

**MODIFICATION 0432 – NON CORE DRAFTING FOR TPD SECTIONS B, E, J, N, Q, S, V & X AND
OAD SECTION H**

TRANSPORTATION PRINCIPAL DOCUMENT

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TPD Section B: System Use and Capacity

TPD Section E: Daily Quantities, Imbalances and Reconciliation

3.5.2 Paragraph 3.5.1 shall not apply in a case to which Standard Condition 7(5) of National Grid NTS's Transporter's Licence applies; and further, to give effect to that Condition (insofar as it relates to Energy Balancing Charges payable by Users):

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(a) National Grid NTS may pay to the Registered User, in respect of gas which has been or will be treated (pursuant to the Code) as offtaken by the User but is to be treated (pursuant to that Condition) as not having been taken out of the Total System, an amount estimated by National Grid NTS to be the amount which has been or will be payable by way of Reconciliation Clearing Charges in respect of such quantity of gas; and

(b) Users acknowledge that it is not feasible to make any adjustment (beyond what is provided for in paragraph (a)) in respect of any amount by which such gas may have contributed to the User's Daily Imbalance for or Energy Balancing Charges payable in respect of any Day.

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4.1.3 The Unauthorised Gas Flow shall not be taken into account and shall not be treated as an UDQI or UDQO for the purposes of determining the User's Daily Imbalance under paragraph 5, and shall not be a relevant UDQI or relevant UDQO for the purposes of determining Balancing Neutrality Charges under Section F4 or for the purposes of calculating the UDQI under Section B3.5.5..

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TPD Section J: Exit Requirements

3.1.3 For the purposes of this Section J:

(a) references to quantities of gas offtaken on a Day at a Class 1 or Class 2 Supply Meter Point are to the quantities determined to have been offtaken pursuant to Section [H2];

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(b) no adjustments to any amount, payment or quantity ascertained under this Section J shall be made by reason of Offtake Reconciliation;

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- (c) references to quantities of gas offtaken on a Day at an Inter-System Offtake are to the quantities determined to have flowed pursuant to the measurement provisions contained in the Network Exit Provisions (and not, for the avoidance of doubt, by reference to quantities treated as offtaken by Shipper Users from the downstream System pursuant to Section E).

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5.6.1 Where in accordance with the Network Exit Agreement preheating equipment is installed (whether or not pursuant to paragraph at a NExA Supply Meter Point:

- (a) the point at which gas is offtaken from the Total System for consumption by such preheating equipment shall be a Supply Meter Point (in respect of which the Network Exit Agreement shall specify the point of offtake for the purposes of paragraph 3.7.1);
- (b) Transporter Daily Read Equipment will be installed at such Supply Meter Point (which shall accordingly be a Class 1 Supply Meter Point);
- (c) such Supply Meter Point shall be treated for all purposes of the Code as comprised in the same Supply Point as the NExA Supply Meter Point; and
- (d) the gas offtaken from the Total System at such Supply Meter Point shall for all purposes of the Code be treated as offtaken by the Registered User or Sharing Registered Users.

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TPD Section N: Shrinkage

4.5 Reconciliation

Following Offtake Reconciliation in respect of an NTS Supply Meter Point or NTS Connected System Exit Point:

- (a) for the purposes of Section F5.1.1, where the Reconciliation Quantity:
 - (i) is positive, the seller is the User and the buyer is the NTS Shrinkage Provider;
 - (ii) is negative, the seller is the NTS Shrinkage Provider and the buyer is the User; and
- (b) where the Reconciliation Clearing Charges are payable:
 - (i) to the User, they shall be payable by the NTS Shrinkage Provider;
 - (ii) by the User, they shall be payable to the NTS Shrinkage Provider.

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TPD Section Q: Emergencies

4.1.1 In respect of each Day or part of a Day during a Gas Deficit Emergency at Stage 2 and higher:

- (a) the provisions of:
 - (i) Section B as to Overrun Charges, LDZ CSEP Overrun Charges and Supply Point Ratchets will not apply;

- (ii) Section B2 as to Daily NTS Entry Capacity, Interruptible NTS Entry Capacity, surrender of NTS Entry Capacity and the curtailment of NTS Entry Capacity shall not apply;
- (iii) Section B3 and Annex B-2 as to Daily NTS Exit (Flat) Capacity, the surrender of NTS Exit (Flat) Capacity the curtailment of NTS Exit (Flat) Capacity and offtake reductions shall not apply;

(and in relation to the first such Day or part of a Day, amounts payable pursuant to the application of those paragraphs on the Preceding Day shall not be payable);

- (b) the provisions of paragraph 3.2.2, shall apply in relation to the application of Section D;
- (c) Section F2 will apply on the basis in paragraph 4.2; Section F3 will not apply (so that no Scheduling Charges will be payable); Section F4 will apply, modified in accordance with paragraph 4.2 (and in consequence of the provisions of this paragraph 4.1.1); and Section F5 will apply;
- (d) Section I3.10 (as to rates of delivery of gas) will not apply, and where the Transporter requests or permits the delivery of gas to the Total System which does not comply with the applicable Gas Entry Conditions, Section I3.4 will not apply; and
- (e) the provisions of Sections G and M as to payments by the Transporter to Users in respect of the performance or failure to perform the Transporter's obligations under those Sections will not apply to the extent any failure in such performance results from the Gas Supply Emergency or the taking of Emergency Steps.

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TPD Section S: Invoicing and Payment

1.1.3 For the purposes of this Section S:

- (a) subject to paragraph 2.5.3, a "**Billing Period**" is a calendar month; provided that in relation to a Reconciliation Invoice the Billing Period is the Reconciliation Billing Period;
- (b) a "**Billing Day**" is a Day in a Billing Period;
- (c) an "**Invoice Document**" is an invoice document submitted by the Transporter to a User pursuant to this Section S;
- (d) "**Invoice Item**" is an item (in respect of all charges of a particular kind) shown as payable by the Transporter or by a User in an Invoice Document (including where relevant a self-bill amount in accordance with paragraph 1.1.4);
- (e) the "**Invoice Amount**" in relation to an Invoice Item is the amount shown as payable by the User or the Transporter in respect of that item under the relevant Invoice Document;
- (f) a "**Reconciliation Billing Period**" is the period of one month (or in the event of a change in the last reconciliation day a shorter or longer period) ending on the last reconciliation day; for which purposes the last reconciliation day is the Day of the month (not more than 8 Business Days before the prevailing date on which the relevant Reconciliation Invoice is to be submitted pursuant to paragraph 1.4), from time to time advised by the Transporters to Users as being the last Day on which the

Transporters are able to undertake calculations of Offtake Reconciliation for inclusion in the next Reconciliation Invoice to be submitted.

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1.6.2 Where:

- (a) any amount has been included in any Adjustment Neutrality Amount or Adjustment Reconciliation Neutrality Amount pursuant to Section F4.5.3(a)(ii) by reason of any amount (as therein referred to) being unpaid by a User;
- (b) any Value Added Tax (unpaid by the User) in respect of the unpaid charge was also so included; and
- (c) National Grid NTS, having accounted for the unpaid Value Added Tax, subsequently recovers any amount from the relevant authorities in respect of the unpaid Value Added Tax
- (d) the amount which was so recovered in respect of Value Added Tax will be included as an additional Monthly Adjustment Neutrality Revenue for the purposes of Section F4.5.3(b) in the month in which it is paid to National Grid NTS.

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1.10 Where any Energy Balancing Charge has been invoiced and, upon the resolution of an Invoice Query or pursuant to paragraph 1.8.1 or (unless expressly otherwise provided) following a Code Modification or otherwise, any adjustment is subsequently made in respect of such Energy Balancing Charge, any amount payable by National Grid NTS to a User or by a User to National Grid NTS pursuant to such adjustment shall be (a) except as provided in paragraph 0, an additional Monthly Adjustment Neutrality Cost, or (as the case may be) an additional Monthly Adjustment Neutrality Revenue for the purposes of Section F4.5.3(a) or (b) in respect of the month(s) to which the adjustment relates; and

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- (b) where the relevant Energy Balancing Charge was a Reconciliation Clearing Charge other than in respect of an NTS System Exit Point or a Reconciliation Neutrality Charge, included when determining the Aggregate Reconciliation Clearing Value for the purposes of Section E7.1.2(d) for the Reconciliation Billing Period in which the adjustment was determined.

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Annex S-1

5 Balancing Invoice

A "**Balancing Invoice**" is an Invoice Document in respect of the following Invoice Items:

- (a) Market Balancing Action Charges in respect of Market Balancing Sell Actions;
- (b) Daily Imbalance Charges in respect of which National Grid NTS is the seller;
- (c) Scheduling Charges - Input;
- (d) Scheduling Charges - Output;

- (e) Balancing Neutrality Charges;
- (f) Not used;
- (g) Reconciliation Neutrality Charges - Offtake Reconciliation for Unmetered Connected System Exit Points;
- (h) Reconciliation Neutrality Charges - Offtake Reconciliation for Metered Connected System Exit Points;
- (i) Market Balancing Action Charges in respect of Market Balancing Buy Actions (a self-bill amount);
- (j) Daily Imbalance Charges in respect of which the User is the seller (self-bill amount);
- (k) Physical Renomination Incentive Charges; and
- (l) Total Incentivised Nomination Charges.

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6 Reconciliation Invoice

A "Reconciliation Invoice" is an Invoice Document in respect of the following Invoice Items:

- (a) Reconciliation Clearing Charges; and
- (b) Reconciliation Transportation Charge Adjustments in respect of the NTS Exit Commodity Charge, the LDZ Commodity Charge and the Commodity Variable Component of Customer Charges.

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TPD Section V: General

6.5.2 The "Transporter Agency Activities" are:

- (a) those activities necessary for:
 - (i) the determination for each Gas Year of the Annual Quantity in respect of Supply Meter Points in accordance with Section G;
 - (ii) the maintenance of the Supply Point Register and the performance of the Transporter's obligations in relation thereto in accordance with Section G;
 - (iii) the generation of Supply Meter Point Reference Numbers;
 - (iv) the performance of the Transporter's obligations in relation to demand estimation in accordance with Section H, including the derivation of the Composite Weather Variable, the development of Demand Models and End User Categories, the determination of Class 3 or Class 4 Supply Meter Point Demand and NDM Annual Quantities in respect of a Gas Year and daily demand forecasting;
 - (v) the validation of Meter Readings in accordance with Section M;
 - (vi) the notification by a Transporter of the failure to obtain a Valid Meter Reading in accordance with Section M5;

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- (vii) the calculation of Invoice Amounts, the submission of Invoice Documents and the resolution of Invoice Queries in accordance with Section S;
- (viii) the implementation by the Transporters of Section U;
- (ix) the admission and termination of Shipper Users in accordance with Sections V2 and V4;
- (x) the implementation by National Grid NTS of Section X;
- (b) the performance of the Transporter's obligations in Code in relation to:
 - (i) the illegal taking of gas;
 - (ii) the receiving and processing data to enable quantities of gas to be allocated to Users at NExA Supply Meter Points and Connected System Exit Points;
- (c) the transmission and receipt of Code Communications for the purposes referred to in paragraphs (a) and (b); and
- (d) the provision, operation, maintenance and development of computer systems;
- (e) to support the implementation of Sections B, C, D, E, F, G, H, M, S, U and X;
- (i) to the extent not covered in paragraph (i), for the purposes of supporting the implementation of the matters referred to in paragraphs (a), (b) and (c).¹

12.1 Purpose

The purpose of this Section is to establish generic governance arrangements in respect of the following UNC Related Documents (each a "Document" and collectively the "Documents"):

- (a) Network Code Operations Reporting Manual as referenced in Section V9.4;
- (b) Network Code Validation Rules referenced in Section M5.3.3;
- (c) ECQ Methodology as referenced in Section Q6.1.1(c); and
- (d) Measurement Error Notification Guidelines for NTS to LDZ and LDZ to LDZ Measurement Installations as referenced in OAD Section D3.1.5.
- (e) the Allocation of Unidentified Gas Document referenced in Section E9.1.1.

Annex V-8

¹ Query existing text.

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9.5 . Aggregate NDM Reconciliation Auditor

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9.5.1 . Subject to paragraphs 9.5.3 and 9.5.4 the Transporters will appoint in accordance with paragraph 9.6 a person eligible for appointment as a company auditor (within the meaning of Part II of the Companies Act 1989) to conduct a review (after the relevant period) of whether, in the opinion of such person, in each relevant period, the Transporter has complied in all material respects with applicable provisions of the Code. -
9.5.2 . For the purposes of these paragraphs 9.5 to 9.7: -

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Deleted: the person appointed under paragraph 9.5.1 in respect of the relevant period shall be the "RbD Auditor"; and -

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Deleted: "relevant period" means each Gas Year or any other period (whether shorter or longer than a Gas Year) proposed by the Transporters after consultation with the Uniform Network Code Committee or any relevant Sub-committee where the Authority (upon the Transporters' application) gives condition A11(18) Approval to the Transporters implementing paragraphs 9.5 to 9.7 on the basis of such other period. -
9.5.3 . An RbD Auditor may not be appointed for a relevant period where the Uniform ... [1]

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Deleted: without prejudice to paragraph (b), the RbD Auditor shall agree to permit a representative of each User to attend a meeting of the Uniform Network Code Committee or any relevant Sub-committee at which the RbD ... [2]

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9.6.3 . A copy of the RbD auditor's report ... [3]

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The Transporter will provide to the Registered User, in respect of any Supply Meter at a Supply Meter Point comprised in a relevant Supply Point during the relevant period, the following details:

- (a) each Meter Reading held by the Transporter and the date of the Meter Reading, including:
 - (i) in respect of each meter or convertor exchange at the Supply Meter Point during the relevant period, the date of the meter or convertor exchange, the closing meter reading for the old Supply Meter and the first meter reading for the new Supply Meter or convertor;
 - (ii) in respect of each Supply Point Registration in relation to the Supply Meter Point during the relevant period, the Opening Meter Reading provided to the Transporter (pursuant to TPD Section [M5.13.3](#)) or estimated Reading (determined pursuant to TPD Section [M5.13.8](#)) and any Meter Readings provided to the Transporter under TPD Section [M5](#) and the date of such Meter Reading;
 - (iii) in respect of Opening Meter Readings, where installed, the converted and unconverted reading of the convertor;
 - (iv) whether the Meter Reading triggered a User Suppressed Reconciliation Value or a Suppressed Reconciliation Value; and
- (b) in relation to the Supply Meter:
 - (i) the model name;
 - (ii) meter serial number, dials and digits;
 - (iii) metric/imperial indicator;
 - (iv) the convertor number of dials;
 - (v) the applicable conversion factor; and
 - (vi) the meter/convertor round the clock count.

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TPD Section X: Energy Balancing Credit Management

- 1.1.1 The effect of the provisions of Section F4.5.3(a)(ii) is that, if a User fails to make payment of any Energy Balancing Charge when due, all other Users may become liable for (in aggregate) an equivalent amount (together with an amount in respect of the cost of financing such non-payment).

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OFFTAKE ARRANGEMENTS DOCUMENT

OAD

Section H: NTS Long Term Demand Forecasting

2.3.1 Subject to paragraph 2.2.1, the pre-forecast information to be provided by the DNO is the following information:

- (a) actual consumption and LDZ shrinkage in the LDZ in the preceding calendar year (year –1):
 - (i) weather-corrected in accordance with the specification pursuant to paragraph 2.2;
 - (ii) segregated in each of the load bands and categories in which (for the purposes of paragraph 2.4) forecast information (for years 0 to 9) is required to be provided by the DNO in year 0; and
 - (iii) including adjustments in respect of Individual Reconciliation and Offtake Reconciliation, including where appropriate re-phasing of such adjustments into calendar years prior to calendar year –1;

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(c)"relevant period" means each Gas Year or any other period (whether shorter or longer than a Gas Year) proposed by the Transporters after consultation with the Uniform Network Code Committee or any relevant Sub-committee where the Authority (upon the Transporters' application) gives condition A11(18) Approval to the Transporters implementing paragraphs 9.5 to 9.7 on the basis of such other period.

9.5.3 An RbD Auditor may not be appointed for a relevant period where the Uniform Network Code Committee determines by Panel Majority in respect of any relevant period that such RbD Auditor not be appointed.

9.5.4 In the event that an RbD Auditor is appointed for a relevant period following relevant period(s) where (pursuant to paragraph 9.5.3) the RbD Auditor was not appointed, he may not review any prior relevant period unless expressly instructed by the Uniform Network Code Committee in accordance with paragraph 9.6.1.

9.6 Basis and terms of appointment

9.6.1 The person appointed as RbD Auditor for each relevant period, and the period and (subject to the further provisions of this paragraph 9.6) the terms of his appointment, including the scope and objectives of the review under paragraph 9.5.1, shall be the person, period and terms from time to time agreed by the Uniform Network Code Committee or any relevant Sub-committee, unless (upon the application of the Transporters) or any User made within 10 Business Days after the Transporters notify to Users the decision of the Uniform Network Code Committee or relevant Sub-committee) the Authority in any case shall give Condition A11(18) Disapproval to the Transporters making an appointment of the RbD Auditor on such basis (in which case the Transporters will arrange for an alternative proposal to be considered by the Uniform Network Code Committee or any relevant Sub-committee).

9.6.2 The terms of the appointment will require that:

(c)without prejudice to paragraph (b), the RbD Auditor shall agree to permit a representative of each User to attend a meeting of the Uniform Network Code Committee or any relevant Sub-committee at which the RbD Auditor's report is presented;

(d)the RbD Auditor shall undertake, in reasonable terms, to keep confidential the information disclosed to the RbD auditor in the course of its review.

9.6.3 A copy of the RbD auditor's report shall be provided by the Transporters to each "relevant User" (which for the purpose of this paragraph 9.6.3 and 9.7.2 shall mean a User who during the relevant period was the Registered User of a Smaller Supply Point on a relevant System) and the Authority.

9.6.4 The fees and costs of the RbD Auditor shall be paid by the Transporters.

9.7 Effect of the RbD Auditor's Report

9.7.1 Where the report of the RbD Auditor contains a recommendation to the effect that the provisions of the Code as to the calculation of Aggregate NDM Reconciliation Charges would be materially better implemented by a change in the procedures and controls adopted by the Transporters for such calculation, the Transporters will take all reasonable steps to comply with such recommendations, unless the Authority shall upon application of the Transporters give Condition A11(18) Approval to its not doing so.

9.7.2 Nothing in the report of the RbD Auditor shall entitle any User or the Transporters to require any recalculation of, or to any adjustment in respect of, or to withhold payment or require repayment of, any Aggregate NDM Reconciliation Charge, nor give rise to any liability of the Transporters to any relevant User in respect thereof except where such entitlement is provided for in the terms of the Code.

