

## **Statement describing the means by which NGET shall ensure compliance with Special Condition 2B of its Transmission Licence<sup>1</sup>**

### **Background**

In accordance with paragraph 1 of Special Condition 2H (Appointment of compliance officer) of NGET's Transmission Licence, this statement has been prepared to describe the means by which NGET shall ensure that Special Condition 2B (Restriction on the use of certain information) is complied with.

### **Introduction**

This statement describes the measures that NGET shall take to keep certain information confidential when alternative offers are being prepared in response to applications to connect to the national electricity transmission system.

An 'alternative offer' is one prepared by NGET in response to an application to connect to NGET's system and where the applicant has also applied to connect, or is willing to consider a connection, at one or more other locations outside NGET's transmission area and NGET knows or reasonably assumes that the applicant does not intend to connect at all the locations but will choose the connection on the basis of the offer it receives. In this statement, the alternative offer resulting from the application to connect to NGET's system is referred to as an E&W Offer and the offer resulting from the application to connect to a location outside NGET's transmission area is referred to as a Scottish Offer.

In such circumstances, NGET shall ensure:

- (a) that any information received from another transmission owner relating to the design or construction of the connection set out in the Scottish Offer, relating to financial matters associated with it or any information derived from such information (Confidential Information) is not disclosed to or used by anyone involved on behalf of NGET in preparing or making the E&W Offer, and
- (b) that anyone involved on behalf of NGET in preparing or making the Scottish Offer does not have access to information derived from or relating to any E&W Offers to be made or made

until either NGET accepts the TO offer<sup>2</sup> relating to the Scottish Offer or the applicant accepts an E&W Offer made by NGET and there are no outstanding E&W Offers that may be considered to be an alternative to the Scottish Offer to which the TO offer relates.

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<sup>1</sup> Unless the subject matter or context otherwise requires, terms and expressions defined in NGET's Transmission Licence shall have the same meanings, interpretations or constructions where used in this Statement.

<sup>2</sup> As defined in the System Operator Transmission Owner Code (STC)

## **Establishing Alternative Offers**

Where an application is made for a Scottish Offer the applicant is required to identify whether it has an existing application for an E&W Offer or intends to make such an application which will be intended as an alternative.

Where an application is made for a connection to the national electricity transmission system at a location in E&W, the applicant is required to identify whether it has an existing application for a Scottish Offer or intends to make such an application and if so whether it will be choosing to connect in E&W or in Scotland on the basis of the offers made by NGET.

Where it is established with the applicant that it has or intends to make applications for a connection in E&W and Scotland and that it will be choosing to connect in E&W or Scotland on the basis of the offers made by NGET then NGET will ask each transmission owner who will be providing Confidential Information in respect of the Scottish Offer whether such information need be treated as confidential for the purposes of the E&W Offer and in the absence of each such transmission owner confirming that it need not be treated as confidential then the following measures shall apply.

### **Measures to ensure Special Condition 2B is complied with**

NGET will adopt a “ring-fencing” approach to personnel and information to ensure that:

- any Confidential Information is not disclosed to or used by anyone involved in preparing or making the E&W Offer; and
- anyone involved in preparing or making the Scottish Offer does not have access to any information derived from any E&W Offers to be made or that have been made previously.

To achieve this, the NGET recipient of the applications for an E&W Offer or a Scottish Offer shall ensure that each application is passed to a different commercial manager and ultimately a different scheme team leader. The NGET recipient shall ensure that Scottish application(s) shall each be accompanied by a note to the commercial manager and to the scheme team leader highlighting that any information received from a Scottish transmission owner relating to the design or construction or financial matters of the possible connection to which that application relates or any information derived from such information, shall be classified as Confidential Information. Similarly, the NGET recipient shall ensure that the E&W application(s) shall be accompanied by a note to the commercial manager and to the scheme team leader highlighting that the application is for an ‘alternative offer’ and that any Confidential Information relating to the Scottish Offer is not to be disclosed to or used by anyone involved in preparing or making the E&W Offer and that anyone involved in preparing or making the Scottish Offer must not be given access to any information derived from any E&W Offers to be made or that have been made previously.

Scheme team leaders are responsible for the establishment of teams (referred to as

scheme teams) which will produce the E&W offers and Scottish Offers. Scheme team leaders shall ensure that a scheme team member is not appointed to both the scheme team of a Scottish Offer and to the scheme team of an alternative E&W Offer.

The scheme team leader of the scheme team working on the Scottish Offer will provide the members of that scheme team with a list of the personnel working on the alternative E&W offer. Similarly, the scheme team leader of the scheme team working on the E&W offer will provide the members of that scheme team with a list of the personnel working on the Scottish Offer.

The scheme team members for the Scottish Offer and E&W Offer shall be informed by their scheme team leaders that the Confidential Information is classified as “Confidential” and reminded to keep the information confidential from those personnel working on the other offer(s) by following these key measures:

- keeping passwords secret
- limiting shared areas to scheme team members and protecting files with a password
- locking PC before leaving desk unattended
- logging off computer at end of working day
- clearing desk of confidential information during and at the end of the day
- labelling and storing confidential information securely
- removing confidential information from meeting rooms, printers, etc.
- taking care when talking in conversation or on the phone
- disposing of confidential information appropriately

To ensure that the above measures are enforced, separate rooms, one for those involved in the preparation of the Scottish Offer and one for those involved in the preparation of the E&W Offer shall be established at each relevant NGET location required, for use by those scheme members when working on their particular offer. Each room shall be kept locked until the relevant offer has been made, when it shall be cleared of relevant documentation which will then be securely archived. Although the rooms will not be set up for use by scheme members once the offers have been made, the confidentiality measures shall be followed until either NGET accepts the TO offer relating to the Scottish Offer or the applicant accepts an E&W Offer made by NGET and there are no outstanding E&W Offers that may be considered to be an alternative to the Scottish Offer to which the TO offer relates.

Where agents, advisors, consultants or contractors are employed (either from different firms, or, if from the same firm, then different people) they shall be employed under the same confidentiality requirements that apply to the scheme members during the development of the alternative offers.

Everyone involved in preparing such offers shall be briefed on the above requirements and will receive guidance in relation to the requirements under this statement.

In addition to the general briefing, this statement shall be an agenda item at the first scheme team meeting and scheme team members will be notified of the names of those involved in the preparation of the other offer(s) so that they will know in whose presence they will need to take particular care.

### **Exceptions to confidentiality**

If anyone involved in the final sanctioning or final approval of both a Scottish Offer and E&W Offer requests a change to any offer, this shall be noted and the Compliance Officer advised.

Anyone required to have access to both the confidential information and any E&W Offer for assessing transmission system outages and developing outage plans, shall only be given information required to enable effective co-ordination of the national electricity transmission system. Where exchange of outage data between the Scottish outage co-ordinator and the E&W outage co-ordinator is necessary to align the two outage plans the scheme team representatives shall provide only as much information as to facilitate co-ordination of the outage plans. The Scottish outage co-ordinator shall not be given access to stored information relating to the E&W Offer and shall not disclose the information they have obtained in relation to the E&W Offer to another party unless it is for the purposes of outage planning. The E&W outage co-ordinator shall not be given access to stored information relating to the Scottish Offer and shall not disclose the information they have obtained in relation to the Scottish Offer to another party unless it is for the purposes of outage planning. Where electronic storage of outage requests and plans is used which will require access by more than one party, care will be exercised to ensure that descriptions of outages and details do not identify any information which is not strictly required for the co-ordination of outage plans.

### **Version Control**

20.01.07	NGC amended to NGET Amendment of first two paragraphs of “amending alternate offers” to include the change to application process implemented on 17 July 2006 – applicants are now asked to confirm if there are alternate offers on the connection and use of system code application form.	V1.2
09.09.09	GB Transmission System changed to national electricity transmission system throughout document as a result of a licence change.	V1.3
03.05.13	Updated to reflect change in numbering of Special Conditions (RIIO)	V1.4