

UNC Transmission Workstream
Draft Terms of Reference – V0.2
Modification Reference Number 0273
Governance of Feasibility Study Requests to Support Changes to the Network
Exit Agreements

Purpose

UNC Modification Proposal 0273 seeks to establish, in the current absence of established standards of service, a common approach and set of procedures to be adopted by Gas Transporters (Distribution Networks and National Grid NTS) in dealing with a study (or studies) to support Network Exit Agreement (NExA) applications or modification requests by a Shipper. In the absence of a UNC definition, such studies are commonly referred to as “feasibility” or “engineering” studies. For clarity, the Proposer is only concerned with the process associated with such studies where they specifically support the application for a new NExA or a modification to an existing NExA.

Background

As part of the business of the UNC Transmission Workstream, specific “Workshops” will be arranged. The aims of these Workshops will be to review existing practices to identify where improvements can be made, and how practices can be standardised wherever possible. By reviewing existing arrangements, identifying areas for improvement and developing potential solutions, the objective of these Workshops will be to ensure that processes are put in place so that Shipper requests involving a feasibility/engineering study are dealt with fairly, equally and in a timely fashion, whilst placing reasonable demands on both Shippers and Transporters to communicate more effectively.

Scope and Deliverables

The Workshops are asked to prepare, on behalf of the Transmission Workstream, the Workstream Report for the Proposal and drafts of any related documents that will form part of the ongoing governance arrangements, in the event of implementation. The Workshops are also asked to consider the publication of detailed business rules and other documentation to clarify the Proposal. In parallel, the Proposer is committed to revising the Proposal to reflect the conclusions of the Workshops.

The Proposer requests that the Workshops specifically consider:

- The application process, procedures and associated documentation (including information gathering and communication).
- The suitability of applying fixed timescales for studies.
- The structure of fees (fixed and/or variable) and cost-recovery mechanisms by Transporters.

Where specific problems or constraints within the current practices are identified, the Workshops are requested to consider potential alleviation measures, including development of new processes and procedures, where required.

These Workshops are only to be concerned with Network Exit arrangements. Changes to feasibility study arrangements relating to Network Entry Agreements are not included in the scope of these Workshops, but may be considered at a later date, pending the conclusions of these Workshops.

Limits

The Workshops will consider changes required to the following:

- Uniform Network Code

And may consider related:

- Changes to processes and procedures
- Changes to existing systems
- Development of detailed business rules.

Composition

An open invitation will be made to all those on the Joint Office UNC circulation list, in accordance with the normal practice for Workstreams.

No specific quorum is proposed but the Joint Office will advise the Proposer if the number of notifications of attendance do not justify holding a face to face meeting and will seek to agree whether alternative arrangements, such as cancellation or holding a teleconference should be made.

Specific invitations may be sent to experts from related industries to address the Workshops and assist in developing best practice.

Information Sources

Uniform Network Code – Sections (to be identified).

- Gas Transporter, Shipper and Supplier Licences.
- Gas Act.
- Industry legislation as appropriate, which may include reference to:
 - Gas Safety (Installation and Use) Regulations.
 - Gas Safety (Management) Regulations.
 - Industry Codes of Practice as relevant.

Timetable

The December UNC Modification Panel requested the Transmission Workstream to report in time for its May 2010 meeting.

Accordingly, the suggested work programme is attached.

Frequency of meetings: Monthly. The frequency of meetings will be subject to review and potential change by the Workstream.

Meetings will be administered by the Joint Office of Gas Transporters and conducted in accordance with the Chairman's Guidelines.

DRAFT

Work Programme

Modification Reference Number 0273

Governance of Feasibility Study Requests to Support Changes to the Network Exit Agreements

1 Delivery Timescale

In its Terms of Reference these Workshops have made a commitment to complete their deliberations in time for the UNC Panel of May 2010. The target deliverables agreed are the Workstream Report and any related documents that enjoy consensus support of the Workstream.

2 Scope of Work

The Workshops have decided to divide their work into the following areas:

- (a) Review of current practices and procedures in Gas (and other relevant industries, including electricity (CUSC/Grid Code) and gas offshore arrangements, where applicable).
- (b) Identification of areas for improvement in Gas.
- (c) Development of potential solutions and accompanying detailed business rules (where required).

3 Outline of Agendas for each Session

Session 1: 07 January 2010 (as part of Transmission Workstream business)

- (a) Agreement of Terms of Reference.
- (b) Agreement of Process and Work Programme.
- (c) Confirmation of tasks for Session 2.

Session 2: February 2010

- (a) Review current practices and procedures employed by Transporters.
- (b) Examine and record problems with the current arrangements from a Shipper's perspective.
- (c) Examine and record current constraints and problems faced by Transporters.
- (d) Confirmation of tasks for Session 3.

Session 3: March 2010

- (a) Review draft documentation.

- (b) Review draft Workstream Report.
- (c) Examine potential solutions to specific problems identified in Session 2.
- (d) Identify necessary UNC changes.

Session 4: April 2010

- (a) Confirm draft documentation.
- (b) Confirm draft Workstream Report.
- (c) Develop and draft UNC Proposal(s) and detailed business rules.

Session 5: May 2010

- (a) Confirm draft documentation.
- (b) Confirm draft Workstream Report.
- (c) Review UNC Proposal(s) and finalise business rules.

4 Homework

To assist establishment of consensus the Workshops may issue questionnaires for completion by attendees prior to the meetings.