

## **Modification 0642 (Urgent)**

### **Changes to settlement regime to address Unidentified Gas issues**

#### **Proposed Legal text**

#### **Transportation Principal Document**

##### **TPD Section C - Nominations**

*Amend paragraph 1.5.3 to read as follows:*

1.5.3 ....

- (c) for the purposes of paragraph (b) an “adjusted” Nomination Quantity for a Day in respect of a System Exit Point is the Nomination Quantity adjusted by the UIG allocation factor specified in the prevailing AUG Table in respect of the category to which that System Exit Point belongs on that Day.

##### **TPD Section E - Daily Quantities, Imbalances and Reconciliation**

*Section E of the Transportation Principal Document to be amended as shown in the attached Schedule A.*

##### **TPD Section H - Demand Estimation and Demand Forecasting**

*Section H of the Transportation Principal Document to be amended as shown in the attached Schedule B.*

#### **Transition Document**

*Amend Part IIC of the Transition Document by inserting a new paragraph 24 to read as follows:*

### **24 REVISION OF UNIDENTIFIED GAS ALLOCATION**

#### **24.1 General**

24.1.1 In this paragraph 24:

- (a) **Modification** means Modification 0642 (pursuant to which, among other things, this paragraph 24 applies);
- (b) **Implementation Date** means the Implementation Date of the Modification;
- (c) **Old Rules** means the provisions of the Code as they apply prior to the Modification;
- (d) **New Rules** means the provisions of the Code as they apply following the Modification;
- (e) section references are to sections of the Transportation Principal Document.

24.1.2 Subject to the further provisions of this paragraph 24, the New Rules are to be effective from the Implementation Date on a Gas Flow Day basis.

24.1.3 For the purposes of this paragraph 24, where a provision of the New Rules is to be effective from the Implementation Date on a "**Gas Flow Day basis**":

- (a) such provision shall be effective in respect of gas flows (and related activities under the Code including the holding of System Capacity, the making of Nominations, and the allocation of quantities as UDQIs and UDQOs) on Days on and from the Implementation Date;

and accordingly

- (b) in relation to anything which (under the Code) may be done or is to be done before the Gas Flow Day, the New Rules shall apply before the Implementation Date in relation to Gas Flow Days on and after the Implementation Date;
- (c) in relation to anything which (under the Code) may be done or is to be done after the Gas Flow Day, the Old Rules shall apply on and after the Implementation Date in relation to Gas Flow Days before the Implementation Date.

## **24.2 Modification of Section E**

24.2.1 Settlement Error Reconciliation under the New Rules in Section E7 shall be carried out with effect from and in respect of the Reconciliation Billing Period commencing on the Implementation Date, and accordingly Unidentified Gas Reconciliation under the Old Rules shall be carried out in the month of the Implementation Date in respect of the Reconciliation Billing Period ending immediately before the Implementation Date.

24.2.2 The New Rules in Section E9 shall apply with effect from and in respect of the AUG Year commencing 1 October 2019; and accordingly:

- (a) the AUG Document shall be modified to reflect the New Rules,
- (b) the CDSP shall, in accordance with any guidance or direction of the UNC Committee, either make amendments to the prevailing AUG Expert Contract, or conduct a new tender for appointment of an AUG Expert, so as to implement the New Rules, and
- (c) for the purposes of Section E9.4.1, the methodology in the AUG Statement shall reflect the New Rules,

with effect from the AUG Year commencing 1 October 2019.

24.2.3 For the AUG Year commencing 1 October 2018 the Old Rules shall apply for the purposes of preparation of the AUG Statement and AUG Table, without prejudice to paragraph 24.2.4 below.

24.2.4 For the period from the Implementation Date until 1 October 2019:

- (a) the UIG Factor applying for each LDZ shall be 1.1%;
- (b) the SER allocation factors for each Category of NDM Supply Point shall be the same as the prevailing UIG allocation factors
- (c) the prevailing AUG Table shall be deemed amended to reflect paragraphs (a) and (b).

24.2.5 The Uniform Network Code Committee shall amend the document currently entitled 'Customer Settlement Error Claims Process Guidance Document' so that its title is 'Pre-Cut Off Error Claims Process Guidance Document'.

### **24.3 Modification of Section H**

24.3.1 The revised NDM Demand Estimation Methodology (in the form attached to the Final Modification Report for the Modification) shall be effective (on a Gas Flow Day basis) with effect from the Implementation Date and in accordance with paragraph 24.3.2 below.

24.3.2 Unless the Implementation Date is 1 October in a Gas Year, Section H1.7 shall apply on the basis of the New Rules, for the purposes (among other things) of establishing the Derived Factors to apply with effect from the Implementation Date, as if the period commencing on the Implementation Date and ending on the following 30 September were a separate Gas Year (substituting the reference to 15 August in Section H1.9.1 with such date as corresponds to the equivalent period prior to the start of such Gas Year).

24.3.3 For each NDM Supply Meter Point, the Annual Quantity shall be determined in accordance with the New Rules in Section H3.2 with effect from the month following the first AQ Calculation Month which is not earlier than the month before the Implementation Date; and until then the Annual Quantity as determined under the Old Rules and applying in the month before the Implementation Date shall continue to apply.