

MODIFICATION 0642A – CHANGES TO SETTLEMENT REGIME TO ADDRESS UNIDENTIFIED GAS ISSUES

LEGAL TEXT EXPLANATORY TABLE

This table is based on the legal text for Modification 0642A published on the Joint Office website on 01 February 2018.

UNC Ref	Section	Paragraph	Explanation
TPD C	Nominations	1.5.3	New basis for calculating a User's "Forecast User LDZ Unidentified Gas" for an LDZ for a day based on the Forecast Base UIG and Forecast Marginal UIG as determined under new TPD H2.6.1.
TPD E	Daily Quantities, Imbalances and Reconciliation	1.1.6	<p>An important paragraph as it:</p> <ul style="list-style-type: none"> - creates new defined term "User LDZ Class 2-4 Offtake Quantity" being the sum of quantities oftaken by a User on a day from an LDZ at Class 2, 3 and 4 Supply Meter Points (and needed for amended approach to UIG Reconciliation under paragraph 7.1); - sets out a new basis for calculating a User's "User LDZ Unidentified Gas" by reference to the Base UIG and Marginal UIG as determined under new TPD H2.6.1; - makes clear adjusted UDQOs are adjusted by reference to allocation factors to be established by the DESC under new H1.14; - makes clear reference is to the UIG allocation factor, and to confirm allocation of UIG is final as at the Exit Close-out Date (D+5).
		1.14.1, 9	Deleted as Modification dispenses with requirement for appointment of the AUG Expert.
		7.1.1	Amended high level description of the Unidentified Gas Reconciliation process, and to acknowledge that it is Marginal UIG only which is being adjusted following an Offtake Reconciliation.
		7.1.2	An important paragraph as it:

			<ul style="list-style-type: none"> - confirms that Unidentified Gas Reconciliation Period remains the period of 12 months ending with (and including) the Reconciliation Billing Period; - identifies the quantities and values which are to be reconciled; - provides that 1/12 of the relevant quantities and values will be reconciled by reference to each month in the Unidentified Gas Reconciliation Period; - identifies the basis on which the quantity treated as offtaken from the LDZ by a User (and Users in aggregate) for a month in the Unidentified Gas Reconciliation Period is calculated for offtakes at Class, 2, 3 and 4 Supply Meter Points only.
		7.1.3	Sets out the apportionment mechanism between Users of reconciliation quantities and clearing values.
		7.2.2	To make clear Unidentified Gas Reconciliation performed for each month in the Unidentified Gas Reconciliation Period.
		7.5	Clarification.
TPD H	Demand Estimation and Demand Forecasting	1.7, 1.8, 1.9	Updated to reference new term "Base UIG Matters" (as defined in new paragraph 1.14).
		1.14.1	Creates new term "Base UIG Matters" comprising the "Base UIG Factor" and the categories of System Exit Points and allocation factors required for the purposes of the adjusting UDQOs when calculating a User's "Adjusted User LDZ Offtake Quantity" (see TPD E1.1.6(c)).
		1.14.2	Establishes requirement that DESC will set Base UIG Factor by LDZ each Gas Year and what the Base UIG Factor is meant to represent.
		1.14.3	Establishes other requirements on the DESC to identify categories of System Exit Points and corresponding allocation factors for the purposes of new TPD E1.1.6(c).
		1.14.4	Allows different Base UIG Factors to apply to different LDZs.

		1.14.5	Allows DESC to establish and revise guidance to Users on the determination of Base UIG Matters.
		2.6	New rules for calculating Calculated UIG, Base UIG, Marginal UIG, Forecast Calculated UIG, Forecast Base UIG and Forecast Marginal UIG for an LDZ and a day.