

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT****SECTION E – DAILY QUANTITIES, IMBALANCES AND RECONCILIATION<sup>2</sup>****1 INTRODUCTION****1.1 User Daily Quantities**

1.1.1 For the purposes required by the Code, including determining:

- (a) NTS and LDZ Commodity Charges, and the Commodity Variable Component (if any) of Customer Charges;
- (b) Overrun Charges, CSEP Overrun Charges and Supply Point Ratchet Charges;
- (c) Daily Imbalances; and
- (d) Scheduling Charges

the quantities of gas treated as delivered to and offtaken from the Total System by each User each Day shall be determined in accordance with paragraphs 2 and 3.

1.1.2 For the purposes of the Code, in respect of any Day:

- (a) the “**User Daily Quantity Input**” or “**UDQI**” is the quantity of gas treated as delivered by a User to the Total System on that Day at a System Entry Point;
- (b) the “**User Daily Quantity Output**” or “**UDQO**” is the quantity of gas treated as offtaken by a User from the Total System on that Day at:
  - (i) a Supply Point; or
  - (ii) a Connected System Exit Point;
- (c) in relation to a System Entry Point, a “**Delivering User**” is a User treated as delivering gas to the Total System at that point on that Day;
- (d) in relation to a Connected System Exit Point, an “**Offtaking CSEP User**” is a User treated as offtaking gas from the Total System at that point on that Day.

1.1.3 For the purposes of this Section E, a User is a “**nominating**” User for a Day:

- (a) with respect to any Registered NDM Supply Point; and
- (b) with respect to any other System Exit Point and any System Entry Point, if the User made or is deemed (pursuant to any provision of the Code) to have made a Nomination (including a New Renomination) for that Day in respect of that point or the DMA Supply Point Group in which it is comprised,

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<sup>2</sup> Implementation of modification 0710S effective 05:00hrs on a date to be confirmed will amend this list in whole or in part.

and otherwise is a **“non-nominating”** User with respect to a System Entry Point or System Exit Point.

1.1.4 Unless the context otherwise requires, references in the Code to quantities delivered to or offtaken from the Total System by a User are to the quantities treated in accordance with this Section E as being so delivered or offtaken.

1.1.5 For the avoidance of doubt, Section V1.2 shall apply for the purposes of ensuring that quantities of gas delivered to and offtaken from the Total System by Non-Code Shippers are taken into account in determining the quantities of gas delivered to and offtaken from the Total System by Users.

1.1.6 For the purposes of the Code, in respect of a User and any Day:

(a) in relation to an LDZ:

(i) the **“Adjusted User LDZ Offtake Quantity”** is the sum of the User’s adjusted UDQOs for that Day for all DM Supply Points, NDM Supply Points and Connected System Exit Points in that LDZ;

(ii) the **“User LDZ Unidentified Gas”** (‘ULUG’) in respect of an LDZ shall be calculated as follows:

$$ULUG = UIG * AULOQ / AAULOQ$$

Where

UIG is the Unidentified Gas for the LDZ and the Day in accordance with Section H2.6.1;

AULOQ is the User’s User Adjusted LDZ Offtake Quantity for the LDZ and the Day;

AAULOQ is the aggregate for all Users of the Adjusted User LDZ Offtake Quantities for the LDZ and the Day;

(b) the **“Aggregate User Unidentified Gas”** is the net aggregate for all LDZs of the User LDZ Unidentified Gas;

(c) for the purposes of paragraph (a)(i), an **“adjusted”** UDQO for a Day in respect of a System Exit Point is the UDQO adjusted by the allocation factor specified in the prevailing AUG Table in respect of the category to which that System Exit Point belongs on that Day.

1.1.7 The User LDZ Unidentified Gas is a quantity allocated (for the purposes of determining Daily Imbalances) to the User as if it were a quantity offtaken by the User from the relevant LDZ on the Day; provided that the User LDZ Unidentified Gas may have a positive or negative value.

1.1.8 For the purposes of the Code, as at any time, the **“Prevailing Reconciled Daily Quantity Offaken”** (PRDQO) in respect of a Day and a System Exit Point is the quantity treated, pursuant to the applicable provisions of the Code and/or (in the case of a Connected System Exit Point) of the CSEP Network Exit Provisions, as having been offtaken at the System Exit Point on that Day, being

- (a) in the case of a Class 1 or 2 Supply Meter Point, the Supply Meter Point Daily Quantity;
- (b) in the case of a Class 3 or 4 Supply Meter Point, the NDM Supply Meter Point Demand;
- (c) in the case of a Connected System Exit Point and a User, the UDQO;

as adjusted (pursuant to paragraph 6.2.4) by all, if any, Offtake Reconciliations which have been carried out prior to that time.

1.1.9 In this Section E, references to Supply Meter Points and Supply Points (and classes thereof) include CSEP Supply Meter Points and CSEP Supply Points (and the corresponding classes thereof).

## 1.2 Daily Imbalance

1.2.1 For the purposes of the Code a Daily Imbalance shall be determined for each User in respect of each Day.

1.2.2 For each User the **“Daily Imbalance”** in respect of a Day is the imbalance between the quantities (adjusted to take account of Trade Nominations including System Trade Nominations) treated as delivered to and offtaken from the Total System by the User on that Day, determined in accordance with paragraph 5.

## 1.3 Reconciliation

1.3.1 For the purposes of the Code:

(a) **“Offtake Reconciliation”** is a reconciliation and adjustment, in relation to a relevant System Exit Point, in respect of gas offtaken and certain Transportation Charges, in respect of differences between:

- (i) the quantities determined by a Reconciliation Meter Reading to have been offtaken, and
- (ii) the quantities previously determined (including pursuant to prior such reconciliations) as offtaken,

by a User from the Total System at the System Exit Point;

(b) for the purposes of this paragraph 1.3 and paragraph 6:

- (i) a **“relevant”** System Exit Point is a Supply Meter Point or a Metered Connected System Exit Point; and
- (ii) references to quantities determined as offtaken by a User are to quantities so determined pursuant to the Code and (in the case of a Connected System Exit Point) the applicable CSEP Network Exit Provisions;

(c) a **“Reconciliation Meter Reading”** is:

- (i) in relation to a Supply Meter Point, a Valid Meter Reading;
- (ii) in relation to an Unmetered Connected System Exit Point, a valid reading of the meter at premises supplied with gas offtaken from a directly-connected or indirectly-connected IGT System;
- (iii) in relation to a Metered Connected System Exit Point, a valid reading (upon a periodic check reading, or following estimation of the reading) of the meter at the Connected System Exit Point;
- (iv) where so provided in the Code or the applicable CSEP Network Exit Provisions, in relation to any relevant System Exit Point, a determination other than by a meter reading (for example, following testing, verification or calibration, ~~or~~ a meter examiner's inspection, or pursuant to a Confirmed Energy Theft Claim in respect of which neither a Confirmed Energy Theft Objection compliant with the requirements of Section V 14.1.6, nor a Confirmed Energy Theft Withdrawal has been raised) of the quantity (or an adjustment in the quantity) treated as offtaken in a given period, including the Estimated Consumption pursuant to a Consumption Adjustment;

in each case, where the Code and/or (in the case of a Connected System Exit Point) the applicable CSEP Network Exit Provisions provide for Offtake Reconciliation by reference to such reading or other determination;

- (d) in the cases provided in paragraph (c)(ii), (c)(iii) and (c)(iv):
  - (i) a reference to the Read Date of a Reconciliation Meter Reading is to:
    - (1) the date of the meter reading referred to in paragraph (c)(ii) or (c)(iii), or (as the case may be)
    - (2) the date of the determination referred to in paragraph (c)(iv);
  - (ii) a reference to the Metered Volume in respect of a Reconciliation Meter Reading is to:
    - (1) the metered volume determined (in accordance with the applicable CSEP Network Exit Provisions) by reference to the meter reading referred to in paragraph (c)(ii) or (c)(iii), or (as the case may be)
    - (2) the metered volume determined (in accordance with the relevant provisions of the Code and/or applicable CSEP Network Exit Provisions) by reference to the determination referred to in paragraph (c)(iv);
- (e) **“Reconciliation Close-Out”** in any month is the 10<sup>th</sup> day of the month.

### 3 OUTPUT QUANTITIES

#### 3.1 Supply Point UDQO

- 3.1.1 For a nominating User the UDQO in respect of a Registered Supply Point for the Gas Flow Day shall be:
- (a) in the case of a NDM Supply Point, the NDM Supply Meter Point Demands (in accordance with Section H2) for the Class 3 or 4 Supply Meter Point comprised in that NDM Supply Point;
  - (b) in the case of a DM Supply Point, the User SPDQ in accordance with paragraph 3.1.2.
- 3.1.2 The “**User SPDQ**” for a User in respect of a Registered DM Supply Point shall be the sum of:
- (a) subject to paragraph (b), the Supply Meter Point Daily Quantity;
  - (b) in the case of a Shared Supply Meter Point, the portion of that Supply Meter Point Daily Quantity determined in respect of that User in accordance with the Shared Supply Meter Notification pursuant to Section G9.1.
- 3.1.3 The provisions of paragraph 4 shall apply in respect of the User SPDQ in respect of any Supply Point for which the Registered User was a non-nominating User.

#### 3.2 Connected System Exit Points

- 3.2.1 For each nominating User the UDQO in respect of each Connected System Exit Point shall be determined in accordance with the applicable CSEP Network Exit Provisions and/or (where not inconsistent with the CSEP Network Exit Provisions) this paragraph 3.2.
- 3.2.2 In respect of each Metered Connected System Exit Point, each nominating User shall and any non-nominating User may submit to the Transporter, not later than the Exit Close-out Date, a statement (“**Exit Allocation Statement**”) specifying:
- (a) the identity of the User;
  - (b) the identity of the Connected System Exit Point;
  - (c) the Gas Flow Day; and
  - (d) the quantity of gas offtaken by that User from the Total System on the Gas Flow Day at that Connected System Exit Point.
- 3.2.3 A User may, not later than the Exit Close-out Date, revise its Exit Allocation Statement, provided that where the conditions in paragraph 3.2.6 were satisfied in respect of the first submitted Exit Allocation Statements, no revision may be made thereto unless revisions are made in aggregate such that such conditions remain satisfied following such revisions.
- 3.2.4 For the avoidance of doubt, but without prejudice to paragraph 3.3, no person who is

not a User may submit an Exit Allocation Statement or otherwise may claim to have offtaken gas from the Total System and the Transporter will disregard any such purported submission or claim.

- 3.2.5 If for the Gas Flow Day in respect of a Connected System Exit Point both of the conditions in paragraph 3.2.6 are satisfied:
- (a) each User who submitted an Exit Allocation Statement shall be an Offtaking CSEP User;
  - (b) the UDQO for each nominating User shall be the quantity stated in the User's Exit Allocation Statement; and
  - (c) paragraph 4 shall apply in respect of any non-nominating User who submitted an Exit Allocation Statement.
- 3.2.6 The conditions referred to in paragraph 3.2.3 and 3.2.5 are:
- (a) that by the Exit Close-out Date, Exit Allocation Statements have been submitted by or on behalf of all nominating Users (whether or not also submitted by or on behalf of any non-nominating User); and
  - (b) that the aggregate of the quantities stated in all Exit Allocation Statements (submitted by nominating Users and non-nominating Users) is equal to the CSEP Daily Quantity Offtaken.
- 3.2.7 If for the Gas Flow Day in respect of a Connected System Exit Point either condition in paragraph 3.2.6 above is not satisfied, subject to paragraph 3.2.8:
- (a) each nominating User shall be an Offtaking CSEP User; and
  - (b) the UDQO for each Offtaking CSEP User shall be determined by allocating the CSEP Daily Quantity Offtaken between the Offtaking CSEP Users in proportion to the Nominated Quantities under their respective Output Nominations for the Gas Flow Day in respect of that Connected System Exit Point.
- 3.2.8 If no User made an Output Nomination for the Connected System Exit Point for the Gas Flow Day (and accordingly C2.2.6 applies), or where all the Output Nominations for the Connected System Exit Point for the Gas Flow Day are submitted as zero, and gas was offtaken from the System at the point:
- (a) each User who was (whether or not by virtue of this paragraph 3.2.8) an Offtaking CSEP User on the Preceding Day shall be an Offtaking CSEP User; and
  - (b) the CSEP Daily Quantity Offtaken shall be allocated to the Offtaking CSEP Users in the proportions in which the equivalent quantity was (whether or not by virtue of this paragraph 3.2.8) allocated on the Preceding Day.
- 3.2.9 In relation to an Unmetered Connected System Exit Point, the UDQO for an Offtaking CSEP User for a Day shall be the aggregate of the UDQOs for the User's Registered CSEP Supply Meter Points (comprised within that Unmetered Connected System Exit Point) for the Day.

**3.3 Exit Allocation Agents**

- 3.3.1 In accordance with Section V6 a User may appoint a User Agent for the purposes of submitting Exit Allocation Statements in respect of a Metered Connected System Exit Point in accordance with paragraph 3.2.
- 3.3.2 Where the same person has been appointed as User Agent by more than one User for such purposes, the User Agent may make a composite submission containing the Exit Allocation Statements in respect of the Connected System Exit Point for each such User.

**3.4 Daily Read Errors**

- 3.4.1 Where pursuant to Section M6.6 an Error Revised Quantity is established in respect of a Class 1 or 2 Supply Point for a Daily Read Error Day after the Exit Close-out Date:
- (a) the Transporter will, as soon as reasonably practicable, determine (as nearly as may be) the amount (the “**Error Revised UDQO**”) of the UDQO for the relevant DM Supply Point for the Day on the basis of such Metered Quantity;
  - (b) adjustments will be made in respect of any Overrun Charges or Supply Point Ratchet Charges in accordance with Section B1.11 and in respect of certain Balancing Charges in accordance with Section F1.4;
  - (c) except as provided in paragraph (b), in accordance with paragraph 1.8.2 no revision or recalculation of the quantities treated as offtaken from the System by Users, Users' Daily Imbalances or any Balancing Charges on or for the Daily Read Error Day will be made.

~~**3.5 Gas illegally taken**~~~~3.5.1 Where:~~

- ~~(a) gas offtaken from the Total System has been illegally taken at or at a point downstream of the point of offtake (in accordance with Section J3.7) at a Supply Point, insofar as the quantity of gas so taken has not been properly metered, and except as permitted by the Meter By Pass Policy; and~~
  - ~~(b) the case is not one in which the Transporter is (pursuant to paragraph 9(2) of the Gas Code) entitled to recover the value of the gas,~~
- ~~subject to paragraph 3.5.3, a Consumption Adjustment shall be made as is required to ensure that the quantity of gas so taken is treated as offtaken by the Registered User and an Offtake Reconciliation will be carried out.~~

~~3.5.2 In a case referred to in paragraph 3.5.1, the Registered User must:~~

- ~~(a) notify the CDSP and determine the Estimated Consumption as soon as it becomes aware of gas illegally taken from the Total System; and~~
- ~~(b) if requested to justify the Estimated Consumption, provide the CDSP with all relevant Meter Readings and all information in relation to the consumption or Estimated Consumption of gas at the relevant Supply Point Premises during the~~

~~period of the illegal offtake of gas, as requested by the CDSP.~~

~~3.5.3 Paragraph 3.5.1 shall not apply in a case to which Standard Condition 7(5) of National Grid NTS's Transporter's Licence applies; and further, to give effect to that Condition (insofar as it relates to Energy Balancing Charges payable by Users):~~

- ~~(a) National Grid NTS may pay to the Registered User, in respect of gas which has been or will be treated (pursuant to the Code) as offtaken by the User but is to be treated (pursuant to that Condition) as not having been taken out of the Total System, an amount estimated by National Grid NTS to be the amount which has been or will be payable by way of Reconciliation Clearing Charges in respect of such quantity of gas; and~~
- ~~(b) Users acknowledge that it is not feasible to make any adjustment (beyond what is provided for in paragraph (a)) in respect of any amount by which such gas may have contributed to the User's Daily Imbalance for or Energy Balancing Charges payable in respect of any Day.~~