

Modification proposal:	Global Utility Connections (GUC010) Inclusion of Incident Communication Governance within Network Code		
Decision:	The Authority¹ directs that this proposal be made²		
Target audience:	GUC, Parties to the GUC Network Code and other interested parties		
Date of publication:	December 13 2006	Implementation Date:	To be confirmed by GUC

Background to the modification proposal

Gas Transporters have certain obligations under regulations such as the Gas Safety (Management) Regulations 1996 (GS(M)R) and the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), relating to reporting of emergency incidents covered by those regulations. However, detailed operational procedures on how such incidents will be communicated to shippers are not prescribed in these regulations and have hitherto been contained largely in non-binding procedural documentation.

On 20 November 2003 Ofgem approved modification 649³ to the National Grid Gas⁴ Network Code, which has since been replaced by the Uniform Network Code (UNC). The effect of this modification, which was implemented with effect 1 October 2005, was to reference and give contractual effect to certain provisions within external documentation produced in line with the above regulations. This documentation was subsequently published as the '*Schedule for Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency*⁵'. In addition, on the 13 January and 31 March 2006, we respectively approved modifications to introduce a similar the obligation onto the Network Code of SSE Pipelines Ltd and across the ESP Group⁶.

The modification proposal

This proposal seeks to introduce specific obligations into Global Utility Connections (GUC) Network Code, similar to those introduced into the UNC and across some of the independent Gas Transporter (iGT) Network Codes.

The modification proposes that where the GT becomes aware of a loss of supply incident upon its Network which affects more than 50 premises, it will inform Users, provide ongoing updates where the incident is prolonged and provide a final notice once this incident has been rectified, all within specified timescales.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 9 November 2006. The Authority has considered and

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ Modification proposal 649: 'Referencing incident notification within Network Code.'

⁴ Formerly Transco

Available at: www.gasgovernance.com/docs/COandFireExplosioncomms.doc

⁶ Modification Proposal: SSEP015, ESP113, ESPP113, ESPN113 and ESPC 037 'Inclusion of Incident Communication Governance within Network Code'.

taken into account the responses to the GUC consultation on the modification proposal which are attached to the FMR. The Authority has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the GUC Network Code⁷; and,
2. directing that the modification be made is consistent with the Authority's principal objective and statutory duties⁸.

Reasons for the Authority's decision

There were three responses received on this modification proposal, this included a response from the Proposer and GUC. All respondents were supportive of the modification. In general respondents considered that formalising the communication of some specific incidents will benefit Users, since it will remove ambiguity and improve the confidence that relevant incident notifications will occur in a timely manner. The proposed modification was thereby considered to enable Shippers to manage their customer relationships and resources more appropriately and effectively.

One respondent, whilst broadly supporting the modification proposal considered that further clarification was required on what constitutes a Gas loss incident and considered that shippers and suppliers would also want to be informed of any instances of carbon monoxide poisoning which affected less than 50 households. In addition, this respondent considered that the means in which the information will be communicated to parties should be further clarified. Another respondent considered that information relating to gas incidents should be passed to the relevant shipper/supplier via email and that any dangerous gas escapes for sites with less than 50 properties should also be communicated.

In the Final Modification Report, the Proposer clarified that when the GT becomes aware of a loss of supply incident upon its Network which affects more than 50 premises, it was the intent of the modification proposal that the method of communication to Users should be through electronic means, i.e. via the email and backed up by fax, where electronic means is not available.

We understand that the intent of the proposal is essentially to codify the communications that a shipper would reasonably expect a GT to make in the event of a loss of supply incident. It is anticipated that this will increase certainty, allowing shippers and suppliers to plan with greater confidence and otherwise manage their customer relationships more effectively. We consider that communications in the event of a loss of supply incident should be provided as soon as it is reasonably practicable. We therefore consider that modification proposal GUC010 will better facilitate the relevant objectives. It is important to note that the communications outlined within the modification proposal are not an emergency response; these will continue to be provided through the National Gas Emergency Service⁹.

We note the concern raised by one respondent regarding the arrangements in the event of a gas loss incident affecting fewer than 50 premises. Given that a Network Code User has raised such concerns, it seems apparent that there is currently a lack of clarity over

⁷ As set out in Standard Condition 9(1) of the Gas Transporters Licence, see: http://62.173.69.60/document_fetch.php?documentid=4311

⁸ The Authority's statutory duties are wider than the relevant objectives and are detailed mainly in the Gas Act 1986.

⁹ In accordance with GS(M)R.

the procedures to be followed during such incidents. However, as noted above, this is outside of the scope of this particular proposal, though it is open to any Network Code party to suggest further modifications which may remedy this situation if considered appropriate.

With respect to carbon monoxide poisoning, the RIDDOR cover CO incidents involving death or major injuries. The GS(M)R requires that where an incident is notifiable under the RIDDOR, the Network Operator will inform the relevant gas supplier as soon as reasonably practicable. Again, if any Network Code party considers that further clarity is required on these points, or arrangements are required for incidents which may not fall within the scope of the existing regulations, they are able to propose further modifications to the Network Code, or perhaps more appropriately the '*Shipper Incident Communication Procedure*' document.

Decision notice

In accordance with Standard Condition 9 the Gas Transporters Licence, the Authority, hereby directs that modification proposal GUC010: '*Inclusion of Incident Communication Governance within Network Code*' be made.

Sarah Harrison
Managing Director, Corporate Affairs

Signed on behalf of the Authority and authorised for that purpose.