UNC Modification	At what stage is this document in the process?

UNC 0771S:

Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Entry connections

01 Modification
02 Workgroup Report
03 Draft Modification Report
04 Final Modification Report

Purpose of Modification:

This Modification would remove the absolute requirement for every new NTS Entry connection to include a Remotely Operable Valve (ROV) Installation.

Next Steps:

The Proposer recommends that this Modification should be:

- subject to Self-Governance
- assessed by a Workgroup

This Modification will be presented by the Proposer to the Panel on 17 June 2021. The Panel will consider the Proposer's recommendation and determine the appropriate route.

Impacted Parties:

Low: Transporters, Shippers and Consumers

Impacted Codes: None

Contents

Timetable

Modification timetable:

Pre-Modification Discussed	03 June 2021
Date Modification Raised	04 June 2021
New Modification to be considered by Panel	17 June 2021
First Workgroup Meeting	01 July 2021
Workgroup Report to be presented to Panel	21 October 2021
Draft Modification Report issued for consultation	22 October 2021
Consultation Close-out for representations	11 November 2021
Final Modification Report available for Panel	18 November 2021 (at short notice)
Modification Panel decision	18 November 2021 (at short notice)

Any questions?

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1 Summary

What

At present, there is an absolute requirement for a new NTS Entry connection to include a Remotely Operable Valve (ROV) Installation as part of the connection. National Grid NTS wishes to allow discretion as to whether the installation of a ROV is required or whether a manual isolation valve will be sufficient.

Why

National Grid NTS has challenged that a ROV installation is not needed in all instances and in particular at new Entry Point connections. By removing the requirement for a ROV the customer will have a choice between installing a high integrity gas quality measurement system or Gas quality measurement and a ROV. Based on feedback from customers this would remove the requirement for installation of assets making it a more efficient connection and it is anticipated a saving can be made on the cost of connection.

How

A change would be made to the UNC to enable National Grid NTS to determine, via an appropriate assessment, and in collaboration with our customer, whether there is a requirement for a new NTS Entry connection to include a ROV Installation, as part of the connection or whether a manual isolation valve will be sufficient.

2 Governance

Justification for Self-Governance

National Grid recommend that this Modification be subject to Self-Governance as it is unlikely to have a material impact on consumers, competition, operation of the pipeline system, matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies, or governance procedures. In addition, it is unlikely to discriminate between different classes of parties to the UNC. This is on the basis that it seeks to make a minor change to the current requirement for all new NTS Entry connections to include a ROV Installation.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

3 Why Change?

Project CLoCC (Customer Low Cost Connections) was introduced in 2015 with the aim of minimising the cost and time of new gas connections to the national transmission system (NTS). Project CLoCC simplified designs to include a non-Remote Operable Valve (ROV) solution for NTS Exit connections. This resulted in the implementation of the UNC Modification 0627S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections, on 17th January 2018. UNC Modification 0627S allowed National Grid (NG) discretion over whether to include a ROV at new NTS exit connections.

Following lessons learned between National Grid and a new customer, completed after a new Entry connection, it was found that in that particular instance a ROV performs no safety functions and was not required. If action was required at this entry point, as a result of a GS(M)R breach, a manual valve would be appropriate. As a result, we have assessed whether installing a ROV is an absolute requirement for Entry connections. We are proposing to remove the absolute requirements so that in the future customers can collaborate with National Grid and will have a choice whether to install a ROV for an NTS Entry connection.

The removal of the 'absolute requirement' would leave the customer with two options:

- Installation of high integrity gas quality measurement systems which would remove the requirement for downstream Gas Quality measurement and a ROV. This will be subject to a Formal Process Safety Assessment (FPSA) conducted by National Grid[1]
- Installation of NTS downstream (and upstream if bi-directional flow on the feeder) GQ measurement, and a ROV which can be closed should gas conveyed on the NTS be measured as GSMR non-compliant.

This change is proposed based on customer feedback, the ability to make the process of connection more efficient and to create cost savings for each connection where a ROV is not required.

Removal of this requirement would result in a significant cost saving for a customer (since the ROV requires associated Electrical and Instrumentation kiosk, telemetry, a power supply, an Asymmetric Digital Subscriber Line (ADSL) back-up to very small aperture terminal (VSAT) communications and site extensions to accommodate the equipment). Savings are estimated up to £250,000, also reducing cyber risk.

There is a requirement to raise a UNC Modification as currently within Code there is an absolute requirement to install a ROV at NTS Entry connections.

4 Code Specific Matters

Reference Documents

Previously approved and implemented medication 0627S:

0627S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections | Joint Office of Gas Transporters (gasgovernance.co.uk)

Knowledge/Skills

Insert text here.

[1] When completing any work to the National Transmission System (NTS) it is a requirement to carry out a Formal Process Safety Assessment on the planned works. A FPSA is carried out with all build projects as part of the detailed design stage of the project. The assessment covers any hazards in the operation of the work and any potential hazards in the design that has been proposed.

5 Solution

This Modification will remove the absolute requirement for a ROV to be included in new Entry connections and will state that new Entry connections may include a ROV.

Implementation of this Modification will require TPD Section Y, Part A-II Section 3 CONNECTION CHARGING METHODOLOGY, paragraph 26.

This section will include:

- All new connections may include a ROV Installation, the need for which will be determined at National Grid's sole discretion (in accordance with the appropriate Hazard and Operability Study (HAZOP) assessment).
- Paragraph 27 UNC already gives National Grid sole discretion on design of connection at or adjacent to an existing site and does not specify the ROV requirement. National Grid carries out Formal Process Safety Assessments which will include the ROV assessment. It is a requirement of National Grids Gas Transporters Safety Case to have an isolation valve and to carry out the HAZOP assessment.
- If the assessment concludes that a Remotely Operable Valve is not required, then a Locally Operated Valve allowing a manual isolation will be included in the design. Note that Gas Safety Management Regulations (GSMR) 1996 states 'Where any gas escapes from a network the person conveying the gas in the part of the network from which the gas escapes shall, as soon as is reasonably practicable after being so informed of the escape, attend the place where the gas is escaping, and within 12 hours of being so informed of the escape, he shall prevent the gas escaping'

6 Impacts & Other Considerations

Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None

Consumer Impacts

It is expected that connection costs will be reduced for connecting parties/shipper users which in turn may result in lower costs to consumers. Lower costs could result in increased competition to benefit the market.

What is the current consumer experience and what would the new consumer experience be?

Connections can be lengthy in time and costly resulting in additional costs and timeframes for the consumer. If not implemented these issues will continue and connections will continue to take time and be expensive. This change allows consumers to chose between high integrity gas quality monitoring or a ROV, allowing consumers choice over the process (subject to the FPSA).

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability There are no impacts to safety as a result of this change	None
Lower bills than would otherwise be the case Whilst the result on bills may be minimal cost savings (up to £250,000) are estimated where a ROV is not required; this in turn should result in lower charges for the consumer	Positive
Reduced environmental damage None	None
Improved quality of service Allows the consumer choice over the process – timeframes, costs and cyber risks	Positive
Benefits for society as a whole None	None

Cross-Code Impacts

None

EU Code Impacts

None.

Central Systems Impacts

None.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards… are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This Modification furthers Relevant objective d) by allowing more efficient connections, as such the market may be more open and accessible for Shippers and result in more effective competition.

Impact of the Modification on the Transporters' Relevant Charging Methodology Objectives:

Relevant Objective	Identified impact
a) Save in so far as paragraphs (aa) or (d) apply, that compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business;	None
aa) That, in so far as prices in respect of transportation arrangements are established by auction, either: (i) no reserve price is applied, or (ii) that reserve price is set at a level - (I) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and	None

(II) best calculated to promote competition between gas suppliers and between gas shippers;	
b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business;	Positive
c) That, so far as is consistent with sub-paragraphs (a) and (b), compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers; and	Positive
d) That the charging methodology reflects any alternative arrangements put in place in accordance with a determination made by the Secretary of State under paragraph 2A(a) of Standard Special Condition A27 (Disposal of Assets).	None
e) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Relevant objective c) is furthered in this case since the Modification, if implemented, will facilitate cheaper and simplified connections and access to the NTS.

In addition, relevant objective b) is furthered since the Modification, if implemented, will facilitate customers being charged for the relevant installation and will also better facilitate new customers being brought onto the system

8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

Text Commentary

Changes to TPD Section Y to include any new connection

Text

Amend TPD Section Y - Remotely Operable Valve (ROV) Installations as follows:

26A. **Subject to paragraph 27 and unless National Grid determines that a manually operated valve installation shall be installed rather than an ROV installation** ~~**Subject to paragraph 26B and any determination by National Grid under paragraph 27 that an ROV installation is not required,**~~ all new connections will include an ROV Installation which may be situated either:

a) at a point on the NTS, where the customer wishes to:

i. construct and connect a pipeline with a view to owning and operating the pipeline (such pipeline would not be a System Extension as it would not be owned and operated by National Grid), or

ii. construct and connect a pipeline with the intention that it will transfer to National Grid under a Taking Ownership Agreement (in which case it would become a System Extension); or

b) at the termination point of a System Extension constructed by National Grid.

~~26B. If a **For any** new connection comprises a New Exit Point, National Grid may determine that a manually operated valve installation shall be installed rather than an ROV installation.~~

~~26C~~26B. The costs of the ROV Installation, or manually operated valve installation, will form a part of the connection charge irrespective of whether the connection is for Exit, Entry or Bidirectional purposes.

27. Where a connection is requested at or adjacent to an existing National Grid site, National Grid will at its sole discretion determine the most appropriate point and design of the connection taking into account potential costs of connection, future operational costs, security of supply and operational flexibility.

28. National Grid does not provide gas flow and energy measurement equipment for transmission connections.

29. In addition to the equipment provided by National Grid, there are several technical requirements that a customer must fulfil if it is to have a connection to the NTS. These relate principally to the customer's metering and telemetry equipment and, where relevant, Gas Quality Instrumentation.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Self-Governance procedures should apply
- Refer this proposal to a Workgroup for assessment.