

## **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;

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.

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

- (a) System Capacity to be Assigned comprising:
  - (i) Enduring Annual NTS Exit (Flat) Capacity exceeds the current Registered Enduring Annual NTS Exit (Flat) Capacity;
  - (ii) Annual NTS Exit (Flat) Capacity exceeds the 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) 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 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 "**Assignment Period**" is the period commencing with the Day on which the System Capacity Assignment is to be effective and ending with the last Day on which the Assignor User is registered as holding the Assigned System Capacity;
- (b) the "**Assignment System Point**" means the NTS Exit Point or NTS Entry Point (as applicable) at which the Assigned System 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) "**current Registered Enduring Annual NTS Exit (Flat) Capacity**" is the Registered Enduring Annual NTS Exit (Flat) Capacity currently held after taking account of any deductions or additions of any prior System Capacity Assignment in respect of Registered Enduring Annual NTS Exit (Flat) Capacity;
- (e) "**current Registered Annual NTS Exit (Flat) Capacity**" is the Registered Annual NTS Exit (Flat) Capacity currently held 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;

## 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 with:

- (a) a separate notice in respect of each class of System Capacity to be Assigned specifying:
  - (i) the identity of the Assignor User and Assignee User;
  - (ii) the Assignment System Point;
  - (iii) the class of the System Capacity to be Assigned;
  - (iv) the amount of System Capacity to be Assigned;
  - (v) the Assignment Period; and
- (b) where the System Capacity to be Assigned comprises any of the Assignor User's 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;
- (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 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;
- (b) in accordance with Section V3;
- (c) which is prohibited by paragraph 6.1.3.

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**

6.3.1 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 With effect from and in respect of the first and each subsequent Day of the Assignment Period):

- (a) the Assignor User shall cease to be liable for Capacity Charges in respect of the Assigned System Capacity;

- (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 Capacity Charges that would have otherwise been payable by the Assignor User for that Assigned System Capacity but for the assignment, provided that if the Assigned Capacity comprises any of the Assignor User's Existing Available Holding, 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.
- 6.3.4 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.
- 6.3.5 No consequences other than those described in this paragraph 6 are intended by the use of the term 'assignment' in this paragraph 6.