

# EU CODES - MODIFICATION 0525 - EXPLANATORY TABLE

## Enabling EU compliant Interconnection Agreements

### Notes

1. The table is based on the legal drafting for Modification 0525 submitted by NGG to the Joint Office on 2 April 2015.
2. Modification 0525 relates to enabling EU compliant Interconnection Agreements.
3. The Modification Text itself is as set out as follows, and has attachments in which the majority of the legal text is contained. The explanatory table is set out in the same order.

1. **Modification to authorise amendment of Interconnection Agreements, etc**

*Part V of the Transition Document is amended by inserting a new Part VB and a new paragraph 1.4 in Part VA as set out in Attachment A.*

2. **Modification of Ancillary Agreements to bring them to an end**

- 2.1 *The Ancillary Agreement in respect of the UK-Continent Interconnector dated 25 August 1998 between National Grid Gas plc and the Users listed in Part 2 of Schedule 1 to the Ancillary Agreement (as amended and restated) is modified (pursuant to TPD Section J paragraph 6.6.2) by inserting new Clauses 2.3, 2.4, 2.5 and 2.6 as set out in Attachment B1.*

- 2.2 *The Ancillary Agreement in respect of the GB-Ireland Interconnector dated 25 August 1998 between National Grid Gas plc and the Users listed in Part 2 of Schedule 1 to the Ancillary Agreement (as amended and restated) is modified (pursuant to TPD Section J paragraph 6.6.2) by inserting new Clauses 2.4, 2.5, 2.6 and 2.7 as set out in Attachment B2.*

- 2.3 *The Ancillary Agreement in respect of the BBL Interconnector dated 18 November 2010 between National Grid Gas plc and the Users listed in Part 2 of Schedule 1 to the Ancillary Agreement (as amended and restated) is modified (pursuant to TPD Section J paragraph 6.6.2) by inserting new Clauses 2.2, 2.3, 2.4 and 2.5 as set out in Attachment B3.*

3. **Modification of EID Section A to address error correction and to introduce IA governance arrangements**

*Section A of the European Interconnection Document (EID) is amended by inserting a new paragraph 3.6 and a new paragraph 4.1 as set out in Attachment C.*

**4. Modification of EID Section A to introduce inter-TSO indemnity**

*Section A of EID is amended by inserting a new paragraph 4.2 as set out in Attachment C.*

**5. Modification of EID Section A to introduce certain arrangements formerly in Ancillary Agreements**

*Section A of EID is amended by inserting new paragraphs 1.7 and 4.3 as set out in Attachment C.*

**6. Modification of EID Section B to reflect approach to capacity bundling at Bacton**

*Section B of EID is amended by inserting a new paragraph 1.9 and modifying paragraphs 6.3 and 7.2 as shown in Attachment D.*

**7. Modification of EID Sections A, B, C and D to introduce arrangements to address special circumstances at Moffat**

*Section A of EID is amended by inserting new paragraph 1.4 and 2.1.3 and modifying paragraphs 2.1.1 and 2.1.2 as set out in Attachment C.*

*Section B of EID is amended as shown (in addition to the amendments under item 6 above) in Attachment D.*

*Sections C and D of EID are amended as shown in Attachments E and F.*

**8. Designation of Designated Arrangements in relation to Moffat**

*The arrangements set out in Attachment G are designated by National Grid NTS as Designated Arrangements pursuant to EID Section A1.4 (as introduced under item 6 above).*

*TPD Section A1.7.5 is amended by replacing 'the relevant CSEP Ancillary Agreement' with 'Designated Arrangements under EID Section A1.4'.*

Paragraph	Explanation
<b>Modification 0525: Legal Text</b>	
1	The amendment to the Transition Document inserts a new Part into the Transition Document providing for the one off amendment of the Interconnection Agreements and Ancillary Agreements at the Interconnection Points and the entry into certain other agreements in respect of those interconnection agreements.
2	<p>As part of the changes due to the EU Codes, the User agent at each Interconnection Point is not needed, and most other provisions of each Ancillary Agreement have been superseded by EID or are redundant. The provisions of the Ancillary Agreement that remain relevant (including provisions relating to flow rate rules) are transposed into the Code into EID Section A (by paragraph 5 of the Modification Legal Text and the relevant attachment, see below).</p> <p>The designation of agency agreements by National Grid NTS lapses.</p>
3	This paragraph sets out a discrete regime for governance for Interconnection Agreements and certain other agreements relating to Interconnection Points. This will replace the NExA and NEA governance under TPD Sections I and J for Interconnection Points. This builds on the existing rules in the TPD and the Ancillary Agreements - it is not completely new.
4	It is proposed to include liability and indemnity provisions to allow National Grid NTS to provide assurance to the Adjacent TSO that the Adjacent TSO won't be sued in tort for losses that Shippers incur under the UNC.
5	<p>As referred to above, certain provisions contained in the Ancillary Agreements need to be included in Code, as the Ancillary Agreements will cease to have effect from 1 November 2015. The new provisions inserted in EID Section A relate to:</p> <ul style="list-style-type: none"> <li>• Transportation charges</li> <li>• Relevant CSEPs</li> <li>• Flow Rate Rules</li> </ul> <p>Please also see paragraph 2 above.</p>
6	Not all Adjacent TSOs will implement all of the processes in EID Section D, involving tracking of bundled capacity once allocated. This amendment allows specific paragraphs of EID Section B to be switched off, where adjacent TSOs do not intend to track bundled capacity.

Paragraph	Explanation
7	<p>In respect of the Interconnection Point at Moffat GNI(UK) operates the interconnector pipeline (between Moffat and Loughshinny via Twynholme), but National Grid NTS understands it has sold all the capacity in the pipeline to the downstream pipeline operators Gas Networks Ireland (GNI, formerly GasLink) operating in the Republic of Ireland and PTL, operating in Northern Ireland.</p> <p>As a result of this, it is GNI which contracts with shippers for gas transportation from Moffat to Loughshinny and PTL which contracts with shippers from Twynholme to Northern Ireland, not GNI (UK). National Grid NTS understand that both GNI and PTL provide end-to-end transportation services to shippers from Moffat through to exit points in the ROI / NI transmission system. In effect, in terms of the relationships with shippers, GNI and PTL are the 'operator' of (and sell to shippers capacity in) a 'system' which comprises (i) GNI's or PTL's share of the GNI (UK) capacity from Moffat to ROI / Twynholme respectively, and (ii) the physical ROI / NI gas transmission system.</p> <p>Because it is GNI and PTL which have the relationship with shippers, where the EU Codes require National Grid NTS to make arrangements with the adjacent TSO which are concerned with TSO/shipper relationships, it appears to be GNI and PTL with whom National Grid NTS should make these arrangements. For example, for capacity bundling it will be GNI and PTL which auctions capacity to shippers; and for nominations it will be GNI and PTL which receive nominations from shippers for matching.</p> <p>This had not been factored in at the time of producing the legal text for Modifications 493, 500 and 510. The new text in attachments C, D, E and F proposes a solution to address the specific arrangements at Moffat, which includes "Designated Arrangements" in Attachment G (please see below at paragraph 8).</p> <p>The amendments to EID by this modification then specify whether provisions of EID Section B, C and D should apply in respect of the Primary Interconnection Point or the Subsidiary Interconnection Point. The text contains generic rules for this approach which will be applied to a specific case through "Designated Arrangements".</p>
8	<p>These are the Designated Arrangements as contemplated under the previous paragraph.</p>
<p><b>AMENDMENT TO TD PART VA AND NEW TD PART VB Attachment A: Amendment of Interconnection Agreements, etc</b></p>	
Introduction	<p>Part VA is amended to include a new paragraph 1.4, which allows for later implementation of a particular provision of the EID, if specified in the relevant Interconnection Agreement.</p> <p>The new Part VB is inserted into the Transition Document after Part VA.</p> <p>Interconnection Agreements and Ancillary Agreements contain Network Entry Provisions and Network Exit Provisions, and so would normally be subject to the provisions in TPD Sections I and J specifying certain restrictions on amendment of those</p>

Paragraph	Explanation
	<p>agreements, without User approval, a Code Modification or for compliance with a Legal Requirement. A one-off change to this procedure is required for National Grid NTS to meet the deadlines for compliance with the EU Codes. National Grid NTS does not expect to have resolved negotiations in respect of the Interconnection Agreements before early May. This does not provide enough time to raise a Modification proposal and seek Authority approval to the amendments to the relevant agreements prior to 1 October 2015, when National Grid NTS needs to have the relevant agreements in place for compliance with the EU Codes.</p> <p>The procedure proposed is set out in detail in this Part VB of the Transition Document. It requires National Grid NTS to consult with Users, on the proposed changes to the Interconnection Agreements, and is limited to a one-off use in respect of each Interconnection Agreement, which lapses if not used in respect of the Interconnection Agreement, before 1 October 2015.</p>
Part VA, new paragraph 1.4	<p>This paragraph provides that in relation to an Interconnection Point and a particular provision of the European Interconnection Document, the Interconnection Agreement specifies a Day (later than the Day or Gas Flow Day from which, under this Part VA, that provision is to be effective) from which the Adjacent TSO will be able to give and receive the communications necessary for the operation of that provision, that provision shall be effective from the Day or Gas Flow Day so specified.</p> <p>This allows the TSOs to agree that certain rules contained in the Interconnection Agreement are switched on from a date later than the date specified in relation to certain sections of the Code in Part VA; and if so, the corresponding provisions of the Code that relate to those rules will only apply as between National Grid NTS and Users from that date.</p>
Part VB 1.1	<p>This paragraph provides that, regardless of other provision of the UNC or the ancillary agreements, with respect to requirements for the agreement of or consent of Users, National Grid NTS has the power to agree to amend the Interconnection Agreements, which include network entry provision and network exit provisions, in the form submitted by the Adjacent TSO and approved by Ofgem under Interconnector Licence Standard Licence Condition 3(1) and to enter into Tripartite Agreements.</p>
Part VB 1.2	<p>The procedure will apply in respect of each Interconnection Agreement and each Tripartite Agreement, but not necessarily all at the same time.</p>
Part VB 1.3	<p>Any provision in the Ancillary Agreement preventing National Grid NTS from agreeing to amend an interconnection agreement without User consent or agreement, is in this particular case deemed amended.</p>
Part VB 1.4	<p>This paragraph sets out the procedure which National Grid NTS will follow in respect of each interconnection agreement and tripartite agreement, for this one-off amendment, which involves:</p> <ul style="list-style-type: none"> <li>• sending the Relevant Provisions of those agreements to Users for comment (including minor changes at a later date);</li> <li>• review and discussion of comments with the relevant Adjacent TSO;</li> </ul>

Paragraph	Explanation
	<ul style="list-style-type: none"> <li>Users' comments to be provided to the Authority at the same time that the revised Interconnection Agreement (or Tripartite Agreement) is submitted to the Authority for approval.</li> </ul> <p>Due to timing constraints to ensure compliance with the EU Codes, it may be necessary to start the consultation period referred to above prior to Modification 525 (including this legal text) receiving Authority approval. This is catered for in paragraph (a).</p>
Part VB 1.5	<p>This powers given to National Grid NTS, may not be exercised more than once, in relation to each Interconnection Agreement. The new enduring governance regime to be contained in EID Section A will govern future amendments.</p> <p>The powers will lapse on 1 October 2015, as this procedure is intended for use to ensure the interconnection agreements can be amended prior to 1 October 2015 to enable compliance with the EU Codes.</p>
Part VB 2.	<p>This paragraph sets out relevant definitions, including the specific agreements this paragraph applies to. It also defines "Relevant Provisions" which are the provisions of the Interconnection Agreements and the Tripartite Agreements, which National Grid NTS intends to consult Users on and which are considered to be those that are directly relevant to Users.</p>
<b>Attachment B</b>	
Introduction	<p>The attachments have the effect of inserting certain clauses into each Ancillary Agreement, with the effect that:</p> <ul style="list-style-type: none"> <li>From 1 October 2015, certain provisions of EID supersede the provisions of the Ancillary Agreement</li> <li>From 1 November 2015, the Ancillary Agreement ceases to have any effect</li> </ul> <p>In addition, the designation of any designated agency agreement for that Interconnection Point lapses.</p>
<b>UK-Continent Interconnector AA</b>	<b>Attachment B1: Clauses inserted into Ancillary Agreement in respect of the UK-Continent Interconnector</b>
New paragraph 2.3	<p>This paragraph has the effect that certain provisions of EID, which are effective from Gas Flow Day 1 October 2015 will apply instead of the Ancillary Agreement for the UK-Continent Interconnector from 1 October 2015. This does not affect the effectiveness of the Ancillary Agreement in respect of other matters.</p>
New paragraph 2.4	<p>The effect of this provision is to terminate the effect of the Ancillary Agreement in respect of the UK-Continent Interconnector from 1 November 2015.</p>

<b>Paragraph</b>	<b>Explanation</b>
New paragraph 2.5	This refers back to the provisions in Part VA of the Transition Document, introduced as part of Modifications 493 and 500, which set out how modified provisions of the Code take effect from a Gas Flow Day.
New paragraph 2.6	Under this provision designation of any designated agency agreement lapses.
<b>GB-Ireland Interconnector AA</b>	<b>Attachment B2 - Clauses inserted into Ancillary Agreement in respect of the GB-Ireland Interconnector</b>
New paragraph 2.4	Please see above in respect of the same provision for the UK-Continent Interconnector.
New paragraph 2.5	Please see above in respect of the same provision for the UK-Continent Interconnector.
New paragraph 2.6	Please see above in respect of the same provision for the UK-Continent Interconnector.
New paragraph 2.7	Please see above in respect of the same provision for the UK-Continent Interconnector.
<b>BBL Interconnector AA</b>	<b>Attachment B3 - Clauses inserted into Ancillary Agreement in respect of the BBL Interconnector</b>
New paragraph 2.2	Please see above in respect of the same provision for the UK-Continent Interconnector.
New paragraph 2.3	Please see above in respect of the same provision for the UK-Continent Interconnector.
New paragraph 2.4	Please see above in respect of the same provision for the UK-Continent Interconnector.
New paragraph 2.5	Please see above in respect of the same provision for the UK-Continent Interconnector.
<b>EID Section A</b>	<b>Attachment C - European Interconnection Document Section A - General</b>
Introduction	<p>EID Section A has been modified to do the following:</p> <ul style="list-style-type: none"> <li>• introduce new governance rules for Interconnection Agreements (and to apply to the Tripartite Agreements) (see paragraph 4.1 below)</li> <li>• introduce an indemnity to allow National Grid NTS to provide assurance to an Adjacent TSO that it will not be sued in tort by a User (see paragraph 4.2 below)</li> </ul>

Paragraph	Explanation
	<ul style="list-style-type: none"> <li>• insert new provisions to address the Ancillary Agreements ceasing to have effect and to ensure consistency with the new procedures under the EU Codes, in respect of the following (see paragraph 4.3 below): <ul style="list-style-type: none"> <li>○ [transportation charges]</li> <li>○ CSEPs and relevant CSEPs</li> <li>○ Flow rate rules</li> </ul> </li> <li>• introduce new provisions for the correction of errors made by National Grid NTS or the Adjacent TSO in implementing the provisions of the Code in respect of (i) determination of Processed Nomination Quantities and Confirmed Nomination Quantities and (ii) determination of allocation quantities.</li> <li>• introduce a solution to address the specific arrangements at the Moffat Interconnection Point (see paragraphs 1.4, 2.1.1, 2.1.2 and 2.1.3), which comprises: <ul style="list-style-type: none"> <li>○ classifying the physical Interconnection Point at Moffat as a Primary Interconnection Point;</li> <li>○ classifying the two commercial relationship interconnection points with GNI and PTL as Subsidiary Interconnection Points;</li> <li>○ facilitating "Designated Arrangements" (see Attachment G) which will set out specific details of how the Code is to address the situation at Moffat.</li> </ul> </li> </ul>
New paragraph 1.4.1	This paragraph sets out the meaning of Designated Arrangements (see paragraph 8 of the Modification Legal Text and Attachment G) in respect of a particular NTS Exit Point, which are arrangements either designated by National Grid NTS pursuant to a Code Modification or by the Authority giving Condition A11(18) Approval of the designation.
New paragraph 1.4.2	Designated Arrangements will be contained in a document outside of the Code (see Attachment G). Nonetheless this paragraph provides that Designated Arrangements are to be treated as forming part of the Code and subject to Code governance rules.
New paragraph 1.4.3	This paragraph sets out the hierarchy of Code provisions against Designated Arrangements in the case of a conflict.
New paragraph 1.4.4	This paragraph sets out how Designated Arrangements will be published.
New paragraph 1.7	Carry over from Ancillary Agreement: Certain provisions from TPD, particularly TPD J apply only where the exit point is stated to be a 'relevant' SEP or a 'relevant' CSEP.



Paragraph	Explanation
Amended paragraph 2.1.1	The definitions in this section are subject to the rules for Primary and Subsidiary Interconnection Points in EID Section A 2.1.3.
Amended paragraph 2.1.2	<p>These definitions are subject to the rules for Primary and Subsidiary Interconnection Points in EID Section A 2.1.3.</p> <p>When the legal text was prepared for Mod 500, a temporary solution was put in place to deal with the particular arrangements at the Moffat Interconnection Point. These provisions are not needed, now that the fuller set of rules in relation to Primary and Subsidiary Interconnection Points are being introduced.</p>
New paragraph 2.1.3	This provision is introduced as part of the solution to the specific arrangements at Moffat, to allow the Moffat Interconnection Point to be subdivided into two Subsidiary Interconnection Points.
New paragraph 3.6.1	<p>This paragraph sets out the definition of Nomination or Allocation Error (or Error), which is, in relation to an Interconnection Point and a Day, an error made by National Grid NTS or its Adjacent TSO in respect of:</p> <ul style="list-style-type: none"> <li>• the determination of a Processed Nomination Quantity or Confirmed Nomination Quantity in respect of the IS User's Nomination or the corresponding nomination in respect of the Adjacent TSO's Interconnected System; or</li> <li>• the determination of the quantity to be allocated to the User,</li> </ul> <p>as a result of which the quantity allocated to the User and/ or the IS User is incorrectly determined.</p>
New paragraph 3.6.2	<p>This provision sets out that, if before the end of the Business Day before Exit Close-Out Date:</p> <ul style="list-style-type: none"> <li>• National Grid NTS and/or the Adjacent TSO are notified of the Error by the relevant User; and</li> <li>• The User and the Counterparty User agree to the correction by each TSO of the Error</li> </ul> <p>the Error will be corrected, by redetermination of the UDQI or UDQO for the User and where applicable, the User's Confirmed Nomination Quantity will be redetermined no later than the Exit Close-Out Date and National Grid NTS will inform the User of the correction.</p>
New paragraph 4.1	<p>This paragraph sets out the following definitions which are used in the new enduring governance arrangements for Interconnection Agreements and Tripartite Agreements in EID Section A paragraph 4:</p> <ul style="list-style-type: none"> <li>• Interconnection Provisions (which include Network Entry Provisions, Network Exit Provisions, Capacity Bundling Provisions, Matching Provisions, Allocation Provisions and provisions for communication between the TSOs in</li> </ul>

Paragraph	Explanation
	<p>exceptional events).</p> <ul style="list-style-type: none"> <li>Relevant Interconnection Provisions (which are a subset of Interconnection Provisions (as above), ie those which are directly relevant to Users, and are subject to certain restrictions as to amendment of them).</li> </ul>
New paragraph 4.1.2	<p>This paragraph provides that in relation to each Interconnection Point, National Grid NTS will:</p> <ul style="list-style-type: none"> <li>publish Relevant Interconnection Provisions and amendments to those provisions;</li> <li>on request make available to Users all Interconnection Provisions, unless those provisions are commercially sensitive, or National Grid NTS is restricted from publishing under the agreement.</li> </ul>
New paragraph 4.1.3	<p>This paragraph sets out that National Grid NTS cannot agree to amend any of the Relevant Interconnection Provisions, unless:</p> <ul style="list-style-type: none"> <li>it has the approval of the Users holding capacity at the Interconnection Point; or</li> <li>through a Code Modification; or</li> <li>amendment is required to enable National Grid NTS to comply with a Legal Requirement (as defined in the Code).</li> </ul> <p>This is in line with the existing restrictions on amendment of directly relevant Network Entry Provisions and Network Exit Provisions contained in TPD Sections I and J.</p>
New paragraph 4.1.4	<p>This paragraph provides that the provisions restricting amendment of Network Entry Provisions and Network Exit Provisions in TPD Sections I and J are replaced by paragraph 4.1.</p>
New paragraph 4.1.5	<p>Under the Interconnection Agreements, if another TSO proposes an amendment to address a Legal Requirement, each TSO can propose a version, which is discussed, consulted upon and eventually (unless it relates to a technical matter), the Authority will make a decision as to which (if either amendment proposed) should be made. This paragraph facilitates that process by</p> <p style="padding-left: 40px;">the amending the Modification Rules to permit an Adjacent TSO to make an alternate modification proposal in respect of a Modification proposal made by National Grid NTS to put both amendment proposals through the Modification process.</p> <ul style="list-style-type: none"> <li>the Modification process will be coordinated with any consultation that the Adjacent TSO undertakes.</li> </ul>
New paragraph 4.1.6	<p>This paragraph provides a mechanism for User's to propose an amendment to an Interconnection Agreement to National Grid NTS if the User considers that a Relevant Interconnection Provision is adverse to the interests of Users pursuant to the Code.</p>

Paragraph	Explanation
	<p>The User may notify National Grid NTS explaining its view and describing any amendment it thinks necessary to remedy the adverse effect.</p> <p>National Grid NTS will within 30 business days of receiving the proposal, propose an amendment in accordance with the change control clause in the relevant Interconnection Agreement, reply to the User and invite the User to discuss the proposal.</p>
New paragraph 4.2.1	<p>In this paragraph, each User agrees and acknowledges that National Grid NTS may agree to indemnify the Adjacent TSO in respect of any costs, losses or damages incurred by the Adjacent TSO as a result of a relevant claim by a User against the Adjacent TSO, in tort, arising out of a relevant failure by the Adjacent TSO.</p> <p>Each User also agrees not to make any relevant claim against the Adjacent TSO and will indemnify National Grid NTS in respect of any liability of National Grid NTS, if the User makes a relevant claim against the Adjacent TSO (including if the Adjacent TSO seeks to enforce any indemnity described in paragraph (a)).</p> <p>See paragraph 4.2.2 for the definition of a relevant claim.</p>
New paragraph 4.2.2	<p>This paragraph sets out the definitions of:</p> <ul style="list-style-type: none"> <li>• relevant claim (ie for a cost or loss arising under the UNC). It is understood that some Users will also be users of the Adjacent TSO's system, and will have entered into contractual relationships with the Adjacent TSO, therefore any claim under those contractual relationships between User and Adjacent TSO is excluded.</li> <li>• relevant failure, a failure by the Adjacent TSO to comply with Capacity Bundling Provisions, Matching Provisions or Allocation Provisions of the Interconnection Agreement or to accept delivery of gas or to make available for offtake gas complying with the specification at the Interconnection Point.</li> </ul>
New paragraph 4.3.1	<p>Carry over from Ancillary Agreement and compliance with EU Codes: This paragraph recognises that an Interconnection Agreement may contain certain provisions relation to gas flows from the NTS to the Interconnected System.</p> <p>The Interconnection Agreements may provide for:</p> <ul style="list-style-type: none"> <li>• limits or other restrictions on the magnitude of flow rates, changes in flow rates or the rate of change in flow rates and times at which changes occur</li> <li>• National Grid NTS to give certain flexibility in relation to these limits, and for National Grid NTS to curtail such flexibility</li> <li>• Adjacent TSO's responsibility for preparation and revision of an exit flow profile.</li> </ul>
New paragraph 4.3.2	Carry over from Ancillary Agreement and compliance with EU Codes: In this paragraph the Parties acknowledge and agree that:

Paragraph	Explanation
	<ul style="list-style-type: none"> <li>Quantities which Users can nominate for delivery or offtake are limited by the flow rate rules.</li> <li>The Adjacent TSO must take account of the flow rate rules in processing nomination quantities.</li> <li>National Grid NTS is entitled to plan the operation of the NTS on the basis that the flow rate rules are complied with.</li> <li>National Grid NTS is not obliged to make gas available for offtake from the NTS at an Interconnection Point, which does not comply with the flow rate rules.</li> </ul>
<b>EID Section B</b>	<b>Attachment D: Modification of EID Section B</b>
Introduction	<p>Section B of EID is amended to address:</p> <ul style="list-style-type: none"> <li>not all Adjacent TSOs will be tracking bundled capacity (see paragraphs 1.9, 6.3 and 7.2, 7.3.4);</li> <li>special circumstances at Moffat, by specifying whether provisions of EID Section B should apply in respect of the Primary Interconnection Point or the Subsidiary Interconnection Point. The text contains generic rules for this approach which will be applied to a specific case through "Designated Arrangements" (see paragraphs 1.7.1, 3.1.5, 1.7.2 and 1.7.3).</li> </ul> <p>See Modification Legal Text paragraphs 6 and 7.</p>
Amended paragraph 1.7.1	<p>EID Section B already contains the term 'Binary IP ASEP' to address the auctions of bundled and unbundled capacity which is competing as between two interconnection points. This was drafted to address the Bacton case and therefore only deals with NTS entry capacity (hence the use of the term ASEP, comprising two interconnection points). The same provisions (for competing capacity auctions) can be used for NTS exit capacity at Moffat. Therefore the new text creates a new term, Binary Interconnection System Point, to cover both a Binary IP ASEP and a Primary Interconnection Point. Throughout the rest of Section B, previous references to Binary IP ASEP have been changed to Binary Interconnection System Point.</p> <p>Paragraph 1.7.1 sets out the definition of a Binary Interconnection System Point, which can either be a Binary IP ASEP or a Primary Interconnection Point, and sets out how references to:</p> <ul style="list-style-type: none"> <li>an Interconnection Point, and</li> <li>Interconnection Point Capacity</li> </ul> <p>should be interpreted in the context of a Binary Interconnection System Point.</p> <p>Paragraphs of EID Section B have been amended to reflect the new definition.</p>
Amended paragraph	Where there is a Primary Interconnection Point, provisions in relation to Bundled Interconnection Point Capacity shall apply

Paragraph	Explanation
1.7.2	separately in relation to each Subsidiary Interconnection Point, and therefore bundling and the other processes set out in EID Section B will be carried out in relation to NGG-GNI capacity and NGG-PTL capacity, including: <ul style="list-style-type: none"> <li>• Auctions</li> <li>• Designation and recording of Interconnection Point Capacity</li> <li>• Surrender of Bundled Interconnection Point Capacity</li> </ul> System capacity transfers of Bundled Interconnection Point Capacity
Amended paragraph 1.7.3	For other purposes of the UNC (for example calculating overrun charges under TPD section B) Interconnection Point Capacity is counted as held by a User at the Primary Interconnection Point and not subdivided between the Subsidiary Interconnection Points.
New paragraph 1.9	This paragraph specifies that certain provisions of Section B, in relation to tracking of Bundled Capacity shall apply in relation to an Interconnection Point only where the Adjacent TSO has agreed under the Interconnection Agreement to give or receive the communications (to or from National Grid NTS) required to give effect to such provision.
New paragraph 3.1.5	This paragraph provides guidance on the determination of Allocable Interconnection Point Capacity at a Primary Interconnection Point.
Amended paragraph 6.3	The amendments remove existing text in EID Section B, which had been added previously to deal with an Adjacent TSO not tracking Bundled Capacity, but which is not needed now that there is a general rule in paragraph 1.9.
Amended paragraph 7.2	See paragraph 6.3 above.
Amended paragraph 7.3.4	A new paragraph (d) is added which provides that National Grid NTS will notify the User of certain information, if it accepts a Surrender Offer.
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<b>EID Section C</b>	<b>Attachment E: Modification of EID Section C</b>
Introduction	Section C of EID is amended to address special circumstances at Moffat, by specifying whether provisions of EID Section C should apply in respect of the Primary Interconnection Point or the Subsidiary Interconnection Point. The text contains generic

Paragraph	Explanation
	<p>rules for this approach which will be applied to a specific case through "Designated Arrangements" (see paragraphs 1.10.1 to 1.10.4).</p> <p>See Modification Legal Text paragraphs 6 and 7.</p>
Amended paragraph 1.10.1	In relation to a Primary Interconnection Point, the nominations matching rules and processes apply at each Subsidiary Interconnection Point separately. E.g. NGG shippers will make separate nominations with PTL and with GNI shippers as counterparties.
Amended paragraph 1.10.2	For UNC purposes other than EID C itself and TPD C, in the case of a Primary Interconnection Point, nominations quantities are to be aggregated over both Subsidiary Interconnection Points.
Amended paragraph 1.10.3	The requirements in TPD Section D, for Users to make Renominations where they enter into Physical Market Transactions, apply at the Primary Interconnection Point and not a Subsidiary Interconnection Point Level. A User can choose any Nomination(s) (at either or both Subsidiary Interconnection Point(s)) to Renominate.
Amended paragraph 1.10.4	In an exceptional event (Transportation Constraint) a User's Nominations at both Subsidiary Interconnection Points will be scaled by reference to its available Interconnection Point Capacity (adjusted following constraint management) at the Primary Interconnection Point (not on a subdivided basis).
<b>EID Section D</b>	<b>Attachment F: Modification of EID Section D</b>
Introduction	<p>Section D of EID is amended to address special circumstances at Moffat, by specifying whether provisions of EID Section D should apply in respect of the Primary Interconnection Point or the Subsidiary Interconnection Point. The text contains generic rules for this approach which will be applied to a specific case through "Designated Arrangements" (see paragraphs 1.3.1 and 1.3.2 and 2.2).</p> <p>See Modification Legal Text paragraphs 6 and 7.</p>
Amended paragraph 1.3.1	This paragraph provides that, apart from as identified in paragraph 1.8.2, the allocation rules in EID Section D (both allocate as nominate and proportional allocation) apply to the Primary Interconnection Point and not each Subsidiary Interconnection Point (ie, at Moffat, not in respect of PTL and GNI's systems separately). UDQIs and UDQOs will be calculated at the (Primary) Moffat Interconnection Point.
Amended paragraph	This clarifies that, in applying the allocation rules on a proportional allocation day (where allocation is based on the Adjacent

Paragraph	Explanation
1.3.2	TSO's allocation to counterparty shippers): <ul style="list-style-type: none"> <li>• references to Interconnection Point Nominations are to the nominations made on PTL and GNI's system at the Subsidiary Interconnection Points;</li> <li>• the sum of Counterparty Quantities is the sum of Counterparty Quantities for both Subsidiary Interconnection Points.</li> </ul>
<b>DESIGNATED ARRANGEMENTS</b>	<b>Attachment G - DESIGNATED ARRANGEMENTS: NTS EXIT POINT AT MOFFAT</b>
Introduction	<p>The Designated Arrangements address the need to:</p> <p>(i) distinguish between offtakes at Stranraer and at the Interconnection Point at Moffat; and</p> <p>(ii) treat the Interconnection Point at Moffat as a Primary IP and two Subsidiary IPs.</p> <p>At Stranraer there is a DN offtake from the PTL transmission system operated by Scottish Gas Networks. Currently there are special arrangements at Moffat, to cater for this particular offtake, which are contained in part in the Moffat Ancillary Agreement. These arrangements need to be amended due to the changes at Moffat to implement the EU Codes, and as the Ancillary Agreements will cease to have effect, the arrangements will be recorded as Designated Arrangements, which will be a document outside of the Code, but will form part of the Code. The proposed solution is as follows:</p> <p>The Moffat NTS Exit Point is treated as comprising (i) a NTS/LDZ Offtake (Moffat Offtake), and (ii) a CSEP (and NTS Entry Point) (Moffat Interconnection Point). Only the CSEP (and NTS Entry Point) is an Interconnection Point for purposes of the UNC. The CSEP (and transportation arrangements at the CSEP) are subject to the EU Codes. The Moffat Offtake is not.</p> <p>The Designated Arrangements are in draft form, and have not been summarised in detail in this table.</p>