

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

### TPD SECTION A

*New A4.5.6*

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

### TPD SECTION B

*Amend B4.2.3*

- 4.2.3 A User's Registered Supply Point Capacity in respect of the DM Supply Point Component of a Registered 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 Component;
  - (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.

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*Amend B4.4*

#### **4.4 LDZ Capacity Registration: LDZ Supply Point Components**

- 4.4.1 Save as otherwise provided by paragraph 4.9 (Seasonal LDZ Capacity) Aa User will at all times be registered as holding LDZ Capacity at each LDZ Supply Point Component 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 Component; 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 Component where it ceases to hold Supply Point Capacity at such Supply Point Component.

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*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 [Business Rule 13]**

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 Component (other than a Seasonal Large Supply Point Component) 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 Component, on any Day,

the quantity of gas offtaken by a User from the Total System at a DM Supply Point Component 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 Component shall automatically be increased with effect from the following Day in accordance with paragraph 4.7.3; and

(iib) 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.

*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 Component (other than an NTS Exit Point **[Business Rule 16]**) whose Annual Quantity is greater than or equal to 5,860,000 kWh (200,000 therms) **[Business Rules 1,2 and 3]**, a User may [at any time during but 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 Component on all Days; and

- (ii) LDZ Capacity and a specific Supply Point Offtake Rate are made available for that DM Supply Point Component 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 Component (the **DNO Notified Restricted LDZ Capacity Period**). **[Business Rule 5]**

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, **[Business Rule 6]** then:

- (a) the DM Supply Point Component shall be classified as a **Seasonal Large Supply Point Component**;
- (b) the period of consecutive calendar months during the Seasonal Period throughout which LDZ Capacity shall be made available for that DM Supply Point Component 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 Component shall not be varied without the prior ~~written~~ consent of the DNO.

4.9.5 In respect of a Seasonal Large Supply Point Component:

- (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; **[Business Rule 4]**
- (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. **[Business Rule 13]**
- (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; **[Business Rules 12 and 14]**
- (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.

**[Business Rule 11]**

- 4.9.6 The offtake arrangements in respect of a Seasonal Large Supply Point Component shall be comprised in Network Exit Provisions and, where applicable any Siteworks Contract in relation to that Seasonal Large Supply Point Component. **[Business Rule 8]**
- 4.9.7 **SLSP Restricted Capacity Period Charge** For the avoidance of doubt, if on any Day (being a Day which is not within the Restricted Capacity Period for that Seasonal Large Supply Point Component) the UDQO-registered User at the SLSP offtakes gas at the Seasonal Large Supply Point Component and exceeds the registered Supply Point-LDZ Capacity (which for each Day not within the Restricted Capacity Period is zero), a Seasonal Capacity Failure will have occurred. Where a Seasonal Capacity Failure occurs the SLSP Restricted Capacity Period Charge will be payable for each Day of such occurrence. any SLSP Restricted LDZ Capacity Period Charge shall be payable in addition to the Supply Point Ratchet Charge **[Business Rules 7 and 9]**

4.9.8 Where a Seasonal Capacity Failure occurs at a Seasonal Large Supply Point:

- (a) Irrespective of whether the Seasonal Capacity Failure resulted from a 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 contained within the Seasonal Large Supply Point Component and,
- (b) the Registered User shall pay a charge on each Day where a Seasonal Capacity Failure occurs determined as:
  - (i) the annual rate of the LDZ Capacity Charge multiplied by the Registered Supply Point Capacity.

4.9.9 The charge payable under paragraph 4.9.8 (b) (i) will be invoiced and is payable in accordance with TPD Section S.

## 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 Component, if it is not in compliance with Section B 4.9;~~
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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 Component 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 Component which is not a Seasonal Large Supply Point Component, 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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### Amend G5.2.4

5.2.4 In respect of the DM Supply Point Component of a Proposed Supply Point which is a New Supply Point:

- (a) the Preceding Year Maximum Capacity shall be determined as the highest relevant daily quantity (in accordance with paragraph 5.2.5(a)) in respect of any Day ~~(other than a Day in the months of June to September inclusive)~~ in the Preceding Year, but shall not exceed the Maximum Supply Point Capacity; ~~provided always that in respect of a DM Supply Component which~~

is not a Seasonal Large Supply Point Component, the relevant daily quantity for each Day in the months of June to September inclusive shall be disregarded; and

- (b) the Prevailing Supply Point Capacity shall be determined as the sum of the scaled relevant daily quantities (in accordance with paragraph 5.2.5(b)) for each DM Supply Meter Point comprised in the Proposed Supply Point.

## SECTION J

*Amend J 1.5.2* – **Business Rule 8]**

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 Component;

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.