

**MODIFICATION 0432 – NON CORE LEGAL DRAFTING FOR TPD SECTIONS B, J, N, Q, V & X,
OAD SECTION H, TD SECTION IIC AND GT SECTION C**

TRANSPORTATION PRINCIPAL DOCUMENT

Section B: System Use and Capacity

Amend as follows:

1.11 Where (pursuant to Section ~~M4.8~~M5.15 and E3.4) ...

....

4.6.9

(a) ...

(i) ... Section ~~G2.4.2(j)~~G2.4.2(k) ...

(ii) ... Section ~~G2.3.2(j)~~G2.3.2(i) ...

...

(e) Section ~~G2.3.2(j)~~G2.3.2(i) ...

....

~~4.7.12 Following Supply Point Registration in relation to a DM Supply Meter Point with User Daily Read Equipment installed:~~

~~(a) during the first 12 months following such Supply Point Registration, Users shall not be liable for a Supply Point Ratchet Charge where the Nominated Daily Metered Supply Point Capacity is equal or greater than the previous NDM Supply Point Capacity; and~~

~~(b) from such Supply Point Registration, Users shall be liable for a Supply Point Ratchet Charge where the Nominated Daily Metered Supply Point Capacity is less than the previous NDM Supply Point Capacity~~

~~save that where a DM Supply Meter Point with User Daily Read Equipment installed was previously a DM Supply Meter Point with Transporter Daily Read Equipment installed, a Supply Point Ratchet Charge shall be levied.~~

Section J: Exit Requirements

Amend as follows:

3.1.3 For the purposes of this Section J:

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

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

(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).

....

- 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 DM-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.

Section N: Shrinkage

Amend as follows:

4.5 Reconciliation

Following DM Reconciliation and CSEP 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.

Section Q: Emergencies

Amend as follows:

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 Sections F5 and ~~F6~~ 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.

TPD Section V: General

Amend as follows:

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 ~~M3M5~~;

- (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 performance of the Transporters' functions in relation to the engagement of the AUG Expert under Section E9;~~
- ~~(e)(d) the provision, operation, maintenance and development of computer systems;~~
- ~~(f)(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).

....

~~9.5 Aggregate NDM Reconciliation Auditor~~

~~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:~~

- ~~(a) "Aggregate NDM Reconciliation Charges" means User Aggregate Reconciliation Clearing Values and User Aggregate Transportation Charge Adjustments; and~~
- ~~(b) the person appointed under paragraph 9.5.1 in respect of the relevant period shall be the "RbD Auditor"; and~~
- ~~(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 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:~~

- ~~(a) the RbD Auditor shall present to and discuss with the Transporters its draft findings before reporting under paragraph (b);~~
- ~~(b) the RbD Auditor shall report his findings to the Transporters and the Uniform Network Code Committee or any relevant Sub-committee;~~
- ~~(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.~~

....

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 ~~M1.5.3~~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

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 ~~M3.8.2~~M5.13.3) or estimated Reading (determined pursuant to TPD Section ~~M3.8.5~~M5.13.8) and any Meter Readings provided to the Transporter under TPD Section ~~M3.3~~M5 and the date of such Meter Reading;
 - (iii)

Section X: Energy Balancing Credit Management

Amend as follows:

- 1.1.1 The effect of the provisions of Section F4.5.3(a)(ii) ~~and F6.5.1(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).

OFFTAKE ARRANGEMENTS DOCUMENT

Section H: NTS Long Term Demand Forecasting

Amend as follows:

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 [Aggregate NDM Reconciliation-Offtake Reconciliation](#), including where appropriate re-phasing of such adjustments into calendar years prior to calendar year –1;

TRANSITION DOCUMENT

PART II C - TRANSITIONAL RULES

13 Transition to Single Supply Meter Point Regime

....

13.1.1 For the purposes of paragraph 13, 14 and 15 ~~the~~:

....

(b) the "**Project Nexus Go Live Date**" is ~~the date of implementation of Modifications 432, 434 and 440~~ 1 October 2015 or such other date as may be determined by the Uniform Network Code Committee;¹

...

¹ Original text added by Modification 0428.

GENERAL TERMS

Section C - Interpretation

Add new term in paragraph 1 as follows:

"Project Nexus Implementation Date" is 1 October 2015 or such other date as may be determined by the Uniform Network Code Committee;²

....

Add new paragraph 3.3.5 as follows:

3.3.5 For the purposes of any provision of the Code which requires or provides for a conversion between volume (including Metered Volume) and quantity (including Metered Quantity), a reference to calorific value shall be deemed to be to calorific value expressed in kWh per Cubic Meter, which is calculated by multiplying calorific value expressed in MJ/Cubic Meter by a factor of 0.2778.

....

Amend paragraph 3.4.1 as follows:

3.4 Conversions

3.4.1 Where to give effect to any provision of the Code it is necessary to compare an amount of gas which is or is to be delivered to or offtaken from a System or injected to or withdrawn from a National Grid LNG Storage Facility, or a rate of such delivery, offtake, injection or withdrawal, expressed in terms of quantity, with such an amount or rate expressed in terms of volume, a conversion shall be made on the basis of the applicable calorific value in accordance with paragraphs [3.3.1](#) and [3.3.5](#).

² Use of term to be considered in context of transitional rules for Modifications 0432, 0434, 0440 and 0453 once developed.