

OFGEM  
10 South Colonnade,  
Canary Wharf,  
London,  
E14 4PU,

For attn: RIIO2 Price Control Team

Our Ref:

Date: 14<sup>th</sup> March 2019

Energy Division

**Jonathan Holvey**  
**Head of Unit**

Gas, Pipelines & Renewables  
Foundry House  
3 Millsands  
Riverside Exchange  
Sheffield  
S3 8NH

[www.hse.gov.uk/](http://www.hse.gov.uk/)

**Chris Flint**  
**Head of Division**

Dear Sir / Madam

**HSE RESPONSE TO SECTOR SPECIFIC METHODOLOGY CONSULTATION (RIIO -2; RIIO-GD2 & RIIO-GT2 PUBLISHED 18<sup>TH</sup> DECEMBER 2018**

Please see the attached response to the above consultation documents.

The HSE response is focused on those aspects believed to have potential safety implications.

If you wish to discuss any aspect of this response then please contact Andrew Cooke ([andrew.cooke@hse.gov.uk](mailto:andrew.cooke@hse.gov.uk) tel: 02030282813).

Yours faithfully



Jonathan Holvey  
HSE Gas, Pipelines & Renewables

## Annex

SECTOR SPECIFIC METHODOLOGY ANNEX: GAS DISTRIBUTION		
1.	REPEX	Use of the term “non-mandatory” is misleading. Suitable maintenance and replacement of Tiers 2B & 3 pipes (and service pipes) is mandatory if required to prevent leaks/ protect health and safety). Concern expressed by GDN’s about potential misuse of the NARMS methodology.
2.	REPEX	Potential Use of NARMS methodology. NARMS baseline needs to be legal compliance (as many duties are absolute requirements).
2.	NTS Exit Capacity	By reducing the potential gains is there a potential risk that networks will underestimate exit capacity requirements (with potential supply implications)?
3.	NTS Exit Capacity	<p>Is there a risk that some NTS Exit Points will become unviable (with potential supply implications?)</p> <p>A reduction in Exit Points might hinder the management of Local and Network Gas Supply Emergencies. As such we would require an analysis from UKT, the GDNs and the NEC regarding this if it amounted to a material change to their safety cases.</p>
4	Repair risk (removal of the repair risk incentive)	Generally speaking the best safety outcomes are achieved when both safety and commercial imperatives align. The current incentive ensures that there is no conflict between doing the “right thing” for both commercial and safety reasons.
SECTOR SPECIFIC METHODOLOGY ANNEX: GAS TRANSMISSION		
5.	Maintenance – use of Days and Changes Scheme	Whilst there is always a tension between maintenance requirements and the need to deliver a service. Any drive to reduce the number of maintenance days – should be evaluated in the context of maintenance overdues.

6.	Entry and Exit Capacity Constraint Management	Could this change have any implications for network emergency resilience? For example, NGGT obligations with respect to a 1-in 50 winter and the setting of safety monitor levels (that is the amount of gas that is required in the network to ensure that sufficient is held in storage to support those gas consumers whose premises cannot be physically and verifiably isolated from the gas network within a reasonable time period.
7.	Emergency Response and Enquiry Service	GSMR Exemption now places this duty on Cadent.