

UNC Modification Proposal 0445

Amendment to the arrangements for Daily Metered Supply Point Capacity

Legal Text (based on v2.0 of the Modification Proposal)

UNC Defined Term

The following defined terms shall be deleted:

“Aggregate Bottom-Stop Capacity”
“Bottom Stop”

UNC Transportation Principal Document

Section G

Paragraphs 1.5.12 shall be amended to read as follows:

1.5.12 Where a User submits (pursuant to the provisions of this paragraph 1.5) a Supply Point Nomination (including a Renomination) pursuant to which an NDM Supply Meter Point is to become a DM Supply Meter Point:

(a) where in relation to any Supply Meter Point to be comprised in the DM Supply Point Component:

~~(i) the Supply Meter was Daily Read during the period of 12 months preceding the date of submission of the Supply Point Nomination; and~~

~~(ii) the Transporter and the User have not agreed that insufficient Valid Meter Readings (in accordance with Section M4) were obtained in the months of October to May in such period of 12 months~~

the Nominated Supply Point Capacity shall be not less than ~~the highest Supply Point Capacity for any previous Gas Day within the same Gas Year the Preceding Year Maximum Quantity~~ in accordance with paragraphs ~~5.2.3 and~~ 5.2.4, ~~but paragraph 5.2.3(b) shall be read as though references to a Supply Meter Point being DM were to the relevant Supply Meter being Daily Read;~~

(b) where paragraph (i) does not apply, the Nominated Supply Point Capacity shall not be less than the User's estimate (made in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care) of the maximum quantity of gas to be offtaken from the Total System at the DM Supply Point Component on any Day in the next 12 months, on the basis of reasonable assumptions as to weather conditions;

(c) the Supply Meter Point will become a DM Supply Point with effect from the Supply Point Registration Date; and

(d) in relation to a DM Supply Meter Point with User Daily Read Equipment installed and irrespective of the Registered User:

(i) where the Prevailing Supply Point Capacity is equal to or greater than the previous NDM Supply Point Capacity, Supply Point Ratchet Charges will not be levied until the first anniversary from the date of registration of the Registered User Supply Point Capacity; or

- (ii) where the Registered User Supply Point Capacity is lower than the previous NDM Supply Point Capacity, Supply Point Ratchet Charges will be levied.

Paragraphs 2.4.3 to 2.4.5 shall be amended to read as follows:

- 2.4.3 In the case of an LDZ Supply Point where the Proposed Supply Point includes a DM Supply Point Component:
- (a) the Supply Point Capacity ("**Offered Supply Point Capacity**") specified in the Supply Point Offer shall be, ~~;~~
- ~~(i) where the Nominated Supply Point Capacity is less than the Bottom Stop Supply Point Capacity, the Bottom Stop Supply Point Capacity;~~
- ~~(ii) otherwise, but~~ subject to paragraph 5.5, the Nominated Supply Point Capacity (provided that where the Nominated Supply Point Capacity is ~~not less than the Bottom Stop Supply Point Capacity but~~ less than the Prevailing Supply Point Capacity, paragraph 2.7.3 shall apply);
- (b) subject to paragraph 5.5, the Supply Point Offtake Rate specified in the Supply Point Offer shall be the Nominated Supply Point Offtake Rate, ~~and~~
- ~~(c) the Supply Point Offer will also specify (for information purposes, where not specified under paragraph (a)(i)) the Bottom Stop Supply Point Capacity.~~
- 2.4.4 Subject to paragraphs 1.9.9(b), 2.4.5 and 2.7.3, and unless and until a Supply Point Confirmation is made which becomes effective, a Supply Point Offer will remain valid for a period of six (6) months after it was made.
- 2.4.5 In the case of an LDZ Supply Point where the Proposed Supply Point includes a DM Supply Point Component, at any time at which the Proposing User has not submitted a Supply Point Confirmation:
- (a) if:
- ~~(i) the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of the occurrence in any month of a Supply Point Ratchet (pursuant to Section B4.7) in respect of any Existing Supply Point; or~~
- ~~(ii) at the start of a Gas Year, the Bottom Stop Supply Point Capacity becomes (pursuant to paragraph 5.2) greater than the Offered Supply Point Capacity~~
- the Transporter will so notify the Proposing User whereupon the Supply Point Offer will lapse (but without prejudice to any Supply Point Confirmation submitted before such notification was given, in respect of which paragraph 2.7.4 will apply);
- (b) save for the circumstances specified in paragraph 1.5.12, if the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of a Capacity Revision Application (in accordance with paragraph 5.1.4) made by the Registered User for an increase in Supply Point Capacity in respect of any Existing Supply Point, paragraph 2.7.3 shall apply.

Paragraph 2.7.4 shall be amended to read as follows:

2.7.4 In the case of an LDZ Supply Point where the Proposed Supply Point includes a DM Supply Point Component, at any time after a Supply Point Confirmation is submitted but before the Supply Point Registration Date:

- (a) if:
 - ~~(i) — the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of the occurrence of a Supply Point Ratchet (pursuant to Section B4.7.1) in respect of any Existing Supply Point;~~
 - ~~(ii) — at the start of a Gas Year, the Bottom Stop Supply Point Capacity becomes (pursuant to paragraph 5.2.3(a)(i)) greater than the Offered Supply Point Capacity~~

the Confirmed Supply Point Capacity will be the increased to the Prevailing Supply Point Capacity ~~or (as the case may be) Bottom Stop Supply Point Capacity;~~

- (b) if the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of the Registered User in respect of any Existing Supply Point applying for an increase in its Registered Supply Point Capacity, the Confirmed Supply Point Capacity will be the Offered Supply Point Capacity.

A new Paragraph 5.1A shall be added as follows:

5.1A.1 In the event of:

- (a) a User applying for and the Transporter approving a Capacity Revision Application resulting in a decrease in the Registered DM Supply Point Capacity (“the Initial Capacity Reduction”); and
- (b) within the same Gas Year as such Capacity Revision Application the same User applying for and the Transporter approving any further Capacity Revision Applications which increase the Registered DM Supply Point Capacity

then the User will pay the Capacity Reconciliation Charge on receipt of an Ad-hoc Invoice in accordance with section S.

5.1A.2 Subject to paragraphs 5.1A.3 and 5.1A.4, the Capacity Reconciliation Charge (or “CRC”) will be calculated as follows:

$$CRC = (C_{(new)} - C_{(prev)}) * D * F$$

Where:

$C_{(new)}$ is the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge, as calculated based on the increased Registered DM Supply Point Capacity level booked in respect of a Gas Flow Day; and

$C_{(prev)}$ is the aggregate of the LDZ Capacity Charges and the Capacity Variable Component of the Customer Charge, as calculated based on the prevailing level of capacity the Gas Flow Day before the new increase in the Registered DM Supply Point Capacity takes effect; and

D is the number of Days between the Gas Flow Day ~~on which the Registered DM Supply Point Capacity was reduced as a result of the Initial Capacity Reduction and the Gas Flow Day on which the Registered DM Supply Point Capacity is increased~~ and the most recent Gas Flow Day on which the Registered DM Supply Point Capacity was equal to or greater than the increased Registered DM Supply Point Capacity; and

F is an "incentive Factor" and shall be equal to 1 (one)

5.1A.3 No CRC shall be payable by the User in respect of any capacity which is in excess of the Registered DM Supply Point Capacity on the Gas Flow Day preceding the Initial Capacity Reduction.

5.1A.4 Where a User has applied for and the Transporter has approved multiple Capacity Revision Applications reducing the Registered DM Supply Point Capacity the CRC shall be calculated on a daily basis in respect of each Gas Flow Day preceding the increase in the Registered DM Supply Point Capacity, but following the most recent Gas Flow Day on which the Registered DM Supply Point Capacity was equal to or greater than the increased Registered DM Supply Point Capacity. following the Initial Capacity Reduction and sSuch daily CRC sums shall be aggregated.

For the purpose of the calculation of CRC on a particular Gas Flow Day pursuant to this paragraph 5.1A.4, D shall be 1 and $C_{(prev)}$ is the aggregate of the LDZ Capacity Charge and the Capacity Variable Component of the Customer Charge, as calculated based on the Registered DM Supply Point Capacity on such Gas Flow Day.

Paragraphs 5.2.1 to 5.2.4 shall be amended to read as follows:

5.2.1 Subject to paragraph 5.2.10 a Registered User's Supply Point Capacity at a DM Supply Point Component;

- (a) shall not at any time be less than the highest Supply Point Capacity for any previous Gas Day within the same Gas Year ~~Bottom-Stop Supply Point Capacity~~; and
- (b) except within the Capacity Reduction Period or in accordance with paragraph 2.7.4(b), shall not upon the Supply Point Registration Date be less than, or thereafter be reduced below, the Prevailing Supply Point Capacity.

5.2.2 For the purposes of the Code "Capacity Reduction Period" means the months of October, November, December and January in any Gas Year.

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" shall mean the amount) 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; or~~
 - ~~(i)(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;~~
- (b) any New Supply Meter Point, and any Supply Meter Point which has become a DM Supply Meter Point, shall be disregarded in determining the Preceding Year Maximum Capacity of a DM Supply Point Component until the Gas Year which commences next after the first month of June which falls after the First Supply Point Registration Date or (as the case may be) the date on which the Supply Meter Point became DM; and
- (c) subject to paragraphs 5.2.5 and 5.2.6, the "Prevailing" Supply Point Capacity in respect of the DM Supply Point Component of a Supply Point is the Supply Point Capacity for the time being held by the Registered User. ; and

- ~~(d) in the case of a DM Supply Point Component which comprises Shared Supply Meter Point(s):~~
- ~~(i) the "Aggregate Bottom-Stop Capacity" shall be the amount determined (irrespective of whether there were, or which Users were, Sharing Registered Users at any relevant time) as the aggregate of the Bottom-Stop Supply Point Capacities in accordance with paragraphs (i) and (ii) for all DM Supply Point Component(s) which comprised such Supply Meter Point(s);~~
 - ~~(ii) for the purposes of paragraph (i) the Day by reference to which the Preceding Year Maximum Capacities are determined shall be the Day of the highest aggregate User SPDQs in respect of all relevant DM Supply Point Component(s);~~
 - ~~(iii) the Sharing Registered Users jointly, or a User Agent on their behalf, may from time to time notify to the Transporter the amounts, and changes in the amounts, which are to be the Bottom-Stop Supply Point Capacities in respect of their respective DM Supply Point Components, provided that in aggregate such amounts are equal to the Aggregate Bottom-Stop Capacity; and~~
 - ~~(iii)(iv) upon any change in the Users who are Sharing Registered Users, unless Bottom-Stop Supply Point Capacities are notified to the Transporter in accordance with paragraph (iii) not later than such change, the Bottom-Stop Supply Point Capacity in respect of each DM Supply Point Component shall be the Aggregate Bottom-Stop Capacity divided by the number of Firm DM Supply Point Components.~~