short notice periods persist.*

*Avoiding undue preferential or discriminatory arrangements. The provision of additional information concerning online inspection programmes to all affected parties will further the facilitation of this objective. Absent this proposal some parties may have gleaned information from National Grid concerning online inspection programmes that may not have been available to all the parties that may be affected by such programmes. As online inspection programmes are typically accompanied by prolonged periods when no gas may be offtaken, parties with this information may obtain a commercial advantage over parties similarly affected but without access to the information.*

*Securing of efficient competition. This will be secured by ensuring that affected parties have access to the same information concerning planned maintenance and on line inspection programmes. "*

NGNTS, having considered the statement of the Proposer that, 'increasing notice periods for long cessations and applying a cancellation notice period would better facilitate the achievement of the following relevant objectives: A11 1 (a)..... A11 1 (c)..... A11.1 (d).....' agreed that, *"the proposal better facilitates the achievement of relevant objectives A11 1 (a) 'The efficient and economic operation of the pipe-line system to which the licence relates' for the reason stated by the Proposer. This will be achieved through improved co-ordination of the planned activities of the consumer and National Grid NTS leading to a reduced need for works to be rescheduled."*

However NGNTS disagreed that, *"the proposal better facilitates the achievement of relevant objectives A11 1 (c) '..... securing that no shipper, supplier or DN operator obtains any unfair commercial advantage from a preferential or discriminatory arrangement'."* NGNTS also stated that it disagreed *"with any suggestion that any party is currently receiving preferential or discriminatory arrangements. The proposal, if implemented, will have no impact on consistency of treatment."*

SP stated *"Implementing this modification will further the relevant objectives by improving the efficiency of the maintenance of the system. Should this proposal not be implemented we would expect to see further problems in the co-ordination of plant outages and maintenance in future, and a hindrance to competition."*

**3. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

No such implications were identified.

**4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including**

**a) implications for operation of the System:**

The Proposal should not directly affect operation of the System since implementation simply addresses provision of information to Maintenance Relevant Parties (as defined in UNC L 1.4).

The proposer, however, suggested that the "operation of the System covered by the Maintenance Programme would potentially benefit from better co-ordination of maintenance as a result of implementation of this Proposal."

AEP also suggested that operation of the system may be *"enhanced by better coordination of pipeline and plant maintenance which could lead to higher utilisation of the pipeline system than would be the case if maintenance could not be aligned as may be the case if this proposal is not implemented and poor information provision and short notice periods persist."*

**b) development and capital cost and operating cost implications:**

NGNTS stated that, *"the proposal, if implemented, will have a minor ongoing resource impact on National Grid NTS to produce the additional maintenance notices and to collate previously unpublished data. This will be greater in the first year but is not considered to be substantial."*

**c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:**

No such cost recovery has been proposed.

**d) analysis of the consequences (if any) this proposal would have on price regulation:**

No such consequences have been identified.

**5. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal**

In NGNTS' opinion, *"the Proposal, if implemented, should have no impact on the contractual risk to National Grid NTS. Early provision of precise dates of planned maintenance works does not alter National Grid NTS's ability to cancel or reschedule works. Also it does not affect the maximum number of maintenance days stated in the NExA. Hence there should be no risk of incurring additional liabilities for failure to make gas available for offtake."*

NGNTS also stated that, *"there is a possibility that improved coordination of works would reduce the need to reschedule works at a late stage, hence reducing such liabilities. This is considered a small impact."*

**6. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users**

No such implications have been identified.

**7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk**

The Proposer stated that, *"this advanced period of notice may allow Users and consumers to align significant site maintenance with the NGNTS maintenance and encourage early dialogue on maintenance planning schedules."*

EON agreed that, *"this proposal will also allow Users and consumers to be better placed to manage their commercial position."*

**8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party**

The Proposer's statement referenced in the previous paragraph would suggest a benefit for large consumers in alignment of maintenance.

In AEP's view, implementation *"would provide for early dialogue with National Grid concerning prolonged periods of maintenance that may enable pipeline and plant maintenance to be aligned to the benefit of all parties. The provision of a longer notice period will also allow shippers and consumers more time to manage their gas, and in the case of CCGTs electricity, market exposure. "*

**9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal**

No such consequences have been identified.

## **10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

### **Advantages**

The Proposer argued that implementation would:

- allow Users and consumers to align significant site maintenance with the NGNTS maintenance and encourage early dialogue on maintenance planning schedules.
- allow Users and consumers to be better placed to manage their commercial position. In the case of gas fired generation, this would promote effective competition within and between energy markets.
- facilitate better co-ordination between shippers, affected sites and National Grid NTS in respect of maintenance

SSE agreed that, *"the proposed improvements to the provision of planned maintenance and notice period of planned maintenance should ensure greater co-ordination and improved efficiency."*

RWE stated that, *"it will prevent preferential or discriminatory arrangements by ensuring all parties are made aware of details of National Grid's online inspection programme at the same time."*

SGN believed the Proposal to be *"reasonably pragmatic and should be manageable. It seeks to ensure that parties are working to the most accurate and up to date information relating to Programmed Maintenance. We believe that at NTS level, this should help ensure greater co-ordination and ultimately improved efficiency, providing Users with an opportunity to ensure customers are provided with reasonable notice in most cases and greater opportunity, where possible, to align their own maintenance schedules."*

AEP agreed with *"the advantages listed in the draft modification report, namely; alignment of maintenance, management of commercial positions and improved co-ordination."*

Although in agreement with the Proposer's identification of a number of advantages that would arise, NGNTS stressed that, *"there will still be instances where maintenance works will need to be rescheduled, possibly at short notice, and that this proposal does not remove that possibility."*

### **Disadvantages**

AEP stated that no disadvantages could be identified.

However, SGN noted that, *"National Grid provided further clarification in November regarding proposed process for notification of NTS planned maintenance. National Grid has confirmed that they will try to co-ordinate maintenance activities with end users where possible and try to avoid periods where disruption to the offtake may cause particular problems. However we appreciate that under certain circumstances this may not be possible. Also where cancellation is due to unforeseen circumstances, it may be difficult to provide advance notice."*

NGNTS identified the following disadvantages:

- *"Provision of on-line inspection information will be indicative only. There are many reasons why inspection periods may be adjusted. Users and consumers may question the scheduling of the on-line inspection of "their" feeder before the previously indicated "due date". This could lead to confusion and/or time-consuming challenges.*
- *The earlier that National Grid NTS confirms a period for certain works the greater the likelihood that external events cause the need to reschedule. Users and consumers must be made aware that cancellation of works and rescheduling is, and will always remain, a possibility and that the probability increases the longer the period between notification and actual works."*

**11. Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)**

Representations were received from the following eight parties:

Association of Electricity Producers	AEP	Support
E.ON UK	EON	Support
National Grid Gas plc (NTS)	NGNTS	Qualified Support
National Grid Gas plc (UK Distribution)	NGUKD	Support
RWE npower plc	RWE	Support
Scotia Gas Networks	SGN	Support
Scottish & Southern Energy	SSE	Support
Scottish Power	SP	Support

Seven respondents fully supported the Proposal; one respondent (NGNTS) offered qualified support.

EON stated that it considered it to be *"best practice that the Code stipulates NG NTS procedures, wherever practical, to promote transparency. Furthermore, incorporating procedures within the UNC will ensure more robust maintenance procedures are in place."*

NGNTS offered qualified support for the aims of the Proposal: *"...whilst agreeing with the intent of the proposal, we believe that some of the detailed aspects are not reasonably practicable and that this should be addressed in the precise legal text. These concerns ... have been discussed with the Proposer. Our support is, therefore, subject to acceptance of these minor amendments to the proposal."*

NGNTS' more detailed comments are reflected below:

*"UNC currently places requirements on National Grid NTS to notify Maintenance Relevant Parties of planned works that are expected to affect a party's ability to offtake gas. This includes publication of the Maintenance Programme that identifies maintenance affected connections. The proposal is intended to 'modify the notice period arrangements at NTS Supply Points' to 'provide Users and consumers more timely information on NTS planned maintenance such that they will be better placed to manage their commercial positions'."*

## **Provision and update of Maintenance Notices**

NGNTS commented as follows:

*"In the vast majority of cases National Grid NTS will be able to provide either precise dates for maintenance activities or maintenance windows no longer than two weeks. However, for some complex or longer duration works this may not be possible. In these circumstances, National Grid NTS will undertake reasonable endeavours to provide a two week maintenance window but for works anticipated to take 10 days or more (which is extremely infrequent) e.g. relating to construction or diversion projects, the maintenance window may need to be as much as 28 days. Even in these cases National Grid NTS will provide the shortest period practicable. If this scenario is not recognised in the legal drafting National Grid NTS would be obliged to identify a two week maintenance window with a high expectation of revision. This would be contrary to the intent of the proposal that is to provide an improved degree of certainty to all parties.*

*It should be noted that where works are anticipated to take 10 days or more then the 10 days relate to the duration of National Grid NTS's activities. The duration of any impact on individual connections is likely to be shorter.*

*In discussion with National Grid NTS the Proposer accepted that the precise legal text should reflect that there might be circumstances where a maintenance window greater than two weeks and possibly as much as 28 days is justified. The duration of any such works will not override the provisions in the appropriate Network Exit Agreement that limits (in accordance with TPD Section L 4.3.2) the number of days for which the Transporter can be relieved of its obligation to make gas available for offtake (TPD Section J 3.5)."*

## **Additional notices specifying actual dates for Planned Maintenance Works**

NGNTS commented that, *"This notice should only apply to works initially notified as planned for a maintenance window. Existing code rules require a reminder notification at least 7 Days before the works (TPD Section L 4.1.4). National Grid NTS usually sends this notice 30 days before the works. Together with the proposed new notices issued in February and/or April a further notice, in respect of **all** works, will add additional unnecessary bureaucracy and cost. However, where only a maintenance window was provided in the February and/or April notices, National Grid NTS agrees that precise dates should be confirmed no less than 42 days before the planned works.*

*In discussion with National Grid NTS the Proposer agreed that the precise legal text should ensure that the proposed "42 day" notice need not apply to works where precise dates have previously been provided."*

## **Pipeline Inspection Information**

*"National Grid NTS agreed to the provision of the additional information requested.*

*To avoid the need for additional communications National Grid NTS intends to provide this information in the letter initiating the consultation process prior to development of the annual Maintenance Programme. This letter is normally sent in September or early October of each year. Hence, it would be more appropriate if provision of the new information required by the proposal was linked to a stage in the consultation process. To specify a delivery date of 30th September in UNC, as indicated by the proposal, may lead to*



*the new information being sent to parties separate from other existing information thereby creating additional unnecessary bureaucracy.*

*In discussion with National Grid NTS the Proposer agreed that it would be better if the legal text should refer to a date already specified in UNC such that the requirement is to provide the necessary information no later than 6 weeks before the date specified in TPD Section L 1.5 (a) (i).*

*Subject to inclusion of the amendments as agreed with the Proposer, National Grid NTS supports the proposal."*

**12. The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation**

No such requirement has been identified.

**13. The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence**

This Proposal is not required to facilitate any such change.

**14. Programme for works required as a consequence of implementing the Modification Proposal**

*NGNTS stated that it had, prior to the raising of this proposal, "been considering process improvement, including some of the changes required by this proposal. Hence implementation will build on existing practice, which will require only minor revision."*

*However, NGNTS considered that, "an implementation date of 1 February 2006 is unrealistic as a number of additional notices will be required on this date and suggests an implementation date of 1 April 2006."*

*NGNTS had concerns with regard to the implementation date. It noted that, "under the proposal a number of additional notices are required, the first being on 1st February. Even the earliest decision date from the Authority will leave National Grid NTS little preparation time. Implementation by 1st April will still mean that maintenance dates are confirmed with the Maintenance Relevant Parties prior to the 2006 maintenance period as the Proposer intends."*

**15. Proposed implementation timetable (including timetable for any necessary information systems changes)**

The Proposer suggested 1st February 2006, which would be the date of publication of the draft of the Maintenance Programme in accordance with the current provisions of the UNC.

In light of its concerns, stated at (14) above, NGNTS suggested an implementation date of 1st April 2006, being the date of publication of the final Maintenance Programme in accordance with the current provisions of the UNC.

**16. Implications of implementing this Modification Proposal upon existing Code Standards of Service**

No such implications have been identified.

**17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel**

At the Modification Panel Meeting held on 19 January 2006, of the 8 Voting Members present, capable of casting 8 votes, 8 votes were cast in favour of implementing this Modification Proposal. Therefore the Panel recommend implementation of this Proposal.

**18. Transporter's Proposal**

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

**19. Text**

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION L – MAINTENANCE AND OPERATIONAL PLANNING**

*Renumber paragraph 1.5 as follows:*

**1.5 NTS Planning timing**

**1.5.1** The timetable....

*Add new paragraph 1.5.2 as follows:*

**1.5.2** By 1 February in each Gas Year, National Grid NTS shall provide notice in writing to each Maintenance Relevant Party in relation to NTS System Exit Points affected by any planned maintenance of either indicative dates of such planned maintenance or the period during which National Grid NTS expects the planned maintenance of the NTS to be conducted, such period shall normally be 2 weeks in duration but may extend to 4 weeks in some cases (the “Maintenance Window”).

*Add new paragraph 1.5.3 as follows:*

**1.5.3** By 1 April in each Gas Year, subject to paragraph 4.1.3, the information provided in paragraph 1.5.2 shall be regarded as final and National Grid NTS shall provide any updates to such information where appropriate before this date.

*Add new paragraph 1.5.4 as follows:*

**1.5.4** No later than 42 days prior to any planned maintenance of the NTS, where a Maintenance Window has been provided pursuant to paragraphs 1.5.2 and 1.5.3 above; National Grid NTS shall provide specific dates for the performance of such planned maintenance to the affected Maintenance Relevant Parties.

*Add new paragraph 4.4.5 as follows:*

**4.4.5** By 19 October in each Gas Year, National Grid NTS shall notify those Maintenance Relevant Parties affected by online inspections at NTS System Exit Points of the following:

- (i)** details of the NTS System Exit Point and the NTS pipeline affected;
- (ii)** the year of the last online inspection affecting such NTS pipeline; and

(ii) an estimate of the year by which such NTS pipeline will require a further online inspection. Such estimate date may be revised by National Grid NTS from time to time prior to the actual online inspection.

Joint Office of Gas Transporters

Subject Matter Expert sign off:

*I confirm that I have prepared this modification report in accordance with the Modification Rules.*

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

**Tim Davis**  
**Chief Executive, Joint Office of Gas Transporters**

Signature:

Date :