

**CODE MODIFICATION PROPOSAL No.**  
**"Revision to Section Q – Emergencies"**  
Version 0.2

**Date:** 15/6//2005

**Proposed Implementation Date:** October 2005

**Urgency:** Non-Urgent

**Proposer's preferred route through modification procedures and if applicable, justification for Urgency**

Transco seeks the Modification Proposal to proceed direct to consultation in accordance with the modification procedures in Chapter 7.3 of the UNC Modification Rules.

**Nature and Purpose of Proposal (including consequence of non implementation)**

This Proposal is to align the UNC with the revised NEC Safety Case, which has recently been approved by the HSE.

The key changes to the NEC Safety Case are firstly the introduction of the NEC's ability to direct Users and Storage Operators, via the relevant Transporter(s), to turn down or curtail their deliveries of gas to the system in the event of a potential or actual GSMR Safety Monitor Breach under Stage 1 of a NGSE and secondly, changes required due to Network Sales.

The following amendments are proposed in relation to the GSMR monitor:

- Potential and/or actual GSMR Monitor Breach is separately defined as a type of Network Gas Supply Emergency (NGSE)
- that the relevant Transporter(s) on instruction from the NEC may direct the relevant storage operators to reduce or cease flowing gas in the event of a potential or actual GSMR Supply Monitor Breach that is effecting the Storage Operator's type of storage facility.

The following amendments are proposed due to the Network Sales:

- with the declaration of a NGSE, Transco NTS will identify demand side steps including demand reduction at DN offtakes. It is then the responsibility of the DNO to identify consequential demand side steps within the DN
- with the declaration of Stage 4 whereby gas is allocated, Transco NTS will allocate gas by LDZ, it is then the responsibility of the relevant DNO to allocate the gas within the LDZ

The following amendments are general to add clarity to the process:

- that the NEC may declare the NGSE stages (1-5) to prevent a supply emergency occurring either sequentially or by declaring a number of stages together
- following notification that the NGSE has been revoked, the OCM will be reinstated at the start of the next gas day
- for clarity, trades completed on the OCM before the OCM market has been suspended will be included within the relevant shipper's imbalance calculation.

Non-implementation of this Proposal would perpetuate the present misalignment between the NEC Safety Case and UNC.

**Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence**

This Proposal will further the relevant objectives set out in Standard Special Condition A11 and specifically (a) the efficient and economic operation of the pipe-line system by aligning the UNC with the current NEC Safety Case and will improve the efficient operation of the Emergency Procedures by adding clarity to the process.

**Advantages of the Proposal**

The alignment of the UNC with the NEC Safety Case will provide the Users clarity in respect to the NGSE process.

**Disadvantages of the Proposal**

Transco NTS does not consider there to be any disadvantages.

**Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested legal text**

No systems or process impacts have been identified.

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

The Proposal will improve the security of supply by introducing clear roles, responsibilities and processes for the management and resolution of a potential or actual GSMR Storage Monitor breach.

**The implication for Transporters and each Transporter of implementing the Modification Proposal, including**

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

The Proposal will establish clear processes for the management of storage flows during a NGSE.

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

No implications have been identified.

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

Transco NTS do not propose any additional cost recovery.

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

No such consequences have been identified.

**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**

Transco NTS does not envisage any such consequences.

**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**

Transco NTS does not envisage any such consequences.

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

Transco NTS does not envisage any such consequences.

**Proposed implementation Timetable**

Action	Due Date
Submit Modification Proposal for July Mod Panel	21/07/05
Draft Mod Report Issued	11/08/05
Close-out of Repts	02/09/05
Final Mod Report Issued	23/09/05
Ofgem Decision	October 05

**Code Concerned, sections and paragraphs**

UNC section Q,

**Proposer's Representative**

Ritchard Hewitt

**Proposer**

Richard Court

**Signature**

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