

MODIFICATION 0525

DRAFT LEGAL TEXT - ATTACHMENT F

EUROPEAN INTERCONNECTION DOCUMENT

SECTION D – ALLOCATION

1 General

1.1 Introduction

- 1.1.1 This Section D provides for the determination of the quantities of gas treated as delivered to and offtaken from the NTS by each User on each Day at an Interconnection Point.
- 1.1.2 The provisions of this Section D apply in addition to and (where in conflict with) in place of the provisions of TPD Sections E and F.
- 1.1.3 The arrangements in this Section D apply (to give effect to commercial flows by Users at an Interconnection Point in both Directions where only a net physical flow occurs) in substitution for the arrangements described in TPD Section E1.9.
- 1.1.4 The arrangements in paragraph 2 apply because of the existence at each Interconnection Point of an Operational Balancing Account.

1.2 Interpretation

- 1.2.1 For the purposes of this Section D, in relation to a Day and an Interconnection Point:
- (a) the **Measured Quantity** is the measured quantity referred to in TPD Section E1.9.1(a), being the aggregate quantity determined (pursuant to the measurement provisions of the Interconnection Agreement) as having flowed on the Day or (where there are physical flows in both Directions at different times on the Day) the net amount of such flows;
 - (b) the **Aggregate Nominated Quantity** in either Direction is the sum of the Nominated Quantities for all Users in that Direction;
 - (c) the **Net Aggregate Nominated Quantity** is the net sum of the Aggregate Nominated Quantities in both Directions;
 - (d) the **Steering Difference** is the amount of the difference between the Net Aggregate Nominated Quantity and the Measured Quantity, subject to paragraphs 3.2.1(c), 3.2.2(e) and 3.3.2(c);
 - (e) the **Cumulative Steering Difference** is the net sum of the Steering Difference for the Day and the Cumulative Steering Difference for the Preceding Day.

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1.2.2 Pursuant to the Matching Procedures and Rules as provided in Section C, the Steering Difference for an Interconnection Point in respect of a Day is the same as the equivalent quantity calculated by reference to IS Users' Interconnected System Nominations.

1.2.3 For the purposes of this Section D, in relation to an Interconnection Point:

- (a) **Operational Balancing Account** means an arrangement (forming part of the Interconnection Agreement) between National Grid NTS and the Adjacent TSO pursuant to which (except on Non-OBA Days) Steering Differences are managed operationally between the TSOs and the quantity of gas comprising the Cumulative Steering Difference is treated as borrowed by one TSO from the other TSO;
- (b) the **Steering Tolerance** is the amount (in kWh) specified in the Interconnection Agreement as the maximum normally allowable amount of the Cumulative Steering Difference.

1.2.4 In calculating quantities under this Section D, quantities delivered to or physically flowing into the NTS (or offtaken from or flowing out of the Interconnected System) shall be positive and quantities offtaken from or physically flowing out of the NTS (or delivered to or flowing into the Interconnected System) shall be negative.

1.3 Primary Interconnection Points

1.3.1 [In relation to a Primary Interconnection Point, except as provided in paragraph 1.3.2, the provisions of this Section D apply in relation to the Primary Interconnection Point and not each Subsidiary Interconnection Point separately (and in particular UDQIs and UDQOs are determined in relation to the Primary Interconnection Point and not each Subsidiary Interconnection Point separately).]

1.3.2 For the purposes of paragraph 3.2:

- (a) references to Interconnection Point Nominations are (in accordance with Section C1.10) to Interconnection Point Nominations at each Subsidiary Interconnection Point (and references to Counterparty IS Users and Counterparty Quantities shall be construed accordingly);
- (b) the sum of Counterparty Quantities referred to in each of paragraphs 3.2.2(a), (b), (c) and (d) is the sum over both Subsidiary Interconnection Points.]

1.4 Provisions of TPD which do not apply

1.4.1 The following provisions of Section E of the Transportation Principal Document do not apply in relation to an Interconnection Point: paragraphs 1.9 (except for 1.9.1(a)), 2.1.2 to 2.1.7 (inclusive), 2.2, 2.3, 3.2.2 to 3.2.6 (inclusive) and 3.3 (and references to those provisions in other provisions of the Transportation Principal Document shall be disregarded).

2 Allocations - OBA Days

2.1 Entry quantities

2.1.1 Except as provided in paragraph 3, in relation to an Interconnection Point and a Day:

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- (a) each User which submitted an Input Nomination is a Delivering User;
- (b) the UDQI for each User shall be a quantity equal to the Nominated Quantity (in accordance with Section C1.6.2) under its Input Nominations; and
- (c) the Entry Point Daily Quantity Delivered is the aggregate of the Nominated Quantities under all Users' Input Nominations.

2.1.2 Users may not submit Entry Allocation Statements in respect of an Interconnection Point (nor for the avoidance of doubt appoint User Agents for the purposes of submitting such statements).

2.2 Exit quantities

2.2.1 Except as provided in paragraph 3, in relation to an Interconnection Point and a Day:

- (a) each User which submitted an Output Nomination is an Offtaking CSEP User;
- (b) the UDQO for each User shall be a quantity equal to the Nominated Quantity (in accordance with Section C1.6.2 and where applicable Section C1.10.2) under its Output Nominations;
- (c) the CSEP Daily Quantity Offtaken is the aggregate of the Nominated Quantities under all Users' Output Nominations.

2.2.2 Users may not submit Exit Allocation Statements in respect of an Interconnection Point (nor for the avoidance of doubt appoint User Agents for the purposes of submitting such statements).

3 Non-OBA Days

3.1 General

3.1.1 This paragraph 3 applies in relation to an Interconnection Point and a Day (a **Non-OBA Day**) where:

- (a) the magnitude of the Cumulative Steering Difference exceeds or would exceed the Steering Tolerance, and
- (b) the Interconnection Agreement provides or the TSOs determine in accordance with the Interconnection Agreement that the Operational Balancing Account is not to apply in respect of that Day.

3.2 Allocation following Adjacent TSO Allocation

3.2.1 Paragraph 3.2.2 applies in relation to an Interconnection Point and a Non-OBA Day where:

- (a) the Interconnection Agreement provides that National Grid NTS will allocate quantities for Non-OBA Days on the basis set out in paragraph 3.2.2; and
- (b) the Adjacent TSO has, not later than the Exit Close-out Date, provided to National Grid NTS a statement (**Counterparty Allocation Statement**) setting out, in respect of each Interconnection Point Nomination (in each Direction) submitted by each User for the Day, the quantity (**Counterparty Quantity**) allocated (pursuant to the Adjacent

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TSO Rulebook) to the Counterparty IS User as offtaken from or (as the case may be) delivered to the Interconnected System at the Interconnection Point on the Day; and

- (c) the net sum of the Counterparty Quantities is equal to the Measured Quantity.

3.2.2 Where the conditions in paragraph 3.2.1 are satisfied in relation a Non-OBA Day:

- (a) the UDQI for each User shall be the sum of the Counterparty Quantities for Counterparty IS Users in respect of that User's Input Nominations for the Interconnection Point for the Day;
- (b) the Entry Point Daily Quantity Delivered is the sum of the Counterparty Quantities for all Counterparty IS Users for all Users' Input Nominations;
- (c) the UDQO for each User shall be the sum of the Counterparty Quantities for Counterparty IS Users in respect of that User's Output Nominations for the Interconnection Point for the Day;
- (d) the CSEP Daily Quantity Offtaken is the sum of the Counterparty Quantities for all Counterparty IS Users for all Users' Output Nominations;
- (e) the Steering Difference for the Non-OBA Day is zero.

3.2.3 If no later than the Exit Close-out Date the Adjacent TSO provides to National Grid NTS a revised Counterparty Allocation Statement (for which the condition in paragraph 3.2.1(c) is satisfied) to replace such a statement provided earlier, the latest-provided Counterparty Allocation Statement will be used for the purposes of paragraph 3.2.2.

3.2.4 Where provisional values (in relation to a Non-OBA Day) of UDQIs, UDQOs, Entry Point Daily Quantity Delivered and CSEP Daily Quantity Offtaken are required for any purposes of the Code at any time before the Exit Close-out Date, and at such time the Adjacent TSO has not provided a Counterparty Allocation Statement for which the condition in paragraph 3.2.1(c) is satisfied, such provisional values shall be determined in accordance with paragraph 3.3.2.

3.2.5 Where paragraph 3.2.2 applies, the Counterparty Allocation Statement (or latest-provided such statement as provided in paragraph 3.2.3) shall be definitive as to the Counterparty Quantities, and National Grid NTS shall not be concerned with the basis on which the Adjacent TSO determines the Counterparty Quantities.

3.3 Alternative Non-OBA Allocation

3.3.1 Where in relation to an Interconnection Point:

- (a) the condition in paragraph 3.2.1(a) is not satisfied, or
- (b) in relation to an Non-OBA Day, the conditions in paragraph 3.2.1(b) and (c) are not satisfied

then paragraph 3.3.2 applies.

3.3.2 Where this paragraph 3.3.2 applies, in relation to the Non-OBA Day:

- (a) in the forward Direction:

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- (i) the Entry Point Daily Quantity Delivered or (as the case may be) CSEP Daily Quantity Offtaken shall be an amount calculated as the sum of the absolute values of the Measured Quantity and the Aggregate Nominated Quantity in the reverse Direction;
- (ii) the UDQI for each Delivering User or (as the case may be) UDQO for each Offtaking CSEP User shall be determined:
 - (aa) (in the case of an UDQI) in accordance with TPD Section E2.1.8(b) or (if applicable) E2.1.9, or
 - (bb) (in the case of an UDQO) in accordance with TPD Section E3.2.7(b) or (if applicable) E3.2.8;(and paragraph 2.1 or 2.2 does not apply);
- (b) in the reverse Direction, the provisions of paragraph 2.1 or (as the case may be) paragraph 2.2 shall apply;
- (c) the Steering Difference for the Non-OBA Day is zero.

4 Further provisions

4.1 Revisions of Measured Quantity

- 4.1.1 For the purposes of deciding whether the requirement in paragraph 3.1.1(a) is met in relation to a Day (D), the Cumulative Steering Difference for Day D shall be determined on the basis of the Measured Quantity for Day D as first determined (in accordance with the Measurement Provisions of the Interconnection Agreement) following the end of Day D; and that decision shall not be revised by reason of any subsequent revision to the Measured Quantity.
- 4.1.2 Where (in accordance with the measurement provisions of the Interconnection Agreement) a revision is made, on any Day (N) up to and including the Exit Close-out Date, to the Measured Quantity for Day D, the amount by which the Measured Quantity for Day D is revised shall be taken into account in calculating the Cumulative Steering Difference for Day N+1 (and/or for Days subsequent to Day N+1) in accordance with the provisions of the Interconnection Agreement governing the Operational Balancing Account.
- 4.1.3 For the avoidance of doubt, notwithstanding paragraph 2 and the Operational Balancing Account, any revision made after the Exit Close-out Date to the Measured Quantity in respect of a physical flow of gas out of the NTS at an Interconnection Point shall be subject to Individual CSEP Reconciliation in accordance with TPD Section E6.

4.2 Scheduling Charges

- 4.2.1 Scheduling Charges are not payable by Users in respect of Interconnection Points in respect of any Day, including a Non-OBA Day.
- 4.2.2 Accordingly TPD Section F3 does not apply in respect of Interconnection Points.

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