

## **DRAFT CODE REVIEW PROPOSAL**

### **Review of NTS Operational Flows**

#### **Date**

#### **Nature and Purpose of Proposal**

##### **Background**

In the months preceding the sale by National Grid of four Networks (5 LDZs) in 2005, the Uniform Network Code Offtake Arrangements Document (UNCOAD) was created to contractualise a number of existing and new operational and working arrangements between National NTS and the Gas Distribution Networks.

One of the areas which sought to capture existing and newly anticipated requirements was NTS Operational Flows (Section I of the OAD). This section carries a number of central themes

- (i) Requirements as to the submission of Offtake Profile Notices in relation to NTS/LDZ Offtakes
- (ii) Pressure provisions as to pressure at NTS/LDZ Offtakes
- (iii) Other operational provisions relating to LDZs and NTS/LDZ Offtakes

Within these headline requirements (above) sit a number of tightly defined, specific requirements. After a number of years of operation of the NTS/LDZ Operational flow interface, it is appropriate to review and reconsider the relevance of some of the requirements.

The test that should be applied to all of the specific clauses in Section I (OAD) is

- Where compliance with the OAD is in doubt, should the OAD be amended to reflect a more appropriate OAD condition?
- Are there any absent clauses in the OAD which should be introduced to better facilitate the management of each Transporters pipeline operation?
- What benefits accrue for both parties by adhering to existing OAD clauses (which may create additional workloads and/or expenditure) to warrant full compliance?

This Review Proposal is intended to allow a review of the existing arrangements within Section I of the OAD and to take account of any other areas whereby other connectees to the Network are duly considered.

##### **Suggested Terms of Reference**

It is suggested that the following items are included within the scope of any Review Group and should be considered within Terms of Reference:

- (1) General review of areas covered in Section I
- (2) Comparison of working practices versus OAD requirements
- (3) Availability and understanding of OPN submissions/usage

(4) Availability and understanding of pressure submissions/usage

(5) Impact of tolerances on any payments (should liability not be set to zero)

(6) Pressure requirements