

Modification proposal:	<b>IPL025/QPL025: Inclusion of incident communication governance within network code.</b>		
Decision:	The Authority <sup>1</sup> directs that this proposal be made <sup>2</sup>		
Target audience:	IPL, QPL, Parties to the IPL/QPL Network Codes and other interested parties		
Date of publication:	5 April 2007	Implementation Date:	To be confirmed by IPL/QPL

## 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 649<sup>3</sup> to the National Grid Gas<sup>4</sup> Network Code, which has since been replaced by the Uniform Network Code (UNC). The effect of this modification, which was implemented with effect on 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*'<sup>5</sup>.

## The modification proposal

This proposal seeks to introduce specific obligations into the IPL/QPL Network Codes, 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, within specified timescales:

- inform Users;
- provide ongoing updates where the incident is prolonged; and
- provide a final notice once this incident has been rectified.

## The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) received on 9 March 2007. The Authority has considered and

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

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

<sup>3</sup> Modification proposal 649: 'Referencing incident notification within Network Code.'

<sup>4</sup> Formerly Transco

<sup>5</sup> Available at: [www.gasgovernance.com/docs/COandFireExplosioncomms.doc](http://www.gasgovernance.com/docs/COandFireExplosioncomms.doc)

taken into account the responses to the IPL/QPL consultation on the modification proposal. The Authority has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the IPL/QPL Network Codes<sup>6</sup>; and,
2. directing that the modification be made is consistent with the Authority's principal objective and statutory duties<sup>7</sup>.

### **Reasons for the Authority's decision**

There were five responses received on this modification proposal, this included a response from the Proposer and IPL/QPL. Four respondents were in support of this modification proposal whilst the other respondent provided comments.

In general respondents who were in support of the proposed modification 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 therefore considered to enable shippers to manage their customer relationships and resources more appropriately and effectively.

One respondent, whilst broadly supporting the modification proposal requested further clarification with regards to what constitutes a gas loss incident and considered that shippers and suppliers would also want to be informed of any instances of carbon monoxide (CO) 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.

The GT who provided comments on the proposed modification considered that the proposal as it is currently drafted could cause problems if the initial notice of an incident arrives during non-office hours.

The Proposer has clarified that when the GT becomes aware of a loss of supply incident upon its network which affects more than 50 premises, it is the intent of the modification proposal that the primary 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 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 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

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<sup>6</sup> As set out in Standard Condition 9(1) of the Gas Transporters Licence, see: [http://62.173.69.60/document\\_fetch.php?documentid=4311](http://62.173.69.60/document_fetch.php?documentid=4311)

<sup>7</sup>The Authority's statutory duties are wider than the relevant objectives and are detailed mainly in the Gas Act 1986.

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.

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 note the GT's concerns with regards to the possibility of missing the deadline for advising shippers of an incident during non office hours. 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 proposals IPL025/QPL025 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 Service<sup>8</sup>.

### **Decision notice**

In accordance with Standard Condition 9 the Gas Transporters Licence, the Authority, hereby directs that modification proposals IPL/QPL 025: Inclusion of incident communication governance within network code be made.



**Mark Feather,  
Associate Director, ICL**

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

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<sup>8</sup> In accordance with GS(M)R.