Draft Legal Text Date: 18.07.11 Mod [] – Amendments to the process for agreeing pressure at the Offtakes from the National Transmission System to Distribution Networks

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION J – EXIT REQUIREMENTS

Amend TPD Section J paragraph 2.5 as follows:

2.5 Assured Offtake Pressure

- 2.5.1 For the purpose of the Code, in relation to an NTS/LDZ Offtake:
 - (a) 0600 and 2200 pressures are pressures at 06:00 hours and 22:00 hours on a Day;
 - (b) for each Day in any Gas Year, the "Assured Offtake Pressures" are the 0600 and 2200 pressures specified for that Gas Year in the Offtake Pressure Statement;
 - (c) the requirement to make gas available for offtake at the Assured Offtake Pressure is the requirement that the pressure (of gas made available, at the point of offtake):
 - (i) at 06:00 hours is not less than the 0600 pressure; and
 - (ii) at all other times is not less than the 2200 pressure;

comprised in the Assured Offtake Pressure.

- 2.5.2 National Grid NTS shall issue to each DNO User, by not later than 30 September in each Gas Year (Y), a statement (**"Offtake Pressure Statement"**) specifying for each DNO User and NTS/LDZ Offtake, for each of Gas Years Y+1 to Y+6 (inclusive):
 - (a) the Assured Offtake Pressures for each of Gas Years Y+1 to Y+6 (inclusive); and
 - 2.5.2(b) whether it is a Significant Offtake (as such term is defined in OAD Section I4.1.1 for Gas Year Y+1).
- 2.5.3 <u>Subject to any amendment that is agreed, Tthe Assured Offtake Pressures (in</u> relation to any NTS/LDZ Offtake) specified in respect:
 - (a) of any Gas Year in an Offtake Pressure Statement (subject to any amendment in accordance with this paragraph 2.5) shall be the same as the Assured Offtake Pressures specified in the preceding year's statement for such Gas Year;
 - (b) of Gas Year Y+6 in an Offtake Pressure Statement shall be the same as the Assured Offtake Pressures for Gas Year Y+6 in the preceding year's statement.
- 2.5.4 The Assured Offtake Pressures at an NTS/LDZ Offtake and (where applicable) the status of Significant Offtake may be revised in accordance with this paragraph 2.5 (and where so revised the Offtake Pressure Statement shall

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be deemed, in respect of the NTS/LDZ Offtake, to be revised accordingly).

- 2.5.5 National Grid NTS may apply for:
 - (a) a permanent decrease in the Assured Offtake Pressures in relation to an NTS/LDZ Offtake in April in a Gas Year for Gas Years Y+1 to Y+6;
 - (b) a temporary decrease in the Assured Offtake Pressures in relation to an NTS/LDZ Offtake (for a period in accordance with paragraph 2.5.8(b));
 - (c) the granting or removal of Significant Offtake status in relation to an NTS/LDZ Offtake in April in a Gas Year for Gas Year Y+1.
- <u>2.5.6</u> A DNO User may apply for:
 - (a) -a permanent increase in the Assured Offtake Pressures in relation to an NTS/LDZ Offtake during the period 1 July to 31 July (inclusive) in a Gas Year for Gas Years Y+1 to Y+6;
 - 2.5.6(b) the granting or removal of Significant Offtake status in relation to an NTS/LDZ Offtake in April in a Gas Year for Gas Year Y+1.
- 2.5.7 An application under paragraph 2.5.5(a) or 2.5.6 for a permanent increase or decrease to the Assured Offtake Pressures can only be made for a period commencing on the first Day of a Gas Year.
- 2.5.8 An application under paragraph 2.5.5 or 2.5.6 shall be submitted specifying:
 - (a) the NTS/LDZ Offtake;
 - (b) where submitted by National Grid NTS, whether the application is for:
 - (i) -a permanent or temporary decrease in the Assured Offtake <u>Pressures</u>, and where the application is for a temporary decrease, the period in respect of which the decrease is applied for (which shall not be less than a Day and no longer than 30 Days); and/or

(ii)(ii)the granting or removal of Significant Offtake status;

- (b)(c) where the application is for a permanent increase or decrease in the <u>Assured Offtake Pressures</u>, the first Day of the Gas Year in respect of which the increase or decrease is applied for;
- (d) where submitted by a DNO User, whether the application is for:-
 - (i) a permanent increase in the Assured Offtake Pressures; and/or

(ii) the granting or removal of Significant Offtake status;

- (e) where the application is submitted by a DNO User, the increased pressure applied for; and
- (e)(f) where the application is submitted by National Grid NTS, the decreased pressure applied for.

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- 2.5.9 Where a DNO User submits an application in accordance with paragraph 2.5.6 National Grid NTS shall accept such application for an increase in the Assured Offtake Pressures and/or the granting or removal of Significant Offtake status in respect of the NTS/LDZ Offtake by not later than the following 30 September unless National Grid NTS determines it would not be possible (under all credible operating conditions) to operate the NTS in a safe and efficient manner during the relevant period at the increased Assured Offtake Pressures applied for.
- 2.5.10 Where National Grid NTS submits an application in accordance with paragraph 2.5.5 the DNO User shall accept such application for a decrease in the Assured Offtake Pressures and/or the granting or removal of Significant Offtake status in respect of the NTS/LDZ Offtake:
 - (a) in the case of an application for a permanent decrease, by not later than the following 30 June;
 - (b) in the case of an application for a temporary decrease <u>and/or the</u> <u>granting or removal of Significant Offtake status</u>, by not later than ten (10) days following the application,

unless the DNO User determines it would not be possible (under all credible operating conditions) to operate the relevant LDZ in a safe and efficient manner during the relevant period at the decreased Assured Offtake Pressures applied for.

- 2.5.11 For the purposes of paragraphs 2.5.9 and 2.5.10, the reference to all credible operating conditions is to all conditions other than a condition the existence of which would amount to Force Majeure affecting the relevant system.
- 2.5.12 National Grid NTS and the DNO User agree to cooperate in respect of the application of this paragraph 2.5 for the purposes of optimising the safe and efficient operation of the NTS and the LDZ.
- 2.5.13 National Grid NTS will in the case of an application for an increase in the Assured Offtake Pressures under paragraph 2.5.6:
 - (a) as soon as reasonably practicable thereafter notify the DNO User where it believes it is- unlikely to be able to meet the application in full, providing details of;
 - (i) the circumstances surrounding any restrictions; and
 - (ii) the maximum available increase in the Assured Offtake Pressure;
 - (b) no later than 15 September provide an indicative statement notifying the DNO User whether its application is accepted in whole or in part, or rejected, specifying the indicative available Assured Offtake Pressure;
 - (c) the DNO User will then have an opportunity to seek clarification, reconsider and resubmit its application for an increase in the Assured Offtake Pressure within five (5) Business Days following notification from National Grid NTS under paragraph (b);

(d) National Grid NTS will use reasonable endeavours to consider and where necessary discuss an application made under paragraph (c) with the DNO User with a view to agreeing by 30 September an increased Assured Offtake Pressure in the Offtake Pressure Statement to be issued by such date in accordance with paragraph 2.5.2.

Amend TPD Section J paragraph 3.4.7 as follows:

3.4.7 Paragraph 3.3.4 and this paragraph 3.4 (with the exception of this paragraph 3.4.7) do not apply and the Transporter shall not be liable thereunder to the extent that the failure (of gas offtaken) to comply with the Applicable Offtake Requirements was a failure to comply with the Applicable Offtake Pressure; and references in those paragraphs to non-compliant gas shall be construed accordingly.

| UNC Reference | <u>Comments</u> |
|--------------------|---|
| <u>TPD J 3.4.7</u> | In reviewing UNC to identify potential consequences where a DNO User complies with an NG NTS pressure request a typo was identified in respect of paragraph 3.4.7. The provision incorrectly disapplies itself when instead it is the obligations to make payment in respect of non-compliant gas which are diaspplied in the circumstances described in paragraph 3.4.7. |