

MODIFICATION 0683S

OFFTAKE ARRANGEMENTS DOCUMENT (OAD) REVIEW UPDATES – PHASE 1

[Draft] proposed legal text

OFFTAKE ARRANGEMENTS DOCUMENT

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SECTION A – SCOPE AND CLASSIFICATION

Amend paragraph 2.2.3 to read as follows:

2.2.3 A "Closed Offtake" is:

(a) an "LDZ/LDZ Closed Offtake" at which the connection between LDZs is closed (such that gas does not flow between the LDZs)

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(b) an "NTS/LDZ Closed Offtake" at which the connection between the NTS and an LDZ is closed (such that gas does not flow from the NTS to the LDZ)

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except in special circumstances as further provided in this Document.

Amend paragraph 3.1.1 to read as follows:

3.1.1 The "Supplemental Agreement Template Document" is the document setting out the form of a Supplemental Agreement required in relation to an Offtake, and a Supplemental Agreement (substantially in the applicable form in the Supplemental Agreement Template Document) shall be in force between the Parties, setting out such details of the Offtake as are required pursuant to this Document.

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Commented [Dentons1]: Note references to particular appendices of a Supplemental Agreement – to be checked against new template document, see B1.2.6, B1.5.1, B1.5.2, B2.1.2, B2.6.3, D1.2.2, E1.2.3.

Amend paragraph 3.2.2 to read as follows:

3.2.2 In particular, before an LDZ/LDZ Closed Offtake or NTS/LDZ Closed Offtake may cease to be a Closed Offtake, the Parties shall amend the Supplemental Agreement so as to comply (or, as the case may be, enter into a new Supplemental Agreement complying) with the requirements of this Document applicable to LDZ/LDZ Offtakes or NTS/LDZ Offtakes which are not Closed Offtakes.

SECTION B – CONNECTION FACILITIES

Amend paragraph 2.2.3 to read as follows:

2.2.3 Where:

- (a) a Party (the "Modifying Party") proposes to alter, replace, relocate or add to any of its Connection Facilities; and
- (b) such alteration, replacement, relocation or addition, and/or any works carried out therefor, will or are reasonably likely to affect any other Party (an "affected Party"), including without limitation:

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(i) interfering with, affecting the compatibility of or otherwise affecting such other Party's Connection Facilities or their operation or maintenance;

(ii) [in relation to gas flows from the Upstream System to the Downstream System];

(iii) [in relation to the operation of NTS Telemetry Facilities or Telemetry Connection Facilities];

(iv) [in relation to the provision of, or any interruption in the provision of Site Services to such other Party];

(v) [interfering with the operation of, or otherwise affecting such other Party's System];

(vi) affecting such other Party's rights as Site Owner or Site User or otherwise in relation to the Offtake Site;

Commented [Dentons2]: All to discuss. Safety reasons?

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then the further provisions of this paragraph 2.2 (and where applicable paragraph 3.4) shall apply (for the purposes of which such Connection Facilities as or as proposed to be altered, replaced, relocated or added to are the "**Modified Connection Facilities**").

Amend paragraph 3.1.1 to read as follows:

3.1.1 In relation to any Site User's Facilities, the Site Owner hereby grants, subject to paragraph [3.6] to the Site User the right for the Site User to retain such Connection Facilities on the Site Owner's Land, in such places as those Connection Facilities:

Commented [Dentons3]: Could possibly do without this change, see new paragraph 3.6.6.

- (a) were or are located at the Supplemental Agreement Date; or
- (b) are subsequently relocated pursuant to paragraph 3.3.

Amend paragraph 3.6 to read as follows:

3.6 Removal of Site User's Facilities

3.6.1 The Site User shall be entitled to remove (and/or relocate to land for which it is Site Owner) any of the Site User's Connection Facilities, subject to and in accordance with paragraph 2.2 (for the purposes of which "**relocation**" shall include removal).

3.6.2 The Site Owner shall provide reasonable cooperation and assistance to the Site User in connection with the removal of the Site User's Facilities pursuant to paragraph 3.6.1.

3.6.3 Where the Site User's Facilities are removed pursuant to paragraph 3.6.1:

- (a) the Site User shall (at its cost) carry out such reinstatement or other works as are reasonably necessary to leave the Site Owner's Connection Facilities in a safe and reasonable condition following the removal of the Site User's Facilities;
- (b) the Site User's rights (in relation to such facilities) under paragraphs 3.1 and 3.2 shall lapse.

3.6.4 The Site Owner shall be entitled to request the Site User to remove any of the Site User's Facilities which are redundant, and where the Site Owner requests there removal:

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(a) each of the Site Owner and the Site User will comply with the [Redundant Asset Removal Procedures];

(b) each Party will provide reasonable cooperation and assistance to the other Party in connection with the removal of the redundant Site User's Facilities.

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3.6.5 For the purposes of paragraph 3.6.4:

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(a) a Site User's Facilities will be "redundant" where the facilities satisfy the relevant criteria set out in the [Redundant Asset Removal Procedures];

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(b) the ["Redundant Asset Removal Procedures"] are the procedures which;

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(i) identify the criteria by a Site User's Facilities will be considered to be redundant;

(ii) set out the basis on which the Site Owner and the Site User shall bear or reimburse the other in respect of the costs and expenses of removing redundant Site User Facilities.

3.6.6 Where redundant Site User Facilities are removed pursuant to paragraph 3.6.4 the Site User's rights (in relation to such facilities) under paragraphs 3.1 and 3.2 shall lapse.

Amend paragraph 3.8.1 to read as follows:

3.8.1 Subject to paragraph 3.8.2, the Site Owner shall at all times provide (as a Site Service in accordance with paragraph 2.6) such security in relation to the Site User's Facilities (and the Site Owner's Land on which they are situated) as it provides in relation to its own Connection Facilities.

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3.8.2 The Site Owner and the Site User may agree that all the Connection Facilities at the Offtake Site shall be the responsibility of the Site User, in which case the Site User will provide the same security in relation to all Connection Facilities.

Commented [Dentons5]: Or just if the site contains CNI?

Commented [Dentons6]: Or a third party?

3.8.3 The Party responsible for security shall notify each other Party which owns or occupies the Offtake Site of any breach of security in relation to the Connection Facilities as soon as reasonably practicable after becoming aware of such breach.

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SECTION G – MAINTENANCE

Amend paragraph 1.2.1 to read as follows:

1.2.1 For the purposes of this Document, maintenance (of the NTS or an LDZ) to be carried out by any Party is "Relevant Maintenance" in relation to another Party (the "affected" Party) where such maintenance:

(a) is maintenance ("**Safety Relevant Maintenance**") which can be carried out safely only if the affected Party is aware of the carrying out of such maintenance (whether such maintenance is of a routine or non-routine nature); or

(b) is maintenance ("**Flow Relevant Maintenance**") of the NTS the carrying out of which (by National Grid NTS) of which has or is likely to have a significant effect upon the ability of a DNO (as affected Party) to cause or permit flows of gas (within its

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entitlements as DNO User under the Transportation Principal Document) at an NTS/LDZ Offtake; or

- (c) is maintenance the carrying out of which by the downstream Party has or is likely to have a significant effect on the flows of gas at an Offtake which the affected Party (as the upstream Party) has specified under paragraph 1.2.3;
- (d) is maintenance ("**Measurement Equipment Maintenance**") to be carried out by the downstream Party of Measurement Equipment at an Offtake for which the affected Party is the upstream Party; or

(e) is maintenance of the NTS the carrying out of which requires or is proposed on the basis of the opening of a Closed NTS/LDZ Offtake;

Commented [Dentons7]: To be confirmed.

(f) is maintenance of an LDZ the carrying out of which requires or is proposed on the basis of:

- (i) the flow of gas at an LDZ/LDZ Closed Offtake outside the Offtake Parameter Values; v
- (ii) the opening of a Closed Offtake; or
- (iii) for which the affected Party is the other Party.

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Commented [Dentons8]: Check what this wording doing.

Amend paragraph 3.5.1 to read as follows:

3.5 Section J Requirements

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3.5.1 Where (as referred to in paragraph 1.2.1(e) or (f)) any Relevant Maintenance is to be carried out on the basis of:

- (a) the flow of gas at an LDZ/LDZ Offtake outside the Offtake Parameter Values; or
- (b) the opening of a Closed Offtake;

the Parties shall comply with the applicable requirements of Section J.

SECTION J – LDZ/LDZ OFFTAKES – PLANNING AND OPERATIONAL FLOWS

Amend paragraph 1.3.3 to read as follows:

1.3.3 For each Offtake that is not a Closed LDZ/LDZ Offtake, an Offtake Parameter Statement as at the date of this Document has been issued by the upstream DNO and agreed by the downstream DNO.

Commented [Dentons9]: To think about; no OPS for Closed NTS/LDZ Offtake? If applies to all Closed Offtakes should move out of Section J.

Amend paragraph 4.1.1 and 4.1.2 to read as follows:

4.1.1 In relation to a Closed LDZ/LDZ Offtake, this Section J shall apply on the basis that (without prejudice to Section C2 in the case of a gas supply emergency):

Commented [Dentons10]: As above.

(a) submissions of planning data are made and the Offtake Parameter Statements issued only:

- (i) on occasions on which; and

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(ii) in relation to periods in which;

relevant maintenance of the upstream or downstream LDZ is to be carried out (and accordingly not more than 2 years in advance);

- (b) the submission of planning data shall be a request by the downstream DNO for the temporary opening of the Closed Offtake, and shall include the date(s) on which the Closed Offtake is requested to be opened;
- (c) the Offtake Parameter Values so established shall apply only for the period in which the Closed Offtake is to be opened (and for the avoidance of doubt such values shall be zero at all other times); and
- (d) paragraphs 2.3.1(b)(ii) and 2.3.2 shall not apply.

4.1.2 The opening and subsequent re-closing of the Closed Offtake shall itself be planned and carried out as Planned Maintenance in accordance with Section G.

Commented [Dentons11]: Propose to move to Section G.

SECTION N – GENERAL

Amend paragraph 1.2.1 to read as follows:

1.2.1 In this Document, "**Offtake Subsidiary Document**" means each of the following documents:

- (a) the SCO Interface Procedures (referred to in Section C3);
- (b) the Offtake Communications Document (referred to in Section M);
- (c) the Validation Procedures (referred to in Section D3);
- (d) the Emergency Procedures E2 (referred to in Section C2.3);
- (e) the document TD76 (referred to in Section H1.3.1);
- (f) the Transmission System Operator to Distribution System Operator Agreement Guidelines (referred to in Section N9);
- (g) the Supplemental Agreement Template Document (referred to in Section A3.1.1 and paragraph 3.1.2);
- (h) the [Redundant Asset Removal Procedures] (referred to in Section B3.6);
- (i) any other document which may be specified or may be agreed by the Parties to be a Offtake Subsidiary Document.

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Amend paragraph 3.1.2 to read as follows:

3.1.2 Each Supplemental Agreement shall be in the form in the Part 1 (for an NTS/LDZ Offtake) or Part 2 (for an LDZ/LDZ Offtake) of the Supplemental Agreement Template Document or in such other form as the Parties may agree.

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Amend paragraph 3.4.1 to read as follows:

3.4.1 For the avoidance of doubt:

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(a) a Supplemental Agreement is not a part of the Code and may not be modified pursuant to a Code Modification; and

(b) the forms (in the [Supplemental Agreement Template](#) Document) of the Supplemental Agreement may be modified (or further alternative such forms may be included) pursuant to a [decision of the Offtake Committee](#), but such modification shall have no effect as respects any Supplemental Agreement entered into before such modification.

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APPENDIX 1

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