

## **Review of UNC Section Q Proposed Changes**

*To be discussed at the UNC Transmission Workstream – 2<sup>nd</sup> March 2006*

### **1. Revised Definitions**

- a. Network Gas Supply Emergency (*no change*)
- b. ~~Network Gas Supply Emergency~~ Gas Deficit Emergency
- c. ~~Network Gas Supply Emergency~~ Critical Transportation Constraint Emergency

(Remove the strikeouts from the full definitions but they will remain linked to 1a. in the UNC).

- d. ~~Potential~~ Network Gas Supply Emergency/Stage 1.

Remove 'Potential' from Section Q. The use of this term has previously caused some confusion amongst Users, especially in relation to a Network Gas Supply Emergency and/or Stage 1. For the purposes of the National Grid NTS Safety Case UNC, a Network Gas Supply Emergency and/or a Stage 1 could only be considered as 'potential' until a further Stage (2-4) had been declared.

Whilst the National Grid NTS Safety Case will continue to include 'potential' within these definitions, it considers that these might lead to unnecessary complexity and misinterpretation.

### **2. Re-ordering of sub-sections**

- a. Emergency Procedures      now    Q.1.3
- Emergency Stages        now    Q.1.4
- Emergency Steps         now    Q.1.5
- b. Gas Deficit Emergency      now    Q.3.2 (includes Stages 1 – 5)
- c. Critical Transportation Constraint Emergency now Q.3.3 (includes Stages 1 – 5)

### **3. Clarification**

- a. Sub-section Q.1.3.1; clarification of the linkage between Emergency Procedures, Emergency Stages and Emergency Steps.
- b. Sub-section Q.1.3.2; clarification that the Emergency Procedures are available upon request by Users from National Grid NTS.
- c. Sub-section Q.1.4.1; clarification that the NEC might declare an individual or a number of Emergency Stages together.
- d. Sub-section Q.1.4.3; clarification of linkage between a Network Gas Supply Emergency and Emergency Steps.
- e. Sub-section Q.1.5.6; clarification of linkage between Emergency Steps and Emergency Stages (of a Network Gas Supply Emergency)
- f. Sub-section Q.3.2.5; inclusion of Stage 5.
- g. Sub-sections Q.3.3.1 to Q3.3.5; clarification/inclusion of Stages 1 to 5.

## Section Q - proposed 'material' changes;

### 4. UNC 0035

- a. Sub-section Q.1.4.1; clarification that the NEC might declare individual, sequential Emergency Stages, or, a number of Emergency Stages together.
- b. Sub-sections Q.3.1.8, Q.3.2.4 and Q3.3.4; inserted/clarification of the relationship between Transporters/DNs in the event of demand-side reduction.
- c. Sub-section Q.4.2.3 (a); clarification that Trade Nominations completed on the OCM prior to its suspension, will be included within the Users allocated imbalance position.

### 5. UNC 0044

An area of potential ambiguity has been discovered within the legal text. This could occur when a successful ECQ claim is made and an adjustment is required based on a lower ECQ when only a Stage 1 Emergency has been declared and the OCM therefore remains open. In this event, the calculation of the "relevant price" (Q.6.3.4 and Q.4.2.4) used to calculate the payment that should be made to adjust a User's cash-out exposure is ambiguous. Therefore, to address this potential ambiguity, National Grid NTS considers that the term "relevant price" should be referred to as either the "relevant buy price" or the "relevant sell price" – inserted new sub-section Q.6.3.5.

#### ***Existing text;***

#### **Q.4.2.4**

For the purposes of this paragraph **Error! Reference source not found.:**

- a. the "relevant price" in respect of paragraph **Error! Reference source not found.** is the System Average Price determined under [Section F1.2.1](#) or [F1.2.2](#); and
- b. the "relevant price" in respect of paragraph **Error! Reference source not found.** is the System Marginal Buy Price as determined under [Section F1.2.1\(a\)](#)

#### **Q.6.3.4**

In addition to the amounts payable pursuant to paragraph **Error! Reference source not found.:**

- a. where the User's Daily Imbalance is positive in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, and the Emergency Curtailment Adjustment Quantity is negative, then National Grid NTS shall pay to the User an amount equal to the Emergency Curtailment Adjustment Quantity multiplied by the relevant sell price applicable to such Day
- b. where the User's Daily Imbalance is positive in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, and the Emergency Curtailment Adjustment Quantity is positive (but is less in magnitude than the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates), then the User shall pay National Grid NTS an amount equal to the Emergency Curtailment Adjustment Quantity multiplied by the relevant sell price applicable to such Day;
- c. where the User's Daily Imbalance is positive in respect of the Day to which the

Emergency Curtailment Adjustment Quantity relates, and the Emergency Curtailment Adjustment Quantity is positive (and is greater in magnitude than the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates), then the User shall pay National Grid NTS:

- (i) an amount equal to the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates multiplied by the relevant sell price applicable to such Day; plus
  - (ii) an amount equal to the sum of the Emergency Curtailment Adjustment Quantity less the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, multiplied by the relevant buy price applicable to such Day;
- d. where the User's Daily Imbalance is negative in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, and the Emergency Curtailment Adjustment Quantity is positive, then the User shall pay to National Grid an amount equal to the Emergency Curtailment Adjustment Quantity multiplied by the relevant buy price applicable to such Day;
- e. where the User's Daily Imbalance is negative in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, and the Emergency Curtailment Adjustment Quantity is negative (but is less in magnitude than the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates), then National Grid NTS shall pay the User an amount equal to the Emergency Curtailment Adjustment Quantity multiplied by the relevant buy price applicable to such Day;
- f. where the User's Daily Imbalance is negative in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, and the Emergency Curtailment Adjustment Quantity is negative (and is greater in magnitude than the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates), then National Grid NTS shall pay the User:
- (i) an amount equal to the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates multiplied by the relevant buy price applicable to such Day; plus
  - (ii) an amount equal to the sum of the Emergency Curtailment Adjustment Quantity less the User's Daily Imbalance in respect of the Day to which the Emergency Curtailment Adjustment Quantity relates, multiplied by the relevant sell price applicable to such Day.

***Inserted new sub-section Q.6.3.5***

For the purposes of paragraph 0:

- g. the "relevant sell price" for any Day:
- (i) in respect of which Stage 1 (but not Stage 2 or above) of a Gas Deficit Emergency has been declared, is the System Marginal Sell Price determined under Section F1.2.2(b) and;
  - (ii) in respect of which Stage 2 (or above) of a Gas Deficit Emergency has been declared, is the relevant price as specified in paragraph a;
- h. the "relevant buy price" for any Day:
- (i) in respect of which Stage 1 (but not Stage 2 or above) of a Gas Deficit Emergency has been declared, is the System Marginal Buy Price determined under Section F1.2.2(a) and;

- (ii) in respect of which Stage 2 (or above) of a Gas Deficit Emergency has been declared, is the relevant price as specified in paragraph b.