

## **CSS UNC DRAFTING – DOCUMENT 4**

This mark up shows the changes to current Section G5 for the purposes of creating a new re-ordered version of Annex B-3; it therefore does not show any changes relating to the new REC/CSS processes

### **ANNEX B-3**

#### **DM SUPPLY POINT CAPACITY AND OFFTAKE RATE**

#### **1     ~~4.1~~ Introduction**

1.1     ~~4.1.1~~ Except for paragraph 5.6, this paragraph 5 applies only in respect of LDZ DM Supply Points and nothing in this paragraph 5 shall apply in respect of an NTS Supply Point.

1.2     ~~4.1.2~~ The Supply Point Capacity which a User is registered as holding at a DM Supply Point shall be subject to minimum and maximum requirements in accordance with this paragraph 5.

~~4.1.3~~ Subject to the provisions of this paragraph 5, the Registered User of a DM Supply Point may apply to reduce or increase its Registered DM Supply Point Capacity by making a Capacity Revision Application to the CDSP.

~~4.1.4~~ An application (“**Capacity Revision Application**”) to revise (by increasing or decreasing) Registered DM Supply Point Capacity shall specify:

- ~~(a)~~ the Supply Point Registration Number;
- ~~(b)~~ the Supply Meter Point Reference Number of the Supply Meter Point, comprised in the Supply Point;
- ~~(c)~~ the revised Supply Point Capacity and (in accordance with paragraph 5.3.2) Supply Point Offtake Rate;
- ~~(d)~~ the date in accordance with paragraph 5.1.5 with effect from which the revision is to take effect;
- ~~(e)~~ whether a Compressor or Booster will be installed in respect of such Supply Point; and
- ~~(f)~~ the identity of the relevant Registered User making the Capacity Revision Application and the telephone number and email address of its contact representative.

~~4.1.5~~ The date under paragraph 5.1.4(d) shall be:

- ~~(a)~~ except in paragraph (b), 5 Supply Point Systems Business Days; or
- ~~(b)~~ where it will (in accordance with paragraph 5.5) be necessary for the Transporter to assess the feasibility of making gas available for offtake, 21 Supply Point Systems Business Days,

~~after the date upon which the application is submitted.~~

~~4.1.6~~ A User may withdraw a Capacity Revision Application by notice to the CDSP not less than 2 Supply Point Systems Business Days before the date specified pursuant to paragraph 5.1.4(d).

~~4.1.7 The CDSP will reject a Capacity Revision Application or an application (in accordance with paragraph 5.3.2) for a revised Supply Point Offtake Rate:~~

- ~~(a) in the case of a Capacity Revision Application, where the requirements of paragraph 5.1.4 are not complied with,~~
- ~~(b) where any other requirement of this paragraph 5 is not complied with, or in accordance with any provision of this paragraph 5 which provides for such rejection;~~
- ~~(c) in respect of a Seasonal Large Supply Point, if it is not in compliance with Section B4.9; or~~
- ~~(d) in the case of an application for an increase in Supply Point Capacity where instructed to do so by the Transporter in accordance with Section V3~~

~~and where the CDSP does not reject the application under paragraphs (a), (b) or (c) it shall notify the Transporter of the application.~~

~~4.1.8 Subject to paragraph 5.1.7, the CDSP will approve a Capacity Revision Application or (pursuant to paragraph 5.3.2) an application for a revised Supply Point Offtake Rate, and will inform the Registered User where such application is approved by the Transporter and notified to the CDSP.~~

~~4.1.9 For the purposes of assessing the feasibility of making gas available for offtake, the Transporter may request the Registered User to provide any of the following information:~~

- ~~(a) the proposed Annual Load Profile and Daily Load Profile;~~
- ~~(b) the date from which the load profile is required;~~

~~and following such request the Registered User shall promptly provide the same to the Transporter.~~

~~4.1.10 Where it is necessary for the Transporter to assess the feasibility of making gas available for offtake in accordance with paragraph 5.1.5(b), the Transporter will no later than the 18th Supply Point Systems Business Day following the date of receipt of the Capacity Revision Application by the CDSP notify the CDSP whether to approve or reject the application.~~

~~4.1.11 Where requested by the Transporter, for the purpose of enabling the Transporter to assess the Capacity Revision Application, the Registered User will promptly procure permission for the Transporter to visit the premises at which the DM Supply Point is situated and access thereto.~~

~~4.1.12 Requests for information by the Transporter in accordance with paragraph 5.1.9 and provision of information by the Registered User in accordance with paragraph 5.1.4(e) and 5.1.4(f) shall be communicated by facsimile or email.~~

~~4.1.13 For the purposes of paragraph 5.1:~~

- ~~(a) “Annual Load Profile” is the quantity (in MWh) of gas which it is anticipated will be offtaken at the DM Supply Point for each month of the Gas Year so as to show the within year variation of demand on a monthly basis.~~
- ~~(b) “Booster” is a device (typically a centrifugal fan arrangement), located downstream of the outlet of the customer control valve, used to raise the pressure of gas by up to 200 mbar across the device.~~
- ~~(c) “Compressor” is a device (typically a reciprocating or screw type arrangement), located downstream of the outlet of the customer control valve on the service pipe,~~

used to raise the pressure of gas by up to 40 mbar across the device.

- ~~(d) “Daily Load Profile” is the rate (in kWh/hour) at which it is anticipated that gas will be offtaken at the DM Supply Point for each hour within the Day so as to show the within day variation of demand on an hourly basis.~~

~~1.1.14 In the event of:~~

- ~~(a) a User applying for and the Transporter approving a Capacity Revision Application resulting in a decrease in the Registered DM Supply Point Capacity (“the Initial Capacity Reduction”); and~~
- ~~(b) within the same Gas Year as such Capacity Revision Application the same User applies for and the CSDP approves any further Capacity Revision Applications which increase the Registered DM Supply Point Capacity~~

~~then the User will pay the Capacity Reconciliation Charge on receipt of an Ad-hoc Invoice in accordance with section S.~~

~~1.1.15 Subject to paragraphs 5.1.16 and 5.1.17, the Capacity Reconciliation Charge (or “CRC”) will be calculated as follows:~~

$$\text{CRC} = (C_{(\text{new})} - C_{(\text{prev})}) * D * F$$

~~Where:~~

~~C(new) is the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge, as calculated based on the increased Registered DM Supply Point Capacity level booked in respect of a Gas Flow Day provided that such amount shall not exceed the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge in respect of the Gas Flow Day preceding the Initial Capacity Reduction; and~~

~~C(prev) is the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge, as calculated based on the prevailing level of capacity the Gas Flow Day before the new increase in the Registered DM Supply Point Capacity takes effect; and~~

~~D — subject to paragraph 5.1.17 is the number of Days between the Gas Flow Day on which the Registered DM Supply Point Capacity is increased and the Gas Flow Day on which the Initial Capacity Reduction occurred; and~~

~~F — is an “incentive Factor” and shall be equal to 1 (one).~~

~~1.1.16 No CRC shall be payable by the User in respect of any capacity which is in excess of the Registered DM Supply Point Capacity on the Gas Flow Day preceding the Initial Capacity Reduction.~~

~~1.1.17 Where, within a Gas Year:~~

- ~~(a) a User has applied for and the Transporter has approved multiple Capacity Revision Applications reducing the Registered DM Supply Point Capacity, in the event of the Transporter approving a Capacity Revision Application increasing the Registered DM Supply Point Capacity the CRC shall be calculated on a daily basis in respect of each Gas Flow Day following the Initial Capacity Reduction until the Capacity Revision Application increasing the Registered DM Supply Point Capacity. Such daily CRC sums shall be aggregated. No CRC shall be payable in respect of any Gas Flow Day on which the Registered DM Supply Point Capacity exceeds the increased Registered DM Supply Point Capacity.~~

~~(b) — a User applies for and the Transporter approves more than one Capacity Revision Application increasing the Registered DM Supply Point Capacity then on each increase the CRC shall be recalculated on a daily basis in respect of each Gas Flow Day following the Gas Flow Day on which the Initial Capacity Reduction occurred until the most recent Capacity Revision Application increasing the Registered DM Supply Point Capacity. Such daily CRC sums shall be aggregated and any payments already made by the User in respect of CRC for any Gas Days falling within such period shall be deducted from the revised amount due to the Transporter.~~

~~1.1.18 For the purpose of the calculation of CRC on a particular Gas Flow Day pursuant to paragraph 5.1.17, D shall be 1 and  $C_{(prev)}$  is the aggregate of the LDZ Capacity Charge and the Capacity Variable Component of the Customer Charge, as calculated based on the Registered DM Supply Point Capacity on such Gas Flow Day.~~

## **2 1.2 Minimum capacity requirements**

**2.1 1.2.1** Subject to paragraph 5.2.8 a Registered DM Supply Point Capacity at a DM Supply Point:

- (a) shall not at any time be less than the highest Supply Meter Point Daily Quantity for any previous Gas Day within the Winter Period falling within that Gas Year; and
- (b) except within the Capacity Reduction Period or in accordance with paragraph 2.7.4(b), shall not upon the Supply Point Registration Date be less than, or thereafter be reduced below, the Prevailing Supply Point Capacity.

**2.2 1.2.2** For the purposes of the Code “**Capacity Reduction Period**” means the months of October, November, December and January in any Gas Year.

**2.3 1.2.3** At any time in the Gas Year:

- (a) the “**Preceding Year Maximum Capacity**” shall mean the amount which is the highest User SPDQ for any Day in the Preceding Year, but not exceeding the Maximum Supply Point Capacity, provided always that in respect of a DM Supply Point which is not a Seasonal Large Supply Point, the User SPDQ for each Day in the months of June to September inclusive shall be disregarded;
- (b) until the Gas Year which commences next after the first month of June which falls after the First Supply Point Registration Date there shall be no Preceding Year Maximum Capacity for a Supply Point which comprises New Supply Meter Point, and any Supply Meter Point which has become comprised in a DM Supply Point or a Supply Meter Point which has become a Class 1 or 2 Supply Meter Point; and
- (c) subject to paragraph 5.2.4, the “**Prevailing**” Supply Point Capacity in respect of a DM Supply Point is the Supply Point Capacity for the time being held by the Registered User.

**2.4** Where:

- (a) one of the Sharing Registered Users of a Shared Supply Meter Point applies to increase its Registered Supply Point Capacity at Supply Point which comprises such Supply Meter Point; and
- (b) another of such Sharing Registered Users applies to reduce its Registered Supply Point Capacity at such Supply Point with effect from the same date as, and by an

amount which does not exceed the amount of the increase applied for under paragraph (a)

(c) then paragraph 5.2.1 shall not apply in respect of the application under paragraph (b).

### **3 Review of Prevailing Supply Point Capacity**

**3.1** ~~1.2.4~~ At any time at which a Supply Point Offer is outstanding in respect of a Proposed Supply Point which is a DM Supply Point:

- (a) the Proposing User may before submitting a Supply Point ~~Confirmation-~~  
~~notify~~Confirmationnotify the CDSP that the User considers that the circumstances in paragraph 5.2.5 apply;
- (b) where a User so notifies the CDSP:
  - (i) the User shall at the same time provide to the CDSP details of the User's reasons for its view and of the Supply Point Capacity which the User considers should be the Prevailing Supply Point Capacity, and evidence therefor, which the CDSP shall provide to the Transporter;
  - (ii) the Transporter will consider the details and evidence provided by the User, and where it is reasonably satisfied that the circumstances in paragraph 5.2.5 do apply, will (after consultation with the User) notify the CDSP, who shall notify the User of a reduced Supply Point Capacity; and
  - (iii) if the User submits a further Nomination (for the purpose of this paragraph 5.2.4) in respect of the Proposed Supply Point, the reduced Supply Point Capacity under paragraph (ii) will be the Prevailing Supply Point Capacity for the purposes of the application of paragraph 2.7.3 in respect of any Supply Point Confirmation submitted by the User; and
- (c) where in the meantime the User has submitted a Supply Point Confirmation which has become effective, the User may by submitting a Supply Point Reconfirmation revise (consistently with such reduced Prevailing Supply Point Capacity) the Supply Point Capacity which it holds at the DM Supply Point, and (where the User does so) any Transportation Charges already invoiced and/or paid will be redetermined (but subject to paragraph 5.2.7) on the basis that the revised Supply Point Capacity was held with effect from the Supply Point Registration Date and appropriate invoicing adjustments made in accordance with Section S.

**3.2** ~~1.2.5~~ The circumstances referred to in paragraph 5.2.4 are that:

- (a) in applying for, or for an increase in, Supply Point Capacity, or in failing (in the Capacity Reduction Period) to apply for a reduction in Supply Point Capacity, an Existing Registered User acted either:
  - (i) in bad faith, in anticipation of or in consequence of the Proposing User's (or any other User's) Proposed Supply Point Registration; or
  - (ii) in good faith but in a manner which cannot reasonably be considered to have been commercially prudent for the Existing Registered User in the circumstances applicable to the Existing Registered User at the time; and

- (b) as a result, the Prevailing Supply Point Capacity is substantially higher than necessary.

3.3 ~~1.2.6~~ For the purposes of paragraph 5.2.5:

- (a) the circumstances therein described do not include a change, since the application by the Existing Registered User for Supply Point Capacity or (as the case may be) an increase therein or the Capacity Reduction Period, in the nature or extent of the consumer's requirements for the supply of gas;
- (b) where the consumer's consumption of gas is weather-dependent, it shall not be considered commercially imprudent for the Existing Registered User to have held Supply Point Capacity equal to 1-in-20 peak day demand.

3.4 ~~1.2.7~~ For the purposes of paragraph 5.2.4(c), no adjustment will be made in respect of any change in the Applicable Commodity Rate (where a function of Supply Point Capacity) in relation to any relevant Transportation Charge already invoiced or paid.

~~1.2.8 Where:~~

- ~~(a) one of the Sharing Registered Users of a Shared Supply Meter Point applies to increase its Registered Supply Point Capacity at Supply Point which comprises such Supply Meter Point; and~~
- ~~(b) another of such Sharing Registered Users applies to reduce its Registered Supply Point Capacity at such Supply Point with effect from the same date as, and by an amount which does not exceed the amount of, the increase applied for under paragraph (a)~~

~~then paragraph 5.2.1 shall not apply in respect of the application under paragraph (b).~~

4 ~~1.3~~ **Supply Point Offtake Rate**

4.1 ~~1.3.1~~ The "**Supply Point Offtake Rate**" in respect of a DM Supply Meter Point is the maximum instantaneous rate (in kWh/hour) at which a User is permitted to offtake gas from the Total System at that Supply Meter Point.

4.2 ~~1.3.2~~ A User shall apply for a Supply Point Offtake Rate or revised Supply Point Offtake Rate:

- (a) when submitting a Supply Point Nomination (as a Proposing User) in respect of a Proposed Supply Point which is a DM Supply Point;
- (b) when submitting a Capacity Revision Application (whether to increase or in the Capacity Reduction Period to reduce its Supply Point Capacity) in respect of a Registered DM Supply Point;
- (c) when changing the Class of a Supply Meter Point from Class 3 or 4 to Class 1 or 2 by way of a Supply Point Amendment; and
- (d) whenever the User becomes aware that the maximum offtake rate at a Registered DM Supply Point may be or has been subject to any increase or decrease;

4.3 ~~1.3.3~~ Wherever a User applies for a Supply Point Offtake Rate or a revised Supply Point Offtake Rate:

- (a) the User shall estimate the maximum offtake rate, in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care; and
- (b) the Supply Point Offtake Rate for which the User applies shall be not less than, nor substantially more than, such estimate.

4.4 ~~1.3.4~~ A User shall take all reasonable steps to secure that it becomes aware of any increase or decrease (whether by reason of a change in the size or nature of, or the nature of the use of, the Consumer's Plant or otherwise) in the maximum offtake rate before and (in any event) as soon as reasonably practicable after such increase or decrease occurs (without prejudice to paragraph 5.5.4(c) or Section J3.8).

4.5 ~~1.3.5~~ The Supply Point Offtake Rate prevailing at any time in respect of any DM Supply Point will be the Supply Point Offtake Rate specified in the Supply Point Offer, subject to any increase or decrease in such Supply Point Offtake Rate which has (at such time) been approved pursuant to paragraph 5.5.4.

4.6 ~~1.3.6~~ In this paragraph 5.3, the “**maximum offtake rate**” is the maximum instantaneous rate (in kWh/hour) at which gas is or is likely to be offtaken from the Total System at a Registered DM Supply Point.

4.7 ~~1.3.7~~ In relation to a DM Supply Point which comprises a Shared Supply Meter Point, the maximum offtake rate is to be determined as at the time of the expected greatest instantaneous rate of offtake in aggregate at all of the DM Supply Points which comprise such Shared Supply Meter Point.

## 5 ~~1.4~~ **Absolute requirement**

5.1 ~~1.4.1~~ A User's Supply Point Capacity in respect of a DM Supply Point shall not be greater than 24 times, or less than 4 times, the Supply Point Offtake Rate; provided that in the case of an NTS Supply Point the User's Supply Point Capacity shall be equal to 24 times the Supply Point Offtake Rate.

5.2 ~~1.4.2~~ The CDSP will reject any Supply Point Nomination in respect of a Proposed Supply Point which is also a DM Supply Point where the Nominated Supply Point Capacity and Supply Point Offtake Rate are not in compliance with paragraph 5.4.1.

5.3 ~~1.4.3~~ The CDSP will reject any Capacity Revision Application by the Registered User of a DM Supply Point where the Supply Point Offtake Rate (prevailing or applied for under paragraph 5.3.2(b)) and the increased or reduced Supply Point Capacity are not in compliance with paragraph 5.4.1.

5.4 ~~1.4.4~~ In relation to a DM Supply Point which comprises Shared Supply Meter Point, the requirements in paragraph 5.4.1 shall apply by reference to the aggregate Supply Point Capacity held and the aggregate of the Supply Point Offtake Rates in respect of all the DM Supply Points which comprise such Shared Supply Meter Point.

## 6 ~~1.5~~ **Other requirements**

6.1 ~~1.5.1~~ For the purposes of this Section G, in respect of a DM Supply Point:

- (a) the “**Maximum Supply Point Capacity**” is the quantity which (where it is necessary to do so under this Section G) the Transporter determines to be the maximum quantity



which it is feasible to make available for offtake in a 24 hour period at the DM Supply Point; and

- (b) the “**Maximum Supply Point Offtake Rate**” is the instantaneous rate of offtake (in kWh/hour) which (where it is necessary to do so under this Section G) the Transporter determines to be the maximum instantaneous rate at which it is feasible to make gas available for offtake at the DM Supply Point

in each case consistently with the requirements of paragraph 5.4.

[6.2](#) ~~1.5.2~~ The “**Provisional Maximum Supply Point Capacity**” in respect of a DM Supply Point (other than a Proposed Supply Point which comprises a New Supply Meter Point and other than an NTS Supply Point) is whichever is the lesser of:

- (a) 2 times the Prevailing Supply Point Capacity; and
- (b) 16 times the Supply Point Offtake Rate or (in the case of a Proposed Supply Point) Nominated Supply Point Offtake Rate.

[6.3](#) ~~1.5.3~~ Where a Proposing User submits a Supply Point Nomination (i) for an Existing Supply Point, in which the Nominated Supply Point Capacity exceeds the Provisional Maximum Supply Point Capacity, or the Nominated Supply Point Offtake Rate exceeds the Supply Point Offtake Rate for the Existing Supply Point, or (ii) for a Supply Point comprising a New Supply Meter Point:

- (a) a Supply Point Offer will not be made until the CDSP has notified the Transporter and the Transporter has assessed whether it is feasible to make available gas for offtake at the Nominated Supply Point Offtake Rate or (in a 24 hour period) in the amount of the Nominated Supply Point Capacity and the Transporter has notified the CDSP of its assessment;
- (b) where the Transporter determines that the Nominated Supply Point Capacity exceeds the Maximum Supply Point Capacity, the Supply Point Capacity specified in the Supply Point Offer will be the Maximum Supply Point Capacity; and
- (c) where the Transporter determines that the Nominated Supply Point Offtake Rate exceeds the Maximum Supply Point Offtake Rate, the Supply Point Offtake Rate specified in the Supply Point Offer will be the Maximum Supply Point Offtake Rate

[6.4](#) ~~1.5.4~~ Where the Registered User of a DM Supply Point (i) submits a Capacity Revision Application (for an increase) in which the increased Supply Point Capacity exceeds the Provisional Maximum Supply Point Capacity, or the Supply Point Offtake Rate (applied for under paragraph 5.3.2(b)) exceeds the prevailing Supply Point Offtake Rate, or (ii) applies for an increased Supply Point Offtake Rate pursuant to paragraph 5.3.2(c):

- (a) the application will not be approved until the CDSP has notified the Transporter and the Transporter has assessed whether it is feasible to make available gas for offtake at the proposed Supply Point Offtake Rate or (in a 24 hour period) in the amount of the proposed Supply Point Capacity and the Transporter has notified the CDSP of its assessment;
- (b) where the Transporter determines that the increased Supply Point Capacity applied for exceeds the Maximum Supply Point Capacity, the application will be approved (if otherwise approved under this paragraph 5) for the Maximum Supply Point Capacity;



- (c) where the Transporter determines that the proposed Supply Point Offtake Rate exceeds the Maximum Supply Point Offtake Rate, the application will be approved (if otherwise approved under this paragraph 5, where relevant) for the Maximum Supply Point Offtake Rate.

[6.5](#) ~~1.5.5~~ Where, following the occurrence of a Supply Point Ratchet in relation to a DM Supply Point, the sum of the Capacity Ratchet Amount and the User's Registered Supply Point Capacity would exceed the Provisional Maximum Supply Point Capacity the CDSP will inform the Transporter:

- (a) with effect from the following Day, and until the Transporter has assessed whether it is feasible to make available gas for offtake (in a 24 hour period) in the amount of such sum, the Ratchetted Supply Point Capacity shall be equal to the Provisional Maximum Supply Point Capacity;
- (b) with effect from the time at which the Transporter has assessed such feasibility and notified the CDSP, the Ratchetted Supply Point Capacity shall be equal to the lesser of:
  - (i) the Maximum Supply Point Capacity; and
  - (ii) the sum of the User's Registered Supply Point Capacity (immediately before the Supply Point Ratchet) and the Capacity Ratchet Amount; and
- (c) the CDSP will inform the Registered User of the Ratchetted Supply Point Capacity determined under paragraph (b) as soon as reasonably practicable after such feasibility was assessed by the Transporter and notified to the CDSP.

[6.6](#) ~~1.5.6~~ In relation to a DM Supply Point which comprises a Shared Supply Meter Point, this paragraph 5.5 and paragraph 6.5.3 shall apply by reference to the aggregate of the Supply Point Capacities and Supply Point Offtake Rates, and the rates and quantities at and in which it is feasible to make gas available for offtake in aggregate, at or in respect of the DM Supply Points which comprise such Shared Supply Meter Point; and accordingly any determination pursuant to this paragraph 5.5 or paragraph 6.5.3 will be made by reference to the expected increment in the aggregate offtake of gas from the Total System at the relevant Shared Supply Meter Point.

## [7](#) Capacity Revision Application

[7.1](#) Subject to the provisions of this paragraph 5, the Registered User of a DM Supply Point may apply to reduce or increase its Registered DM Supply Point Capacity by making a Capacity Revision Application to the CDSP.

[7.2](#) An application ("Capacity Revision Application") to revise (by increasing or decreasing) Registered DM Supply Point Capacity shall specify:

- [\(a\)](#) the Supply Point Registration Number;
- [\(b\)](#) the Supply Meter Point Reference Number of the Supply Meter Point, comprised in the Supply Point;
- [\(c\)](#) the revised Supply Point Capacity and (in accordance with paragraph 5.3.2) Supply Point Offtake Rate;

- (d) the date in accordance with paragraph 5.1.5 with effect from which the revision is to take effect;
- (e) whether a Compressor or Booster will be installed in respect of such Supply Point; and
- (f) the identity of the relevant Registered User making the Capacity Revision Application and the telephone number and email address of its contact representative.

7.3 The date under paragraph 5.1.4(d) shall be:

- (a) except in paragraph (b), 5 Supply Point Systems Business Days; or
- (b) where it will (in accordance with paragraph 5.5) be necessary for the Transporter to assess the feasibility of making gas available for offtake, 21 Supply Point Systems Business Days.

after the date upon which the application is submitted.

7.4 A User may withdraw a Capacity Revision Application by notice to the CDSP not less than 2 Supply Point Systems Business Days before the date specified pursuant to paragraph 5.1.4(d).

7.5 The CDSP will reject a Capacity Revision Application or an application (in accordance with paragraph 5.3.2) for a revised Supply Point Offtake Rate:

- (a) in the case of a Capacity Revision Application, where the requirements of paragraph 5.1.4 are not complied with,
- (b) where any other requirement of this paragraph 5 is not complied with, or in accordance with any provision of this paragraph 5 which provides for such rejection;
- (c) in respect of a Seasonal Large Supply Point, if it is not in compliance with Section B4.9; or
- (d) in the case of an application for an increase in Supply Point Capacity where instructed to do so by the Transporter in accordance with Section V3

and where the CDSP does not reject the application under paragraphs (a), (b) or (c) it shall notify the Transporter of the application.

7.6 Subject to paragraph 5.1.7, the CDSP will approve a Capacity Revision Application or (pursuant to paragraph 5.3.2) an application for a revised Supply Point Offtake Rate, and will inform the Registered User where such application is approved by the Transporter and notified to the CDSP.

## **8 Feasibility Assessment**

8.1 For the purposes of assessing the feasibility of making gas available for offtake, the Transporter may request the Registered User to provide any of the following information:

- (a) the proposed Annual Load Profile and Daily Load Profile;
- (b) the date from which the load profile is required;

and following such request the Registered User shall promptly provide the same to the Transporter.

8.2 Where it is necessary for the Transporter to assess the feasibility of making gas available for offtake in accordance with paragraph 5.1.5(b), the Transporter will no later than the 18th Supply Point Systems Business Day following the date of receipt of the Capacity Revision Application by the CDSP notify the CDSP whether to approve or reject the application.

8.3 Where requested by the Transporter, for the purpose of enabling the Transporter to assess the Capacity Revision Application, the Registered User will promptly procure permission for the Transporter to visit the premises at which the DM Supply Point is situated and access thereto.

8.4 Requests for information by the Transporter in accordance with paragraph 5.1.9 and provision of information by the Registered User in accordance with paragraph 5.1.4(e) and 5.1.4(f) shall be communicated by facsimile or email.

8.5 For the purposes of paragraph 5.1:

(a) “Annual Load Profile” is the quantity (in MWh) of gas which it is anticipated will be offtaken at the DM Supply Point for each month of the Gas Year so as to show the within year variation of demand on a monthly basis.

(b) “Booster” is a device (typically a centrifugal fan arrangement), located downstream of the outlet of the customer control valve, used to raise the pressure of gas by up to 200 mbar across the device.

(c) “Compressor” is a device (typically a reciprocating or screw type arrangement), located downstream of the outlet of the customer control valve on the service pipe, used to raise the pressure of gas by up to 40 mbar across the device.

(d) “Daily Load Profile” is the rate (in kWh/hour) at which it is anticipated that gas will be offtaken at the DM Supply Point for each hour within the Day so as to show the within day variation of demand on an hourly basis.

## 9 Capacity reduction

9.1 In the event of:

(a) a User applying for and the Transporter approving a Capacity Revision Application resulting in a decrease in the Registered DM Supply Point Capacity (“the Initial Capacity Reduction”); and

(b) within the same Gas Year as such Capacity Revision Application the same User applies for and the CDSP approves any further Capacity Revision Applications which increase the Registered DM Supply Point Capacity

then the User will pay the Capacity Reconciliation Charge on receipt of an Ad-hoc Invoice in accordance with section S.

9.2 Subject to paragraphs 5.1.16 and 5.1.17, the Capacity Reconciliation Charge (or “CRC”) will be calculated as follows:

$$\text{CRC} = (C_{(\text{new})} - C_{(\text{prev})}) * D * F$$

Where:

$C_{(new)}$  is the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge, as calculated based on the increased Registered DM Supply Point Capacity level booked in respect of a Gas Flow Day provided that such amount shall not exceed the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge in respect of the Gas Flow Day preceding the Initial Capacity Reduction; and

$C_{(prev)}$  is the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge, as calculated based on the prevailing level of capacity the Gas Flow Day before the new increase in the Registered DM Supply Point Capacity takes effect; and

D subject to paragraph 5.1.17 is the number of Days between the Gas Flow Day on which the Registered DM Supply Point Capacity is increased and the Gas Flow Day on which the Initial Capacity Reduction occurred; and

F is an “incentive Factor” and shall be equal to 1 (one).

9.3 No CRC shall be payable by the User in respect of any capacity which is in excess of the Registered DM Supply Point Capacity on the Gas Flow Day preceding the Initial Capacity Reduction.

9.4 Where, within a Gas Year:

(a) a User has applied for and the Transporter has approved multiple Capacity Revision Applications reducing the Registered DM Supply Point Capacity, in the event of the Transporter approving a Capacity Revision Application increasing the Registered DM Supply Point Capacity the CRC shall be calculated on a daily basis in respect of each Gas Flow Day following the Initial Capacity Reduction until the Capacity Revision Application increasing the Registered DM Supply Point Capacity. Such daily CRC sums shall be aggregated. No CRC shall be payable in respect of any Gas Flow Day on which the Registered DM Supply Point Capacity exceeds the increased Registered DM Supply Point Capacity.

(b) a User applies for and the Transporter approves more than one Capacity Revision Application increasing the Registered DM Supply Point Capacity then on each increase the CRC shall be recalculated on a daily basis in respect of each Gas Flow Day following the Gas Flow Day on which the Initial Capacity Reduction occurred until the most recent Capacity Revision Application increasing the Registered DM Supply Point Capacity. Such daily CRC sums shall be aggregated and any payments already made by the User in respect of CRC for any Gas Days falling within such period shall be deducted from the revised amount due to the Transporter.

9.5 For the purpose of the calculation of CRC on a particular Gas Flow Day pursuant to paragraph 5.1.17, D shall be 1 and  $C_{(prev)}$  is the aggregate of the LDZ Capacity Charge and the Capacity Variable Component of the Customer Charge, as calculated based on the Registered DM Supply Point Capacity on such Gas Flow Day.

10 ~~4.6~~ Maximum NDM offtake rate

10.1 ~~4.6.1~~ This paragraph 5.6 applies in respect of NDM Supply Points.

[10.2](#) ~~4.6.2~~ Where the Registered User becomes aware that (as a result in any change in the extent or nature of the consumer's requirements for consumption of gas) there will be or there has been a threshold rate increase in respect of an NDM Supply Point whose Annual Quantity exceeds 732,000 kWh (25,000 therms) paragraph 5.6.5 shall apply.

[10.3](#) ~~4.6.3~~ For the purposes of this paragraph 5.6, a “**threshold rate increase**” is an increase in the maximum rate at which gas is from time to time offtaken from the Total System at the NDM Supply Point of more than:

- (a) where the Annual Quantity does not exceed 2,196,000 kWh (75,000 therms), 100 kW;
- (b) where the Annual Quantity exceeds 2,196,000 kWh (75,000 therms), 300 kW.

[10.4](#) ~~4.6.4~~ The Registered User shall take all reasonable steps to secure that it is made aware of any threshold rate increase before such increase occurs.

[10.5](#) ~~4.6.5~~ In the circumstances in paragraph 5.6.2, the Registered User shall:

- (a) notify the CDSP (who shall notify the Transporter) not less than 21 Supply Point Systems Business Days before the first time at which the threshold rate increase will occur, or if later as soon as possible after becoming aware of such increase, providing reasonable details of the amount of or reason for the increase;
- (b) take reasonable steps to secure that no threshold rate increase, or no further offtake at the rate of the threshold rate increase, occurs until such time as the Transporter has notified the CDSP that it should either:
  - (i) provide to the User the notice referred to in paragraph (c); or
  - (ii) notify the User that it is feasible to make gas available for offtake at the Supply Point at the increased rate notified under paragraph (a); and
- (c) where the CDSP notifies to the User a rate which the Transporter determines as being the maximum instantaneous rate at which it is feasible to make gas available for offtake at the Supply Point, secure that the rate of offtake of gas does not exceed such rate.

[10.6](#) ~~4.6.6~~ The Transporter will not be obliged under any provision of the Code to make gas available for offtake at an NDM Supply Point at any rate in excess of a rate in respect of which the requirements of this paragraph 5.6 have been complied with.

## [11](#) ~~4.7~~ Supply Point Offtake Rate Review Process

[11.1](#) ~~4.7.1~~ In accordance with this paragraph 5.7, Transporters and Users undertake, in relation to DM Supply Points, to annually review the Supply Point Offtake Rate at a DM Supply Point (the “**SPOR Review Process**”).

[11.2](#) ~~4.7.2~~ The relevant Transporter, in respect of a DM Supply Point which is also a LDZ Supply Point, shall provide to the Registered User of the DM Supply Point, prior to the last Supply Point Systems Business Day in April of each Gas Year, an annual report, detailing the information specified in paragraph 5.7.3 (the “**Transporter SPOR Report**”).

[11.3](#) ~~4.7.3~~ The Transporter SPOR Report shall be compiled in April of each Gas Year and shall specify (where the data is available and where the Transporter considers appropriate) for each DM Supply Point:

- (a) the existing Supply Point Offtake Rate for the time being held by the Registered User (the “**Existing Supply Point Offtake Rate**”);
- (b) the single highest hourly offtake rate (in kWh/hour) recorded at the DM Supply Point during a period covering the months from October to March (inclusive) during the current Gas Year;
- (c) the Meter Point Reference Number;
- (d) the Supply Point Reference Number;
- (e) the address details; and
- (f) any further information relating to the DM Supply Point that the Transporter considers would assist the Registered User during the SPOR Review Process.

[11.4](#) ~~4.7.4~~ On receipt of the Transporter SPOR Report, the Registered User will enter into discussions with the relevant consumer or consumer’s representative at each DM Supply Point and will endeavour to discuss the information detailed within the Transporter SPOR with a view to propose an appropriate Supply Offtake Rate (“**Proposed Supply Offtake Rate**”) which is reflective of consumer requirements at the DM Supply Point.

[11.5](#) ~~4.7.5~~ For each DM Supply Point specified on the Transporter SPOR Report the Registered User shall provide to the relevant Transporter, prior to the last Supply Point Systems Business Day in July of each Gas Year, a report specifying:

- (a) the Proposed Supply Point Offtake Rate; and
- (b) where the Proposed revised Supply Point Offtake Rate is:
  - (i) less than or greater than the single highest hourly offtake rate provided to the Registered User in accordance with paragraph 5.7.3(b); or
  - (ii) is the same as the Existing Supply Point Offtake Rate provided to the Registered User in accordance with paragraph 5.7.3(a);

the reason or reasons (communicated to the User by the consumer) for this difference (the “**Registered User SPOR Report**”).

[11.6](#) ~~4.7.6~~ Where the Proposed Supply Point Offtake Rate specified under paragraph 5.7.5(a) is different to the Existing Supply Point Offtake Rate, the Registered User shall amend the Existing Supply Point Offtake Rate by applying for a revised Supply Point Offtake Rate in accordance with paragraph 5.3.2(b), prior to the last Supply Point Systems Business Day in August in the Gas Year, save for where a reduction in the Supply Point Capacity is also required at the DM Supply Point, then the Registered User shall apply for a revised Supply Point Offtake Rate in accordance with paragraph 5.3.2(b) during the period from 1 October to 31 January (inclusive) of the following Gas Year)

[11.7](#) ~~4.7.7~~ The CDSP will reject any Proposed Supply Point Offtake Rate by the Registered User of a DM Supply Point where the Supply Point Offtake Rate applied for under paragraph 5.3.2(b)

and the increased or reduced Supply Point Capacity are not in compliance with paragraph 5.4. For these purposes the Supply Point Offtake Rate shall remain unchanged, however shall be subject to the SPOR Review Process in the following Gas Year.

## **12** ~~4.8~~ CSEP Supply Meter Points

12.1 ~~4.8.1~~ In this paragraph 5 references to Supply Points (and classes thereof) include CSEP Supply Points (and the corresponding classes thereof).

12.2 ~~4.8.2~~ For the purposes of this paragraph 5, in relation to a CSEP Supply Point:

- (a) reference to consumer, or premises, or any device or equipment, is to the consumer, premises, or device or equipment at the IGTS Supply Point;
- (b) a reference to the offtake, or rate of offtake of gas (including the rate or maximum rate at which gas is or is likely to be offtaken) from the Total System is to the offtake or rate of offtake from the IGT System at the IGTS Supply Point;
- (c) references to the feasibility of making gas available for offtake at a CSEP Supply Point shall be construed as though the CSEP Supply Point were a single Individual System Exit Point (but taking account of all other offtake of gas at the Unmetered Connected System Exit Point).

12.3 ~~4.8.3~~ For the purposes of this paragraph 5, in relation to a CSEP Supply Point:

- (a) references to a Supply Point Nomination or Supply Point Confirmation or related matters are to the equivalent things provided (pursuant to IGTSAD Section E3.1) in the IGT Code;
- (b) it is acknowledged that (in relation to a Supply Point Nomination or Supply Point Confirmation or related matter) the User will (as IGTS User) communicate with the Independent Gas Transporter, and the Independent Gas Transporter will communicate with the Transporter; and (pursuant to the requirements of IGTSAD Section E) the provisions (in relation to Supply Point Capacity and Supply Point Offtake Rate at a DM CSEP Supply Point) of paragraphs 2 and 5 will be given effect;
- (c) in the case of a Capacity Revision Application which does not involve a Supply Point Nomination, and for the purposes of paragraphs 5.6 and 5.7, the User will communicate directly with the Transporter.

## **13** Siteworks Specified Capacity, etc

13.1 The Siteworks Terms and Procedures allow for the Siteworks Contract to specify (at the request of the Siteworks Applicant):

- (a) a Supply Point or (without prejudice to the requirements of this Section G for submission of a Supply Point Nomination and/or Supply Point Confirmation) a Proposed Supply Point, in which the Supply Meter Point or New Supply Meter Point subject to the request for Siteworks is or is to be comprised; and
- (b) in relation to such Supply Point:



- (i) in the case of an LDZ DM Supply Point, an amount of Supply Point Capacity and/or a Supply Point Offtake Rate (but without prejudice to the requirement subsequently to apply therefor);
- (ii) in the case of an NDM Supply Point, a threshold rate increase (in accordance with Section B5.6.3(b));
- (iii) a request that the Firm Transportation Requirement be satisfied in respect of an amount of Interruptible Supply Point Capacity

following such Siteworks.

13.2 For the purposes of this Section G, in respect of any Siteworks a Supply Point, Supply Point Capacity, Supply Point Offtake Rate, threshold rate increase or Firm Transportation Requirement (as the case may be) is “Siteworks Specified” where it is specified in a Siteworks Contract as described in paragraph 7.4.1

13.3 Where in respect of an LDZ Supply Point:

- (a) a User submits (in accordance with paragraph 2.3), not later than the Target Completion Date or such later date as the Transporter shall have agreed (for the purposes of this paragraph) with the Siteworks Applicant, a Supply Point Nomination in respect of a Siteworks Specified Proposed Supply Point which comprises a New Supply Meter Point;
- (b) the Nominated Supply Point Capacity or Nominated Supply Point Offtake Rate does not exceed the Siteworks Specified Supply Point Capacity or Supply Point Offtake Rate

the Offered Supply Point Capacity or Supply Point Offtake Rate (in respect of the DM Supply Point) under a Supply Point Offer will be equal to the Nominated Supply Point Capacity or (as the case may be) Supply Point Offtake Rate.

13.4 In the case of an LDZ Supply Point where a User applies, not later than the Target Completion Date or such later date as the Transporter shall have agreed (for the purposes of this paragraph 7.4.4) with the Siteworks Applicant, for increased Supply Point Capacity or an increased Supply Point Offtake Rate (in accordance with paragraph 5) at a Siteworks Specified Supply Point, which does not exceed the Siteworks Specified Supply Point Capacity or (as the case may be) Supply Point Offtake Rate, the Transporter will (subject to the provisions of the Code) accept such application.

13.5 Where a User notifies (in accordance with paragraph 5.6.5(a)), not later than the Target Completion Date or such other date as the Transporter shall have agreed (for the purposes of this paragraph 7.4.5) with the Siteworks Applicant, a threshold rate increase of not more than the Siteworks Specified threshold rate increase, the Transporter will give to the User the notification described in accordance with Section B5.6.5(b)(ii).

13.6 Where a User requests (in accordance with paragraph 6.5), not later than the Target Completion Date or such other date as the Transporter shall have agreed (for the purposes of this paragraph 7.4.6) with the Siteworks Applicant, that Siteworks Specified Interruptible Supply Point Capacity be redesignated Firm in accordance with the Siteworks Specified Firm Transportation Requirement, the Transporter will accept such request.

13.7 A Siteworks Applicant may (subject to the Siteworks Terms and Procedures) request any Siteworks without at the same time requesting Siteworks for any reinforcement of a System that may be required to make it feasible to make gas available for offtake at any relevant Supply Meter Point; and accordingly, except to the extent expressly provided in this paragraph 7.4, the fact that the Transporter has entered into a Siteworks Contract or undertaken any Siteworks (for a New Supply Meter Point or otherwise) shall not commit the Transporter to accept a Supply Point Nomination or Supply Point Confirmation for any particular Nominated Supply Point Capacity or Supply Point Offtake Rate, nor any application for Supply Point Capacity or Supply Point Offtake Rate, or an increase therein, made by any User at any DM Supply Point nor a notification by any User of any particular threshold rate increase at any NDM Supply Point.

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