

UNC MODIFICATION 0458 – SEASONAL LDZ SYSTEM CAPACITY RIGHTS – LEGAL DRAFTING

Drafting note: Existing UNC Text is shown assuming that the changes proposed by Mod 428 have gone live

TPD SECTION A

New A 3.3.6

3.3.6 A **Seasonal LDZ Metered CSEP** is any LDZ Metered CSEP that has been classified as such in accordance with the provisions of Section B4.10.

New A4.5.6

4.5.6 A **Seasonal Large Supply Point** is any DM Supply Point that has been classified as such in accordance with the provisions of Section B4.9.4 (a).

TPD SECTION B

Amend B4.2.3

4.2.3 A User's Registered Supply Point Capacity in respect of a Registered DM Supply Point:

- (a) may be increased or reduced subject to and in accordance with the conditions and requirements in Section G5 [but subject to and save as otherwise provided by paragraph 4.9 in the case of a Seasonal Large Supply Point](#);
- (b) shall not be reduced nor (subject to paragraph 4.7) increased other than as provided in paragraph (a), nor (subject to Section V4.3) shall the registration be terminated, except as provided in paragraph 4.2.4.

Amend B4.4

4.4 LDZ Capacity Registration: LDZ Supply Points

4.4.1 [Save as otherwise provided by paragraph 4.9 \(Seasonal LDZ Capacity\)](#) A User will at all times be registered as holding LDZ Capacity at each LDZ Supply Point in an amount equal to the amount of the Supply Point Capacity which the User is for the time being registered as holding (pursuant to any provision of the Code) at that Supply Point; and [save as aforesaid](#), Users will not make separate applications for such capacity.

4.4.2 In accordance with paragraph 4.4.1, a User will cease to be registered as holding LDZ Capacity at an LDZ Supply Point where it ceases to hold Supply Point Capacity at such Supply Point.

Amend B 4.6.2

4.6.1 A User shall pay:

- (a) Capacity Charges ("LDZ Capacity Charges") in respect of its Registered LDZ Capacity at LDZ System Exit Points;
- (b) Commodity Charges ("LDZ Commodity Charges") in respect of its use of each LDZ;
- (c) Customer Charges in respect of its Registered LDZ Supply Points; and
- (d) CSEP Charges in respect of each relevant Connected System Exit Point in relation to which it is a CSEP User.

4.6.2 The LDZ Capacity Charge payable by a User in respect of each Day will be determined (for each LDZ System Exit Point) as the amount of its Registered LDZ Capacity multiplied by the Applicable Daily Rate. For the avoidance of doubt the LDZ Capacity Charge in respect of a Seasonal Large Supply Point is only payable by the User in respect of those Days that fall within the applicable Restricted LDZ Capacity Period for that Seasonal Large Supply Point.

Amend B4.7

4.7 Supply Point Ratchet

4.7.1 Subject to paragraph 1.3.2, and paragraphs 4.7.8, 4.7.9 and 4.7.10 and 4.7.12 if for any reason:

(a) in respect of a DM Supply Point (other than a Seasonal Large Supply Point) on any Day, other than a Day in the months of June to September inclusive, or

(b) in respect of a Seasonal Large Supply Point, on any Day,

the quantity of gas offtaken by a User from the Total System at a DM Supply Point exceeds the User's Registered DM Supply Point Capacity (such occurrence being in each case a "Supply Point Ratchet"), then in each such case:

(ia) the User's Registered DM Supply Point Capacity at that Supply Point shall automatically be increased with effect from the following Day in accordance with paragraph 4.7.3; and

(ib) subject to paragraph 4.7.11, the User shall pay a charge ("**Supply Point Ratchet Charge**") in respect of the Capacity Ratchet Amount in accordance with paragraph 4.7.6.

Amend B4.8

4.8 LDZ CSEP Overrun Charge

4.8.1 If for any reason in any calendar month (an "**overrun month**"):

(a) in respect of a LDZ Connected System Exit Point (other than a Seasonal LDZ Connected System Exit Point) on any Day other than a Day in a month from June to September inclusive; or

(ba) in respect of a Seasonal LDZ Connected System Exit Point, on any Day in any Month;

(i) the quantity of gas offtaken by a CSEP User from the Total System at a relevant LDZ Connected System Exit Point [or Seasonal LDZ Connected System Exit Point](#) on any Day exceeds the User's Registered LDZ Capacity; and

(ii) (where pursuant to the CSEP Network Exit Provisions this paragraph (ii) applies) the aggregate quantity of gas offtaken by all CSEP Users at the relevant Connected System Exit Point on such Day exceeds the sum of such CSEP Users' Registered LDZ Capacities

(such Day being an "**overrun day**") the User shall pay a charge ("**LDZ CSEP Overrun Charge**") in respect of LDZ Capacity at that Connected System Exit Point in that month.

Add New B4.9

4.9 Seasonal LDZ Capacity

4.9.1 "**Seasonal Period**" means the period commencing 0600 on 1 April and ending at 0600 on the next following 1 October.

4.9.2 In respect of any DM Supply Point (other than an NTS Exit Point) whose Annual Quantity is greater than or equal to 5,860,000 kWh (*200,000 therms*), a User may, on or before 1 March in the current Gas Year (or such later date in the Gas Year as the DNO shall allow) request in any Supply Point Nomination or Capacity Revision Application that:

(i) the User be registered as the holder of Supply Point Capacity at that DM Supply Point on all Days; and

(ii) LDZ Capacity and a specific Supply Point Offtake Rate are made available for that DM Supply Point only for a restricted period of specified consecutive calendar months falling within the Seasonal Period in the current Gas Year (the **User Nominated Restricted LDZ Capacity Period**).

4.9.3 Following a request by a User pursuant to paragraph 4.9.2, the DNO shall notify the User of such period (if any) of consecutive calendar months within the Seasonal Period throughout which the LDZ Capacity, Supply Point Capacity and Supply Point Offtake Rate requested by the User can be made available at the relevant DM Supply Point (the **DNO Notified Restricted LDZ Capacity Period**).

4.9.4 If both (1) the start of the User Nominated Restricted LDZ Capacity Period is no earlier than the start of the DNO Notified Restricted LDZ Capacity Period; and (2) the end of the User Nominated Restricted LDZ Capacity Period is no later than the end of the DNO Notified Restricted LDZ Capacity Period, then (subject to the acceptance by the Transporter of a Capacity Revision Application (in respect of a capacity increase at an Existing Supply Point) or Supply Point Registration (in respect of a New Supply Point)):

(a) the DM Supply Point shall be classified as a **Seasonal Large Supply Point**;

(b) the period of consecutive calendar months during the Seasonal Period throughout which LDZ Capacity shall be made available for that DM Supply Point at the requested Supply Point Offtake Rate (the **Restricted LDZ Capacity Period**) shall be the shorter of:

(i) the DNO Notified Restricted LDZ Capacity Period; and

(ii) the User Nominated Restricted LDZ Capacity Period; and

- (c) once set pursuant to paragraph 4.9.4(b) the Restricted LDZ Capacity Period in respect of the relevant Seasonal Large Supply Point shall not be varied without the prior consent of the DNO.

4.9.5 In respect of a Seasonal Large Supply Point:

- (a) the User's Registered Supply Point Capacity will be registered (in accordance with this Section B) for a period (the **SLSP Annual Period**) of twelve (12) months from 0600 on the first day of the Restricted LDZ Capacity Period and, subject to paragraphs 4.7 and 4.9.5(c), such Supply Point Capacity will apply in respect of all Gas Flow Days within the SLSP Annual Period. For the avoidance of doubt, the Capacity Variable Component of the Customer Charge shall be payable in respect of each Day within the SLSP Annual Period and will not be limited to the Restricted LDZ Capacity Period.
- (b) the User's Registered LDZ Capacity will only be available in respect of those Days falling within the Restricted LDZ Capacity Period and the User shall hold no Registered LDZ Capacity in respect of any Day that does not fall within the Restricted LDZ Capacity Period;
- (c) the Supply Point Capacity and LDZ Capacity shall be increased in accordance with paragraph 4.7 (Supply Point Ratchet) provided always that the resulting increased LDZ Capacity pursuant to any Supply Point Ratchet will only be available during the Restricted LDZ Capacity Period.
- (d) without prejudice to paragraph 4.9.4 (c), if prior to the expiry of any SLSP Annual Period the User wishes to increase the Supply Point Capacity, LDZ Capacity or Supply Point Offtake Rate then, pursuant to Section G5, it may submit a Capacity Revision Application or an application for an increased Supply Point Offtake Rate.
- (e) without prejudice to paragraph (g), the User shall not be entitled to reduce either the Supply Point Capacity or the LDZ Capacity in respect of a Seasonal Large Supply Point until the expiry SLSP Annual Period;
- (f) in the event of any inconsistency between (on the one hand) paragraphs 4.9.5(d) or 4.9.5(e) and (on the other hand) the provisions of Section G.5, then paragraph 4.9.5(d) or 4.9.5(e) (as the case may be) shall prevail.
- (g) the User's Registered Supply Point Capacity as at the expiry of any SLSP Annual Period shall be Registered for a further period of twelve (12) months with effect from the expiry of such SLSP Annual Period (such further period of twelve (12) months being a new SLSP Annual Period); and
 - (i) the User shall be Registered as holding LDZ Capacity for the next following Restricted LDZ Capacity Period falling within the new SLSP Annual Period; and
 - (ii) the Supply Point Offtake Rate prevailing at the expiry of the current SLSP Annual Period shall continue to the new SLSP Annual Period;

Provided always that the User may, prior to the commencement of the new SLSP Annual Period, request a reduction in Supply Point Capacity and LDZ Capacity where such reduction is to be effective from the first day of the new SLSP Annual Period.

- 4.9.6 The offtake arrangements in respect of a Seasonal Large Supply Point shall be comprised in Network Exit Provisions and, where applicable any Siteworks Contract in relation to that Seasonal Large Supply Point.

4.9.7 Seasonal Capacity Failure Charge

If, in respect of a Seasonal Large Supply Point and any Day (being a Day which is not within the Restricted LDZ Capacity Period for that Seasonal Large Supply Point) the User offtakes gas and exceeds the Registered LDZ Capacity (which, for the avoidance of doubt, is zero in respect of any Day that is not within the Restricted LDZ Capacity Period) a Seasonal Capacity Failure will have occurred and:

- (a) the User shall pay a charge (a Seasonal Capacity Failure Charge) in respect of each Day on which a Seasonal Capacity Failure occurs determined as:
 - (i) the Applicable Annual Rate for Registered LDZ Capacity multiplied by the aggregate quantity (in kWh) of gas offtaken at that Seasonal Large Supply Point on that Day;
- (b) the Seasonal Capacity Failure Charge will be:
 - (i) payable in addition to any Supply Point Ratchet Charge payable in respect of that Seasonal Large Supply Point and that Day; and
 - (ii) invoiced and payable as an Ad-hoc Invoice in accordance with Section S 2.4; and
- (c) irrespective of whether the Seasonal Capacity Failure resulted from Force Majeure, where the Transporter determines that the Seasonal Capacity Failure results in a significant risk to the security of the relevant System, the Transporter may take any steps available to it to isolate or disconnect any or all Supply Meter Points comprised within the Seasonal Large Supply Point.

4.10 Seasonal LDZ Capacity at LDZ Metered CSEPs

4.10.1 "**Seasonal Period**" means the period commencing 0600 on 1 April and ending at 0600 on the next following 1 October.

4.10.2 In this paragraph 4.10, references to a LDZ Metered CSEP are to a LDZ System Point as referred to in Section A3.3.1 and not to any separate System Exit Point deemed (pursuant to CSEP Network Exit Provisions) to be comprised in such a System Point as provided in Section A3.3.5.

4.10.3 In respect of any LDZ Metered CSEP, a CSEP User may, on or before 1 March in the current Gas Year (or such later date in the Gas Year as the DNO shall allow) request (in accordance with Section B4.5.2 and the relevant CSEP Network Exit Provisions) that LDZ Capacity at that LDZ Metered CSEP be made available to the CSEP User for only a restricted period of specified consecutive calendar months falling within the Seasonal Period in the current Gas Year (the **CSEP User Requested Period**).

4.10.4 Following a request by a User pursuant to paragraph 4.10.3, the DNO shall notify the CSEP User of such period (if any) of consecutive calendar months within the Seasonal Period throughout which the LDZ Capacity requested by the CSEP User can be made available at the relevant LDZ Metered CSEP (the **DNO Notified Period**).

4.10.5 If both (1) the start of the CSEP User Requested Period is no earlier than the start of the DNO Notified Period; and (2) the end of the CSEP User Requested Period is no later than the end of the DNO Notified Period, then:

- (a) the LDZ Metered CSEP shall be classified as a **Seasonal LDZ Metered CSEP**;

- (b) the period of consecutive calendar months during the Seasonal Period throughout which LDZ Capacity shall be made available to the CSEP User at that LDZ Metered CSEP (the **Restricted LDZ CSEP Capacity Period**) shall be the shorter of:
 - (i) the DNO Notified Period; and
 - (ii) the CSEP User Requested Period; and
- (c) once set pursuant to paragraph 4.10.5(b) the Restricted LDZ CSEP Capacity Period in respect of the relevant CSEP User and Seasonal LDZ Metered CSEP shall not be varied without the prior consent of the DNO.

4.10.6 In respect of a CSEP User and a Seasonal LDZ Metered CSEP:

- (a) the CSEP User's Registered LDZ Capacity will only be available in respect of those Days falling within the Restricted LDZ CSEP Capacity Period and the CSEP User shall hold no Registered LDZ Capacity in respect of any Day that does not fall within the Restricted LDZ CSEP Capacity Period;
- (b) without prejudice to paragraph (c), the CSEP User shall not be entitled to reduce its LDZ Capacity during the Restricted LDZ CSEP Capacity Period;
- (c) the CSEP User shall be Registered as holding LDZ Capacity at the Seasonal LDZ Metered CSEP for the Restricted LDZ CSEP Capacity Period falling within all subsequent Seasonal Periods;

Provided always that the CSEP User may, prior to the commencement of the next following Seasonal Period, request a reduction in LDZ Capacity at the relevant Seasonal LDZ Metered CSEP where such reduction is to be effective from the first day of the Restricted LDZ CSEP Capacity Period in such next following Seasonal Period.

4.10.7 The offtake arrangements in respect of a Seasonal LDZ Metered CSEP shall be comprised in CSEP Network Exit Provisions.

4.10.8 **Seasonal CSEP Capacity Failure Charge**

If, in respect of a Seasonal LDZ Metered CSEP and any Day (being a Day which is not within the Restricted LDZ CSEP Capacity Period for that CSEP User in respect of that Seasonal LDZ Metered CSEP) the CSEP User offtakes gas and exceeds the CSEP User's Registered LDZ Capacity (which, for the avoidance of doubt, is zero in respect of any Day that is not within the Restricted LDZ CSEP Capacity Period) a **Seasonal CSEP Capacity Failure** will have occurred and:

- (a) the CSEP User shall pay a charge (a **Seasonal CSEP Capacity Failure Charge**) in respect of each Day on which a Seasonal CSEP Capacity Failure occurs determined as the Applicable Annual Rate for Registered LDZ Capacity multiplied by the aggregate quantity (in kWh) of gas offtaken by the CSEP User at that Seasonal LDZ Metered CSEP on that Day.
- (b) the Seasonal CSEP Capacity Failure Charge will be:
 - (i) payable in addition to any LDZ CSEP Overrun Charge payable by the CSEP User in respect of that Seasonal LDZ Metered CSEP and that Day; and
 - (ii) invoiced and payable as an Ad-hoc Invoice in accordance with Section S 2.4; and

- (c) irrespective of whether the Seasonal CSEP Capacity Failure resulted from Force Majeure, where the Transporter determines that the Seasonal CSEP Capacity Failure results in a significant risk to the security of the relevant System, the Transporter may take any steps available to it to isolate or disconnect the Seasonal LDZ Metered CSEP as specified and agreed between the Transporter and the Connected System Operator and defined in the CSEP Network Exit Provisions.

SECTION G

Amend G5.1.7

- 5.1.7 The Transporter may 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, or (in the case of an application for an increase in Supply Point Capacity) in accordance with Section V3; ~~and~~
 - (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; and
 - (c) in respect of Seasonal Large Supply Point, if it is not in compliance with Section B 4.9-
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Amend G5.2.3

- 5.2.3 Subject to paragraph 5.2.4, at any time in the Gas Year:
- (a) subject to paragraph (d), the "**Bottom-Stop**" Supply Point Capacity in respect of a DM Supply Point is:
 - (i) the amount (the "**Preceding Year Maximum Capacity**") which is the highest User SPDQ for any Day (~~other than a Day in the months of June to September inclusive~~) 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; or
 - (ii) if higher, where there has been a Supply Point Ratchet (in accordance with Section B4.7) in the Gas Year, the amount of the Prevailing Supply Point Capacity (subject to and in accordance with paragraph 5.5.5) following such (or if more than one, the most recent) Supply Point Ratchet;
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SECTION J*Amend J 1.5.2*

1.5.2 Network Exit Provisions are required to be in force in respect of:

- (a) any Connected System Exit Point;
- (b) unless the Transporter otherwise determines in any case, any Supply Meter Point comprised in a VLDMC Supply Point; ~~and~~
- (c) each Inter-System Offtake; and
- (d) each Seasonal Large Supply Point;

and where Network Exit Provisions are required to be in force a User will not be entitled to offtake gas from the System at the relevant System Exit Point unless there are such provisions in force.
