

MODIFICATION PROPOSAL 421 – Improve AQ Performance

LEGAL TEXT

Proposed Amendments to the Uniform Network Code

UNC General Terms – Section C

Insert the following new definition after the definition of "Back Stop Reconciliation Month"

“**Code Administrator**” has the meaning ascribed to that term in paragraph 2.1 of the Modification Rules;

UNC Transportation Principal Document – Section G

Amend paragraph 1.6.18 a, b and c and insert the following new paragraph 1.6.18 d and e:

“1.6.18 The Transporters shall publish, by the dates specified in paragraph 1.6.20, a report containing the following information ~~in respect of each User~~ (on a non attributable basis):

- (a) in respect of each User in aggregate across all End User Categories:
 - (i) the number of applications made by the User during the User AQ Review Period (in accordance with paragraph 1.6.4) for an increase in the Provisional Annual Quantity and for a decrease in the Provisional Annual Quantity;
 - (ii) the number of such successful applications made by the User during the User AQ Review Period (in accordance with paragraph 1.6.7) that resulted in a User Provisional Annual Quantity shown by the resulting increase and decrease in comparison to the Provisional Annual Quantity;
 - (iii) the number of Speculative Calculation enquiries made by the User during the preceding Gas Year;
- (b) in respect of each User by each End User Category:
 - (i) the number of Supply Meter Points where the Annual Quantity has increased or decreased as a result of the successful applications referred to in (a)(ii) shown as a percentage of the total number of Supply Meter Points in that End User Category;
 - (ii) the change to the Annual Quantity in aggregate (expressed in kWh) that has occurred due to the increases or decreases as a result of the successful applications referred to in (a)(ii);
 - (iii) the number of Supply Points that have moved from one End User Category to another End User Category as result of the successful applications referred to in (a) (ii);

(c) in respect of each User, by each LDZ, the number of such successful applications made by the User during the User AQ Review Period (in accordance with paragraph 1.6.7) that resulted in a User Provisional Annual Quantity shown by the resulting increase and decrease in comparison to the Provisional Annual Quantity

(d) In respect of each AQ Review User (in respect of the relevant AQ Review Year), the percentage (to two decimal points) of Smaller Supply Meter Points within that AQ Review User's Smaller Supply Meter Point AQ Review Portfolio of which:

- (i) the Provisional Annual Quantity, or
- (ii) where paragraph 1.6.7 applies in relation to that Smaller Supply Meter Point, the User Provisional Annual Quantity, differs from the Annual Quantity of that Smaller Supply Meter Point for that AQ Review Year;

in respect of each AQ Review Incentivized User (in respect of the relevant AQ Review Year), the percentage (to two decimal points) of Larger Supply Meter Points within that AQ Review Incentivized User's Larger Supply Meter Point AQ Review Portfolio of which:

- (i) the Provisional Annual Quantity or
- (ii) where paragraph 1.6.7 applies with respect to that Larger Supply Meter Point, the User Provisional Annual Quantity, differs from the Annual Quantity of that Larger Supply Meter Point for that AQ Review Year.

Insert the following new paragraph 1.6.20 c and d:

“1.6.20 The dates for the publication of the information to be contained in the report in accordance with paragraph 1.6.18 shall be in the case of:

- (a) paragraph 1.6.18(a) and (b), by no later than:
 - (i) 1 July, in respect of Smaller Supply Meter Points on an interim basis;
 - (ii) 1 August, in respect of Larger Supply Meter Points on an interim basis;
- 1 November in respect of all Supply Meter Points on a final basis;

in each case in the relevant Gas Year:-

(b) paragraph 1.6.18(c), by no later than 1 November in the relevant Gas Year, in respect of all Supply Meter Points on a final basis;

(c) paragraph 1.6.18(d), by no later than:

- (i) 1 July in the relevant AQ Review Year on an interim basis; and
- (ii) 1 November in the next following Gas Year on a final basis; and

(d) paragraph 1.6.18(e), by no later than:

- (i) 1 August in the relevant AQ Review Year, on an interim basis; and
- (ii) 1 November in the next following Gas Year, on a final basis,

Insert the following new paragraph 1.6.26:

“1.6.26 Preparation and publication of the reports pursuant to paragraphs 1.6.18(d) and (e) and 1.6.20(c) and (d) will be performed as a User Pays Service.”

Insert the following new paragraphs 1.21

1.21 AQ Review Performance Incentive

1.21.1 For the purposes of the Code, in relation to any User and a Gas Year (an “AQ Review Year”):

(a) the **AQ Review Portfolio** is all of the User’s Registered Supply Meter Points on the last day of that ‘AQ Review Year’, but excluding:

any DM Supply Meter Point;

any New Supply Meter Point first entered into the Supply Point Register in the AQ Review Year the Annual Quantity of which does not change on commencement of the next following Gas Year;

any Supply Meter Point in relation to which that User became the Registered User after 31 March in that Gas Year;

any Specified Exit Point;

(b) the “Larger Supply Meter Point AQ Review Portfolio” is the totality of

(i) all of the Larger Supply Meter Points within the User’s AQ Review Portfolio in relation to that AQ Review Year excluding Trans-threshold Larger Supply Meter Points; and

(ii) all of the Trans-threshold Smaller Supply Meter Points within that User’s AQ Review Portfolio in relation to that AQ Review Year;

(c) the “**Smaller Supply Meter Point AQ Review Portfolio**” is the totality of the Smaller Supply Meter Points within the User’s AQ Review Portfolio in relation to that AQ Review Year;

(i) all of the Smaller Supply Meter Points within the User’s AQ Review Portfolio in relation to that AQ Review Year excluding Trans-threshold Smaller Supply Meter Points; and

(ii) all of the Trans-threshold Larger Supply Meter Points within that User’s AQ Review Portfolio in relation to that AQ Review Year;

(d) a “**Trans-threshold Larger Supply Meter Point**” is a Larger Supply Meter Point on the last day of the AQ Review Year which was a Smaller Supply Meter Point on the first day of the AQ Review Year;

- (e) a “**Trans-threshold Smaller Supply Meter Point**” is a Smaller Supply Meter Point on the last day of the AQ Review Year which was a Larger Supply Meter Point on the first day of the AQ Review Year;
- (f) the “**Inactive Larger Supply Meter Point AQ Review Number**” is the total number of Supply Meter Points within the User’s Larger Supply Meter Point AQ Review Portfolio in relation to that AQ Review Year, the Annual Quantity of which does not change on commencement of the Gas Year next following the AQ Review Year; and
- (g) the “**Inactive Smaller Supply Meter Point AQ Review Number**” is the total number of Supply Meter Points within the User’s Smaller Supply Meter Point AQ Review Portfolio in relation to that AQ Review Year, the Annual Quantity of which does not change on commencement of the Gas Year next following the AQ Review Year.

1.21.2 For the purposes of the Code, in relation to an AQ Review Year:

- (a) the “**AQ Review Incentive Aggregate Payment**” is the aggregate of the payments received by the Transporters in a month in respect of Larger Supply Meter Point AQ Review Incentive Charges and Smaller Supply Meter Point AQ Review Incentive Charges in respect of that AQ Review Year;
- (b) an “**AQ Review User**” is a User which acceded to the Code prior to the commencement of that AQ Review Year.

1.21.3 Where an AQ Review User’s Inactive Larger Supply Meter Point AQ Review Number in relation to an AQ Review Year is more than 15% (to two decimal points) of the number of Supply Meter Points in that User’s Larger Supply Meter Point AQ Review Portfolio, the Transporters shall notify that User accordingly and the User shall (in accordance with Section S) pay the Transporters (allocated between them in such proportion as the Transporters shall determine):

(a) a “Larger Supply Meter Point AQ Review Incentive Charge” will be calculated as follows:

$$I = N * \text{relevant AQ banding charge in (b)}$$

Where:

I is the Larger Supply Meter Point AQ Review Incentive Charge

and

N is the User’s Inactive Larger Supply Meter Point AQ Review Number in relation to that AQ Review Year; and

(b)

<u>AQ banding</u>	<u>Shipper ID Charge £</u>
<u>1-73,200</u>	<u>20</u>
<u>73,201 – 293,000</u>	<u>164</u>
<u>293,301 – 732,000</u>	<u>479</u>
<u>732,001 and above</u>	<u>983</u>

(c) a User Pays Charge in respect of the User Pays Service pursuant to paragraphs 1.6.18(e) and 1.6.20(d).

1.21.4 Where an AQ Review User's Inactive Smaller Supply Meter Point AQ Review Number in relation to an AQ Review Year is more than 15% (to two decimal points) of the number of Supply Meter Points in that User's Smaller Supply Meter Point AQ Review Portfolio, the Transporters shall notify that User accordingly and the User shall (in accordance with Section S) pay the Transporters (allocated between them in such proportion as the Transporters shall determine):

(a) a "Smaller Supply Meter Point AQ Review Incentive Charge" calculated as follows:

$$I = N * £20$$

Where:

I is the Smaller Supply Meter Point AQ Review Incentive Charge

and

N is the User's Inactive Smaller Supply Meter Point AQ Review Number in relation to that AQ Review Year; and

(b) a User Pays Charge in respect of the User Pays Service pursuant to paragraphs 1.6.18(d) and 1.6.20(c).

1.21.5 Where in relation to an AQ Review Year, there is no AQ Review User whose Inactive Larger Supply Meter Point AQ Review Number in relation to that AQ Review Year is more than 15% (to two decimal points) of the number of Supply Meter Points in that User's Larger Supply Meter Point AQ Review Portfolio, each AQ Review User shall (in accordance with Section S) pay each of the Transporters a User Pays Charge in respect of the User Pays Service pursuant to paragraphs 1.6.18(e) and 1.6.20(d) in respect of that AQ Review Year.

1.21.6 Where in relation to an AQ Review Year, there is no AQ Review User whose Inactive Smaller Supply Meter Point AQ Review Number in relation to that AQ Review Year is more than 15% (to two decimal points) of the number of Supply Meter Points in that User's Smaller Supply Meter Point AQ Review Portfolio, each AQ Review User shall (in accordance with Section S) pay each of the Transporters a User Pays Charge in respect of the User Pays Service pursuant to paragraphs 1.6.18(d) and 1.6.20(c) in respect of that AQ Review Year.

1.21.7 Where a User's Inactive Smaller Supply Meter Point AQ Review Number in relation to an AQ Review Year is 15% (to two decimal points) or less than the number of Supply Meter Points in that User's Smaller Supply Meter Point AQ Review Portfolio, each Transporter shall in respect of each month in which the AQ Review Incentive Aggregate Payment in respect of the relevant AQ Review Year is greater than zero, pay that User an "AQ Review Incentive Aggregate Distribution Payment" determined as follows:

$$D = R * (UC/TC)$$

Where:

D is the AQ Review Incentive Aggregate Distribution Payment to the User

R is the aggregate of the payments received by the Transporter in respect of Larger Supply Meter Point AQ Review Incentive Charges and Smaller Supply Meter Point AQ Review Incentive Charges in that month in relation to the relevant AQ Review Year

UC is that User's Smaller Supply Meter Point AQ Review Portfolio for the relevant AQ Review Year

TC is the aggregate number of Supply Meter Points in the Smaller Supply Meter Point AQ Review Portfolios for the relevant AQ Review Year of each User (a "**qualifying User**") whose Inactive Smaller Supply Meter Point AQ Review Number in relation to that AQ Review Year is 15% (to two decimal points) or less than the number of Supply Meter Points in that qualifying User's Smaller Supply Meter Point AQ Review Portfolio.

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UNC Transition Document - Part II C

1.9.3 In the event that the implementation date of Modification Proposal 421 is later than 28 October 2012 the functions referred to in paragraph 1.22.4 in relation to the First AQ Review Year shall be discharged as soon as reasonably practicable after such implementation date."