



UNC Modification 0470

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Objective

- UNC Modification 0470 proposes to put in place a clear and transparent process where a customer can notify the Gas Transporter of minimum safe gas requirements.

Why?

- Ofgem Gas SCR will have a process that will allow customers to manage load shedding during Gas Deficit Emergencies
- No process for transportation constraints and no clear mechanism for customers to inform transporters on minimum safe gas needs.
- This lack of process has two main impacts
 - Customers does not necessarily know how to engage with the transporter over important safety needs at their plant.
 - In the event of an emergency such customers are placed in very difficult position with little time to resolve.

What?

- Daily read sites connected to the distribution network will be able to notify the transporters a minimum level of continuous gas supply in order to maintain on site integrity to prevent significant damage to the plant.
- If the transporter agreed then the customer would only be required, initially, to turn down gas offtake during a localised system constraint to that minimum level to maintain the integrity of the plant.
- Customer would not be allowed to request minimum gas requirements to maintain production or safeguard stock.
- How exactly any minimum safe level would be incorporated into Emergency Planning will be up to the transporter.

When?

- Customer needs vary unpredictably. Do not want to lock in customers and transporter when any reserved gas use could be used elsewhere.
- There will be a need however for customer needs to be considered holistically.
- So options:
 - An [annual] process where customer can submit their requirements – alongside interruption tender?
 - A process, similar to current AQ amendment processes, where the customer inform the transporter when the need arises or circumstances change.
- Not necessarily mutually exclusive.
- Currently see annual process more manageable. Views?

How?

- Applications for minimal safety supply point off take rates will run annual process [during annual interruption tender process held each June]
- Transporters will not consider any such applications until the close of the invitation period.
- Each tender application must set out:
 - Name of the customer
 - Applicable Meter Point Registration Number (MPRN)
 - Minimal safe supply offtake rate
 - Justification for the application
- Shipper may only apply for a single MPRN per application.
- Each application lasts until the conclusion of the next tender process.

How2?

- Once submitted the Shipper may amend the application with the agreement of the relevant Transporter.
- The Transporter will consider the application and will respond at the [same time as the results of the annual interruption tenders are announced].
- Any response will contain the following information:
 - Name of the customer
 - Applicable MPRN
 - Approval / rejection of the request
 - Justification for any rejection
- The Transporter will discuss with the Shipper the application where the Transporter considers it to be appropriate.

Not

- Nothing in this process will change the following in our mind:
 - Status of such sites in the emergency process, i.e. sites would still be protected by isolation.
 - The status of interruptible and protected customers, etc.
- Process will not apply to NTS sites.
- Does not apply to Gas Deficit Emergencies – GDEs would “trump” local constraints in our view and are distinct issues.
- Nothing in this process will require or compel the transporters to accept any requests made to it by the customer.

Next

- Ofgem has indicated not conflicting with the SCR.
- Views on:
 - Best way forward on timing and trigger of process
 - Cost Indications (if any) for the industry
 - Any comments/suggestion on the likely impact this may have on transporter handling of transportation constraints.
 - DO we need to address rationing issues if demand exceeds supply or leave up to transporters