

IGTAD SECTION B

IGT SYSTEMS - CONNECTION AND OPERATIONAL ARRANGEMENTS

1. GENERAL

1.1 Introduction

1.1.1 This Section B sets out:

- (a) requirements (including requirements as to connection and operation in relation to an IGT System at a CSEP) applying to the directly connected IGT only; and
- (b) certain such requirements applying to both the directly connected IGT and any indirectly connected IGT.

1.1.2 For the purposes of this Section B:

- (a) **CSEP Connection Arrangements** is defined in paragraph 1.2.1
- (b) **CSEP Connection Data** is defined in paragraph 2.2.2;

1.1.3 For the purposes of this Document, in relation to a CSEP:

- (a) **Aggregate IGT System** means the directly connected IGT System and all (if any) indirectly connected IGT Systems, taken together;
- (b) **AIGTS AQ**, in relation to a Gas Year, means the aggregate quantity of gas which is expected (on a seasonal normal basis, in relation to Class 3 and 4 IGTS Supply Meter Points) to be offtaken from all IGTS Supply Meter Points on the Aggregate IGT System in that Gas Year; [*should this apply to NDM only?*]
- (d) **Connection or Load Change** means any of the things specified in paragraph 2.2.2 (a), (b) and (c);
- (e) **Connection Facilities** means any equipment or facilities installed (pursuant to the CSEP Connection Arrangements or otherwise) by the DN Operator or the directly connected IGT at the site of a CSEP for the purposes of connecting or enabling the connection of the DNO System and the IGT System at that CSEP;
- (f) directly connected IGT means an independent gas transporter operating a Directly Connected IGT System;
- (g) indirectly connected IGT means an independent gas transporter operating an Indirectly Connected IGT System.

[*Is there a need to define 'connection' or specify when it is deemed to occur?*]

1.1.4 In this Section B a reference to a 'Party' in the context of a CSEP is to the DN Operator and a directly connected IGT.

1.1.5 [The requirements in Section [] in respect of DM IGTS Supply Point Components apply separately from and in addition to this Section B.]

1.2 CSEP Connection Arrangements

- 1.2.1 Each DN Operator has established processes and other arrangements (such processes and arrangements, as from time to time in force, the **CSEP Connection Arrangements**) by which an IGT may apply for and (subject to the conditions and requirements stipulated by the DN Operator) obtain approval for the connection of a directly connected IGT System to a DNO System at a CSEP, or a subsequent increase in expected load at a CSEP.
- 1.2.2 The CSEP Connection Arrangements are set out in separate documentation established by each DN Operator, and do not form part of the Code.
- 1.2.3 The CSEP Connection Arrangements provide (among other things) for:
- (a) the submission by the directly connected IGT of CSEP Connection Data;
 - (b) the maintenance of a record of the Connection Facilities from time to time installed by the DN Operator and/or the directly connected IGT at a CSEP.

[1.2.4 The CSEP Connection Arrangements may provide for:

- (a) *[maintenance days;]*
- (b) *[offtake pressure;]*
- (c) *[/].]*

[We don't want to overload the CSEP Connection Arrangements with mis-placed scope assumptions? Better to provide rules here where we can.]

1.2.5 Any estimate required to be made by an IGT under this Section B shall be made to the standards required in and otherwise in accordance with the CSEP Connection Arrangements (and in the absence of any such standards, in good faith [and to the standard of a reasonable and prudent operator] and where applicable after enquiry of any downstream IGT¹).

1.3 Responsibility of directly connected IGT

- 1.3.1 Except where any provision of this Section B is expressly binding on indirectly connected IGTs, the directly connected IGT is responsible for ensuring the requirements of this Section B are complied with in relation to the Aggregate IGT System as a whole.
- 1.3.2 The directly connected IGT undertakes that it will make (and in relation to indirectly connected IGT Systems in existence at the Nexus Implementation Date, warrants that it has made) arrangements with each indirectly connected IGT which enable the directly connected IGT to comply with this Section B.

1.4 Miscellaneous

- 1.4.1 The provisions of the Code are without prejudice to any lease or other instrument made between the Parties in respect of the land where any Connection Facilities of the DN Operator are situated.

¹ To be defined in IGTAD A.

- 1.4.2 Without prejudice to anything agreed pursuant to the CSEP Connection Arrangements, nothing in this Document imposes any obligations on the DN Operator, or takes effect as a warranty by the DN Operator, in favour of any IGT in relation to any Connection Facilities of the DN Operator; and [(in accordance with [Section H6])] the DN Operator will not be liable to any IGT in respect of any failure or malfunction of any such Connection facilities.

2. CSEP CONNECTION

2.1 Right to be connected and permit offtake

- 2.1.1 Provided it complies with the requirements in this Section B, a directly connected IGT shall be entitled to have the [Aggregate] IGT System connected to the DNO System at each Individual System Exit Point comprised in the relevant CSEP.

- 2.1.2 A directly connected IGT shall not [offtake gas or] permit gas to be offtaken from the DNO System at any Individual Exit Point comprised within the CSEP:

- (a) before the date (determined in accordance with the CSEP Connection Arrangements) on which the connection of the IGT System to the DNO System has been completed, as demonstrated by successful commissioning of the pipeline(s) and other facilities forming part of the DNO System, so as to permit the safe transportation of gas on the DNO System to the furthest downstream isolation valve before the IGT System; or
- (b) except for the purposes of commissioning (as provided in the CSEP Connection Arrangements) the IGT System, before the date (as determined in accordance with those arrangements) on which such commissioning is [treated as] completed.

[2.1.3 *Commissioning arrangements?*]

2.2 CSEP connection requirements

- 2.2.1 It is a requirement for the purposes of the Code that, before any of the following:

- (a) the initial connection of the directly connected IGT System to the DNO System at a CSEP;
- (b) the connection of any indirectly connected IGT System to any upstream IGT System²; or
- (c) the expansion of any part of the Aggregate IGT System by the connection of any premises [(or a change in load at premises)] such that the number of premises or AIGTS AQ exceeds what was specified in the prevailing CSEP Connection Data

the directly connected IGT shall estimate and submit to the DN Operator the CSEP Connection Data or (as the case may be) updated CSEP Connection Data, and obtain from the DN Operator approval for the connection or as the case may be expansion and increase in load, in accordance with the CSEP Connection Arrangements.

- 2.2.2 For the purposes of the Code, **CSEP Connection Data** in relation to a Connection or Load Change means, for each of the 10 Gas Years starting with the Gas Year in which a

² To be defined in IGTAD A

Connection or Load Change occurs or (as the case may be) in which an update is notified under paragraph 2.3:

- (a) the [maximum] number of premises expected to be connected to the Aggregate IGT System [at any time] during the Gas Year;
- (b) the AIGTS AQ;
- (c) the amount of the AIGTS AQ referable to:
 - (i) Smaller IGTS Supply Points;
 - (ii) Larger IGTS Supply Points
- (d) [where applicable, the Offake Rate information set out in paragraph 4].

and a reference to the **prevailing** CSEP Connection Data is to the data most recently submitted and for which approval (as referred to in paragraph 2.2.1) has been obtained.

2.2.3 The directly connected IGT shall not make or permit any downstream IGT to make any connection (of any IGT System to another System, or of premises to any IGT System), or take or permit to be taken any other action, which would result in a failure to comply with the requirement in paragraph 2.2.1.

2.3 Updated CSEP Connection Data

2.3.1 Without prejudice to paragraph 2.2.1, the directly connected IGT shall:

- (a) keep the prevailing CSEP Connection Data under review, and in any event review such data upon the request of (and within the timetable reasonably required by) the DN Operator; and
- (b) if there is any [material] change (whether in respect of an increase or decrease in the expected number of premises connected or load on the Aggregate IGT System) in its estimate of the matters comprised in the CSEP Connection Data as compared with the estimates in the prevailing CSEP Connection Data, notify the DN Operator and submit updated CSEP Connection Data accordingly.

[2.3.2 Is there a specific requirement to update based on actual estimated or calculated AQs? (How would directly connected IGT know?) If the sum of the AQs reaches the AIGTS AQ before the max no of premises are connected, does that trigger another load approval requirement?]

[2.3.3 Query need to clarify what happens if load increases beyond AIGTS AQ without connection of additional premises?]

2.4 IGT registration [this is what we described as commercial - ie for xoserve]

2.4.1 Each IGT shall, before any IGT System is connected to a DNO System or (as the case may be) an upstream IGT System, register the IGT System with the DN Operator (for the purposes, among others, of the application of Section D) by submitting the following data to the DN Operator:

- (a) the identity of the IGT;

- (b) an identifier (as specified by the DN Operator) for the IGT System;
- (c) the identity of the relevant CSEP;
- (d) in the case of an indirectly connected IGT System, the identity of the upstream IGT System to which it is immediately connected.

2.4.2 The directly connected IGT shall not permit the connection of any downstream IGT System unless the DN Operator confirms that the requirement in paragraph 2.4.1 has been complied with.

3. OPERATIONAL REQUIREMENTS

3.1 Connection Facilities

3.1.1 Where (pursuant to the CSEP Connection Arrangements) any Connection Facilities are installed by either Party at a CSEP:

- (a) that Party shall not modify, remove or replace such Connection Facilities, if such Connection Facilities would as a result cease to be compatible with the other Party's Connection Facilities, or if gas flows at the CSEP would be materially affected, except:
 - (i) where required (in relation to a subsequent Connection or Load Change) under, and in accordance with, the CSEP Connection Arrangements, or
 - (ii) with the approval of the other Party, which is not to be unreasonably withheld or delayed;
- (b) that Party shall in any event give to the other Party as much notice as is practicable of any proposal to modify, remove or replace such Connection Facilities;
- (c) the record referred to in paragraph 1.2.3(b) shall be updated to reflect any such modification, removal or replacement.

3.1.2 Each Party shall be entitled, upon reasonable notice to the other Party, and subject to compliance with such reasonable procedural requirements as the other Party may specify, to inspect (and to have access accordingly to) the other Party's Connection Facilities for the purposes of verifying that those Connection Facilities remain compatible with the first Party's Connection Facilities and System.

3.2 Maintenance

3.2.1 The Parties shall exchange information as to:

- (a) in the case of the DN Operator, its proposals for carrying out maintenance on the DNO System;
- (b) in the case of the directly connected IGT, any proposal by it or any indirectly connected IGT for carrying out maintenance on any part of the Aggregate IGT System

where such proposed maintenance is materially likely to affect gas flows at the CSEP, or the operation of the Aggregate IGT System or (as the case may be) the DNO System.

[3.2.2 Maintenance days]

3.3 System security and emergencies

3.3.1 Each [directly or indirectly connected] IGT and the DN Operator agree to cooperate with each other and to comply with all requests made by the other (save those which are manifestly unreasonable) for the purposes of:

- (a) averting or reducing danger to life or property, or
- (b) securing the safety of their respective Systems or the same conveyance of gas by such System or reducing risk thereto.

3.3.2 See NExA 4.4 – IGT (DC and IDC) and NGG to exercise powers under respective network code wrt security. IGT to exercise such powers and gas code powers to maintain security of [Total] System. What exactly does this mean?

3.3. Where the DN Operator exercises any right under the Code to suspend or discontinue the offtake by Users of gas at a CSEP, or to limit the rate of such offtake, the DN Operator will advise the [directly connected] IGT as soon as possible.

3.4 Network validation

[See NExA Annex A part 3. What validation rights does the IGT have (on the DNO System) and why? Do the DNO's rights include inspection of the IGT system, or is it limited to a desktop exercise?]

3.5 Pressures

[/]

4. **LDZ CAPACITY AND OFFTAKE RATES** - note we have inserted a non-legally drafted summary of the existing NExA provisions, and questions, for discussion

4.1 Offtake Rates

See NExA Annex A part 11

1. Should these arrangements apply only in respect of NDM load?
2. Should this only apply where the AIGTS AQ is above a defined threshold?
3. For each Gas Year the Maximum CSEP Offtake Rate (**MCOR**) is a rate of offtake at a CSEP determined from the AIGTS AQ according to the following formula: []. [Could this be varied under the CSEP Connection Arrangements?]
4. The Aggregate CSEP Capacity (**ACC**) is the sum of the amounts of LDZ Capacity for the time being allocated to all Users at the CSEP
5. For each Gas Year the directly connected IGT must, [by when?], make (and notify to the DNO) a central estimate of the highest rate (**CEOR**) at which gas will be offtaken at the CSEP in that Gas Year. [Confirm this is a genuine, central, estimate. Is it to be seasonal normal?] [Should this responsibility apply to each (including indirect) IGT separately?]

6. Before the Winter Period each Gas Year the [directly connected] IGT must notify to the DNO a rate of offtake (Aggregate CSEP Offtake Rate - **ACOR**) such that

$$CEOR \leq ACER \leq (1+F) CEOR$$

where F is [0.05 or such other factor as may have been agreed pursuant to the CSEP Offtake Arrangements]

[This gives the IGT some flexibility to set ACOR within a range, to satisfy 7.2 below]

7. The ACOR [and therefore MCOR, subject to the flex range] must satisfy the following requirements:

7.1 $ACOR \leq MCOR$

7.2 $4 * ACOR \leq ACC \leq 24 * MCOR$

How does directly connected IGT know ACC? What are the consequences of breach? Excluded offtake circumstance. What else?

Note the whole thing adds up to nothing unless MCOR can be set. Without a determinable value of MCOR it's meaningless.

8. No IGT may connect further load at any time at which the requirements in 7 are not satisfied.
9. Where the [NDM] AIGTS AQ for a Gas Year > 732,000 kWh, the [directly connected] IGT must also allocate ACOR between Users and notify the quantity so allocated for each User (**UACOR**) to the DNO. *[How is this allocation varied from time to time?]*
10. A User may not offtake gas at the CSEP at a rate exceeding UACOR. *[Note this is a rule to plug (by cross-reference) into TPD J]*

4.2 LDZ Capacity

See NExA Annex A part 4 para 1.3(ii), 1.4

1. As above, limited to NDM?
2. Minimum CSEP LDZ Capacity (**MCLC**) is determined from AIGTS AQ according to the following formula: *[Formula needed to make this meaningful unless it's a separate data item in the CSEP Connection Data.]*
3. ACC (Aggregate CSEP Capacity – ie Users' LDZ Capacity at a CSEP in aggregate) cannot fall below MCLC. If it does the LDZ Capacity at each IGTS (or CSEP) Supply Point Component is scaled up by (MCLC / ACC)

Is this applied monthly? daily? Note it means intervening in the TPD rules and creating a special rule for CSEPs. Does this actually happen in practice?

[Note: in addition we need to check that the 0440 TPD drafting addresses all the 'relevant CSEP' provisions listed at the end of the NExA.]

SECTION [] – IGTS SHRINKAGE

1. IGTS SHRINKAGE

- 1.1 IGTS Shrinkage means gas offtaken from a DNO System at a CSEP which is lost from or unaccounted for as offtaken from any directly or indirectly connected IGT System, including gas lost or unaccounted for by reason of leakage, theft, meter error or meter correction.
- 1.2 At the Nexus Implementation Date there are no arrangements for the identification or estimation of IGTS Shrinkage or for its allocation as among [CSEP Users].
- 1.3 It is acknowledged that, as a result, IGTS Shrinkage will be counted as and treated as forming part of Unidentified Gas for the relevant LDZ pursuant to TPD Section E10. [*Does this belong in IGAD?*]