

Draft: 22 December 2021

UNC MODIFICATION 0779 – LEGAL TEXT AND COMMENTARY

A. COMMENTARY

The Uniform Network Code currently allows for assignment of Capacity and liability between Users at an Exit Point both in full and in part. This Modification proposes to enhance the current Assignment arrangement by providing the ability to assign Capacity at Entry Points both in full and in part. The text provides for the assignment for the remaining duration of the capacity booking and an alternative of an assignment for any period from a Day to the remainder of the capacity booking.

B. LEGAL TEXT

Uniform Network Code – TPD Section B paragraph 6 shall be amended to read as follows:

"6 CAPACITY ASSIGNMENT

6.1 Basis of assignment

6.1.1 A User (the "**Assignor User**") may assign all or part of its:

- (a) Registered Enduring Annual NTS Exit (Flat) Capacity in respect of an NTS Exit Point;
- (b) Registered Annual NTS Exit (Flat) Capacity in respect of an NTS Exit Point;
- (c) Registered Quarterly NTS Entry Capacity in respect of an NTS Entry Point ; and/or
- (d) Registered Monthly NTS Entry Capacity in respect of an NTS Entry Point;

~~(but not under the same System Capacity Assignment notification)~~ to another User ("**Assignee User**") by a System Capacity Assignment in accordance with this paragraph 6.

6.1.2 For the purposes of the Code a "**System Capacity Assignment**" is an assignment of System Capacity in accordance with this paragraph 6-1.1.

6.1.3 An Assignor User may not make a System Capacity Assignment where:

- (a) ~~Assigned System Capacity~~System Capacity to be Assigned comprising:
 - (i) ~~Registered~~ Enduring Annual NTS Exit (Flat) Capacity exceeds the ~~remaining~~current Registered Enduring Annual NTS Exit (Flat) Capacity; ~~or~~
 - (ii) ~~Registered~~ Annual NTS Exit (Flat) Capacity exceeds the ~~remaining~~current Registered Annual NTS Exit (Flat) Capacity;
 - (iii) Quarterly NTS Entry Capacity exceeds the current Registered Quarterly NTS Entry Capacity;
 - (iv) Monthly NTS Entry Capacity exceeds the current Registered Monthly NTS Entry Capacity;

on any Day in the Assignment Period at the Assignment System Point; and

- (b) ~~Assigned System Capacity~~System Capacity to be Assigned (which has been adjusted to take account of any deduction or additions of any prior System Capacity Assignment of the same class) comprising Enduring Annual NTS Exit (Flat) Capacity and Annual NTS Exit (Flat) Capacity exceeds its Available ~~Registered Net System~~ Capacity comprising Enduring Annual NTS Exit (Flat) Capacity and/or Annual NTS

Exit (Flat) Capacity -on any Day in the Assignment Period at the relevant Assignment System Point;

(c) System Capacity to be Assigned (which has been adjusted to take account of any deduction or additions of any prior System Capacity Assignment of the same class) comprising Quarterly NTS Entry Capacity and/or Monthly NTS Entry Capacity exceeds its Available System Capacity comprising Quarterly NTS Entry Capacity and/or Monthly NTS Entry Capacity on any Day in the Assignment Period at the relevant Assignment System Point.

6.1.4 In respect of a System Capacity Assignment or proposed System Capacity Assignment:

~~(a) — the "Assigned System Capacity" is the amount of (i) Registered Enduring Annual NTS Exit (Flat) Capacity or (ii) Registered Annual NTS Exit (Flat) Capacity which is (or is to be), in each case, assigned from the Assignor User to the Assignee User;~~

(ab) the "Assignment Period" is the period Day or Days commencing with on the Day on which the System Capacity Assignment is to be effective and ending with on the last Day on which the Assignor User is registered as holding the Assigned System Capacity;

(be) the "Assignment System Point" means the NTS Exit Point or NTS Entry Point (as applicable) at which the Assigned System NTS Exit (Flat) Capacity is to be assigned;

(c) "class" means a class of Assigned System Capacity which is either Enduring Annual NTS Exit (Flat) Capacity, Annual NTS Exit (Flat) Capacity, Quarterly NTS Entry Capacity or Monthly NTS Entry Capacity;

~~(d) — the "Registered Net Exit Capacity" is the amount of NTS Exit Flat Capacity determined by National Grid NTS in accordance with paragraph 6.1.5; ___~~

~~(e) — "remaining current Registered Enduring Annual NTS Exit (Flat) Capacity" is the Registered Enduring Annual NTS Exit (Flat) Capacity currently held remaining after taking account of any deductions or additions of any prior System Capacity Assignment in respect of Registered Enduring Annual NTS Exit (Flat) Capacity;~~

(ef) "remaining current Registered Annual NTS Exit (Flat) Capacity" is the Registered Annual NTS Exit (Flat) Capacity currently held remaining after taking account of any deductions or additions of any prior System Capacity Assignment in respect of Registered Annual NTS Exit (Flat) Capacity;

(f) "current Registered Quarterly NTS Entry Capacity" is the Registered Quarterly NTS Entry Capacity currently held after taking account of any deductions or additions of any prior System Capacity Assignment in respect of Registered Quarterly NTS Entry Capacity;

(g) "current Registered Monthly NTS Entry Capacity" is the Registered Monthly NTS Entry Capacity currently held after taking account of any deductions or additions of any prior System Capacity Assignment in respect of Registered Monthly NTS Entry Capacity;

(h) "System Capacity to be Assigned" is the amount of:

- (i) Registered Enduring Annual NTS Exit (Flat) Capacity;
- (ii) Registered Annual NTS Exit (Flat) Capacity;
- (iii) Registered Quarterly NTS Entry Capacity; or
- (iv) Registered Monthly NTS Entry Capacity;

which is to be assigned from the Assignor User to the Assignee User and the "Assigned System Capacity" is that capacity once it has been assigned;

~~(g) "User Commitment" shall have the meaning given to it in the Exit Capacity Release Methodology Statement.~~

~~6.1.5 National Grid NTS shall determine the Registered Net Exit Capacity by deducting from the aggregate amount of remaining Registered Enduring Annual NTS Exit (Flat) Capacity and remaining Registered Annual NTS Exit (Flat) Capacity the sum of:~~

~~(a) the Transferred System Capacity which is effective on any Day in the Assignment Period, where the Assignor User was the Transferor User (but not where the Assignor User was the Transferee User); and~~

~~(b) the amount of any Registered Enduring Annual NTS Exit (Flat) Capacity and Registered Annual NTS Exit (Flat) Capacity which has been or may be surrendered to National Grid NTS on any Day in the Assignment Period pursuant to an Exit Capacity Management Agreement.~~

~~6.1.657 Any deductions of any prior System Capacity Assignment shall be made having regard to paragraph 6.3.2.~~

6.2 Procedure

6.2.1 Where a User proposes to make a System Capacity Assignment, each of the Assignor User and the Assignee User must notify the System Capacity Assignment to National Grid NTS ~~[no later than 13:00 hours on the Day prior to the first Day of the Assignment Period]~~ with:

(a) a separate notice in respect of each class of System Capacity to be Assigned specifying:

- ~~(i)~~ (ia) the identity of the Assignor User and Assignee User;
- ~~(ii)~~ (ib) the Assignment System Point;
- ~~(iii)~~ (eiii) the class of the ~~Assigned System Capacity~~ System Capacity to be Assigned;
- ~~(iv)~~ (ivd) the amount ~~in respect of the class of Assigned System Capacity~~ System Capacity to be Assigned; and

~~(v)~~ (ve) ~~the commencement date in the Assignment Period on which the System Capacity Assignment is to be effective in respect of the class of Assigned System Capacity;~~ and

- (b) where the System Capacity ~~to be Assigned comprises~~ ment is any of the Assignor User's for Registered Annual NTS Exit (Flat) Capacity, a separate notice in respect of each Gas Year or, where there is a part Gas Year a separate notice in respect of the part Gas Year, which also sets out the information in (a) above; the Gas Year (or remaining part thereof) for which the Registered Annual NTS Exit (Flat) Capacity is held and, in such case, a separate System Capacity Assignment notice must be submitted in respect of each Gas Year
- (c) where the System Capacity to be Assigned comprises any of the Assignor User's Existing Available Holding, a separate notice in respect of the Assignor User's Existing Available Holding which also sets out the information in (a) above;

6.2.2 ~~After an Assignor User has notified for simultaneously with an Assignor User notifying,] a proposed System Capacity Assignment under paragraph 6.2.1 above, the Assignee User shall no later than 23:00 hours on the Day prior to the first Day of the Assignment Period notify National Grid NTS that it wishes to proceed with the System Capacity Assignment proposed by the Assignor User by sending National Grid NTS a notice specifying the same information as has been given by the Assignor User in its notice. A proposed System Capacity Assignment must be notified by each of the Assignor User and the Assignee User to National Grid NTS by not later than the fifth Business Day prior to the first Day of the Assignment Period.~~

6.2.3 National Grid NTS may reject a System Capacity Assignment:

- (a) where either the Assignor User or the Assignee User does not notify the System Capacity Assignment to National Grid NTS in accordance with paragraph 6.2.1 or 6.2.2 ~~respectively;~~
- (b) in accordance with Section V3;
- (c) which is prohibited by paragraph 6.1.3, where the Assigned System Capacity comprising Registered Enduring Annual NTS Exit (Flat) Capacity exceeds the remaining Registered Enduring Annual NTS Exit (Flat) Capacity;
- (d) ~~where the Assigned System Capacity comprising Registered Annual NTS Exit (Flat) Capacity exceeds the remaining Registered Annual NTS Exit (Flat) Capacity;~~
- (e) ~~where the Assigned System Capacity (which has been adjusted to take account of any deduction of any prior System Capacity Assignment) exceeds its Registered Net Capacity on any Day in the Assignment Period at the Assignment System Point;~~

6.2.4 A System Capacity Assignment shall be effective if it is approved by National Grid NTS, or is not rejected by National Grid NTS, by the start of the fourth Business Day after it was notified by the Assignor User or (if later) the Assignee User under paragraph 6.2.1.

6.3 Effect of Assignment

Draft: 22 December 2021

6.3.1 ~~The Assignee User will~~ With effect from the System Capacity Assignment:

(a) the Assignor User will no longer be treated as the registered holder of the Assigned System Capacity;

(b) the Assignee User will be treated for each Day throughout the Assignment Period as the registered holder of the Assigned System Capacity.

~~6.3.2 [A User's Registered NTS Exit (Flat) Capacity at an NTS Exit Point on a Day is its Registered NTS Exit (Flat) Capacity, adjusted in respect of any System Capacity Assignment(s) (for which that point is an Assignment System Point and the Assignment Period includes that Day) by adding the Assigned System Capacity where the User was the Assignee User, and deducting the Assigned System Capacity where the User was the Assignor User.]~~

6.3.23 With effect from and in respect of the first ~~Day of the Assignment Period (and in respect of~~ and each subsequent Day of the ~~in that~~ Assignment Period):

(a) the Assignor User shall cease to be liable for Capacity Charges in respect of the Assigned System Capacity and an adjustment will be made to the Assignor Users Existing Available Holding where appropriate;

(b) the Assignee User shall be liable for Capacity Charges in respect of the Assigned System Capacity;

(c) the Capacity Charges payable by the Assignee User in respect of that Assigned System Capacity shall be the ~~same same~~ Capacity Charges that would have otherwise been payable by the Assignor ~~eeor~~ User for ~~that e~~ Assigned System Capacity but for the assignment, including, for the avoidance of doubt,

~~[had that capacity been allocated to the Assignee User (and not assigned to it) but for the assignment (which shall, for the avoidance of doubt any Premium provided that be at the [published Transmission Services Revenue Recovery Charges] Exit Transmission Services rate applicable for each Day during the Assignment Period]~~

~~[] provided that if the Assigned Capacity comprises any of the Assignor User's Existing Available Holdings ~~is of [acquired before],~~ the Capacity Charges payable by the Assignee User in respect of that Assigned System Capacity shall include the Applicable Daily Rate that would have been payable had that Assigned System Capacity been acquired after the Tariff Regulation Effective Date. ~~Entry Transmission Services Revenue Recovery Charges shall be deemed to apply to it]~~~~

~~6.3.34 Where a System Capacity Assignment is made which comprises Enduring Annual NTS Exit (Flat) Capacity the Assignee User shall be deemed to have been allocated the Enduring Annual NTS Exit (Flat) Capacity (comprising the Assigned System Capacity) with effect from the time from which, in accordance with paragraphs 3.2.6(e) and 3.2.10, a User was first registered as holding the Enduring Annual NTS Exit (Flat) Capacity.~~

6.3.45 A System Capacity Assignment shall be without prejudice to the operation of paragraphs 3.2.12 to 3.2.22 (inclusive) in respect of any reduction in the amount of Enduring Annual NTS Exit (NTS) Capacity held by the Assignor User and the Assignee User following a System Capacity Assignment.

Draft: 22 December 2021

6.3.5~~6~~ No consequences other than those described in this paragraph 6 are intended by the use of the term 'assignment' in this paragraph 6.