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CSS UNC DRAFTING – DOCUMENT 1

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION B4 – SYSTEM USE AND CAPACITY

4 SUPPLY POINT AND LDZ CAPACITY

4.1 Introduction

4.1.1 Subject to the provisions of the Code, a User may:

- (a) offtake gas from the Total System at any LDZ Supply Point;
- (b) by offtaking gas from the Total System at an LDZ System Exit Point, require a gas flow in the relevant LDZ; and
- (c) offtake gas from the Total System at an LDZ Metered Connected System Exit Point.

4.1.2 Nothing in this paragraph 4 shall apply in respect of an NTS Exit Point or an NTS CSEP.

4.1.3 For the purposes of paragraphs 4.2 and 4.3, subject to Annex B-3, paragraph 12.1, in relation to a CSEP Supply Point, references to Supply Point ~~Registration Confirmation~~, Supply Point Registration Date, ~~and~~ Supply Point ~~Deregistration Withdrawal~~ shall be construed as references to the equivalent matters under the IGT Code pursuant to the provisions of IGTAD Section D2.1 (as reflected in the CSEP Supply Point Register).

4.1.4 References in this paragraph 4 to a User applying for, requesting or electing certain Registration Details in respect of a Proposed Supply Point, where such application, request or election is to be made by way of a Detail Registration Nomination, shall be construed on the basis that the User's application, request or election is subject to the condition that a Relevant CSS Request (in relation to which the Detail Registration Response is operational) becomes effective.

4.2 Supply Point Capacity: ~~Registration: DM Supply Points~~

4.2.1 A User who becomes the Registered User of a:

- (a) DM Supply Point shall be treated as having applied for and registered as holding Supply Point Capacity ("DM Supply Point Capacity"):
 - (i) where the Supply Point Registration is effective on the basis of a Base Registration Nomination which specifies an operative Detail Registration Response, the amount of the Offered Supply Point Capacity specified in the operative Detail Registration Response, subject to Section G5.4.5(b);
 - (ii) where paragraph (i) does not apply, the amount of Supply Point Capacity determined in accordance with Annex G-1;

(b) NDM Supply Point shall be treated as having applied for and registered as holding Supply Point Capacity ("NDM Supply Point Capacity") as determined in accordance with Section H4.1

in each case with effect from the Supply Point Registration Date of the Supply Point.

~~4.2.1 A User who submits a Supply Point Confirmation in respect of a Proposed Supply Point which is a DM Supply Point shall thereby apply for Supply Point Capacity ("DM Supply Point Capacity") in accordance with Annex B-3.~~

~~4.2.2 The User will if its Supply Point Confirmation becomes effective be registered as holding Supply Point Capacity at the DM Supply Point with effect from the Supply Point Registration Date, subject to paragraph 4.2.3 and until the User ceases in accordance with Section G to be the Registered User in respect of the relevant Supply Point.~~

~~4.2.3~~ 4.2.2 A User's Registered Supply Point Capacity in respect of a Registered DM Supply Point:

- (a) may be increased or reduced subject to and in accordance with the conditions and requirements in Annex B-3 but subject to and save as otherwise provided by paragraph 4.9 in the case of a Seasonal Large Supply Point;
- (b) shall not be reduced nor (subject to paragraph 4.7) increased other than as provided in paragraph (a), nor (subject to Section V4.3) shall the registration be terminated, except as provided in paragraph 4.~~3~~4.

~~4.2.3~~ 4.2.3 A User's Registered Supply Point Capacity in respect of a Registered NDM Supply Point will be determined from time to time in accordance with Section H4.1.

~~4.2.4 The User will cease to be registered as holding DM Supply Point Capacity at the DM Supply Point when the User submits a Supply Point Withdrawal which becomes effective in respect of the relevant Supply Point in accordance with Section G6.12.~~

4.3 Supply Point Capacity: Cessation of Registration~~Registration: NDM Supply Points~~

~~4.3.1 The Registered User will cease to be registered as holding DM Supply Point Capacity at a DM Supply Point and NDM Supply Point Capacity at a NDM Supply Point when the User ceases to be the Registered User of the DM Supply Point or NDM Supply Point in accordance with a Supply Point Deregistration which is effective. A User will be registered as holding Supply Point Capacity ("NDM Supply Point Capacity") in accordance with paragraph 4.3.3 at each Registered NDM Supply Point with effect from the Supply Point Registration Date.~~

~~4.3.2 The User shall be deemed to have applied for NDM Supply Point Capacity when submitting a Supply Point Confirmation for a Proposed Supply Point which is an NDM Supply Point, and shall not make a separate application for such capacity.~~

~~4.3.3 The NDM Supply Point Capacity which the User is from time to time registered as holding will be determined in accordance with Section H4.1.~~

~~4.3.4 The User will cease to be registered as holding NDM Supply Point Capacity at the NDM Supply Point when the User submits a Supply Point Withdrawal which becomes effective in respect of the relevant Supply Point in accordance with Section G6.12.~~

4.4 LDZ Capacity Registration: LDZ Supply Points

- 4.4.1 Save as otherwise provided by paragraph 4.9-~~(Seasonal LDZ Capacity)~~ a User will at all times be registered as holding LDZ Capacity at each LDZ Supply Point in an amount equal to the amount of the Supply Point Capacity which the User is for the time being registered as holding (pursuant to any provision of the Code) at that Supply Point (and accordingly a User is not be required to apply for LDZ Capacity).~~;- and save as aforesaid, Users will not make separate applications for such capacity.~~
- 4.4.2 In accordance with paragraph 4.4.1, a User will cease to be registered as holding LDZ Capacity at an LDZ Supply Point where it ceases to hold Supply Point Capacity at such Supply Point.

4.5 LDZ Capacity Registration: LDZ Connected System Exit Points

- 4.5.1 A CSEP User may hold LDZ Capacity at an LDZ Metered Connected System Exit Point.
- 4.5.2 The basis on which a User may apply for or may be treated as having applied for and may be registered as holding LDZ Capacity at an LDZ Metered Connected System Exit Point will be in accordance with the CSEP Network Exit Provisions.
- 4.5.3 The CSEP Network Exit Provisions may provide (subject to Section V3) for:
- (a) a minimum amount and a maximum amount of LDZ Capacity to be held by CSEP Users in aggregate at an LDZ Metered Connected System Exit Point, and for such amounts to vary from time to time;
 - (b) the LDZ Capacity held by each CSEP User at an LDZ Metered Connected System Exit Point to vary from Day to Day.

4.6 LDZ, Supply Point Charges and CSEP Charges

- 4.6.1 A User shall pay:
- (a) Capacity Charges ("**LDZ Capacity Charges**") in respect of its Registered LDZ Capacity at LDZ System Exit Points;
 - (b) Commodity Charges ("**LDZ Commodity Charges**") in respect of its use of each LDZ;
 - (c) Customer Charges in respect of its Registered LDZ Supply Points; and
 - (d) CSEP Charges in respect of each relevant Connected System Exit Point in relation to which it is a CSEP User.
- 4.6.2 The LDZ Capacity Charge payable by a User in respect of each Day will be determined (for each LDZ System Exit Point) as the amount of its Registered LDZ Capacity multiplied by the Applicable Daily Rate. For the avoidance of doubt the LDZ Capacity Charge in respect of a Seasonal Large Supply Point is only payable by the User in respect of those Days that fall within the applicable Restricted LDZ Capacity Period for that Seasonal Large Supply Point.
- 4.6.3 The LDZ Commodity Charge payable (for any Day) by a User will be determined (for each LDZ System Exit Point) as the amount of its User Daily Quantity Output

multiplied by the Applicable Commodity Rate.

4.6.4 The Customer Charge payable by a User in respect of each Day will be determined (for each Supply Point):

- (a) as to the Capacity Variable Component (if any) thereof, as the amount of its Registered Supply Point Capacity multiplied by the Applicable Daily Rate;
- (b) as to the Commodity Variable Component (if any) thereof for a Day, as the amount of its UDQO multiplied by the Applicable Commodity Rate;
- (c) as to the Fixed Component (if any) thereof, as the applicable fixed charge.

4.6.5 For the avoidance of doubt no Capacity Charge is payable in respect of Supply Point Capacity.

4.6.6 The CSEP Charge payable by a User in respect of each Day will be determined for each relevant Connected System Exit Point in accordance with the relevant provisions of the Transportation Statement.

4.6.7 LDZ Capacity Charges, LDZ Commodity Charges, Customer Charges and CSEP Charges will be invoiced and payable in accordance with Section S.

4.6.8 Pursuant to the prevailing Transportation Statement, a User may elect that, for the purpose of paragraph 4.6.2, the Applicable Daily Rate of the LDZ Capacity Charge in respect of an LDZ Specified Exit Point shall be the LDZ Optional Capacity Rate, determined in accordance with the following provisions:

- (a) for the purpose of Code:
 - (i) a "**Notional NTS Connection Point**" is the point on the NTS which is derived by the Transporter in accordance with paragraph 4.6.2~~10~~ and in the case of a Proposed Supply Point, as identified by the Transporter in its Detail Registration Response or Supply Point Offer ~~Supply Point Offer in accordance with Section G6.5.2(k)~~ or; in the case of a CSEP, the point identified by the Transporter in accordance with paragraph (f);
 - (ii) an "**LDZ Specified Exit Point**" is, in the case of a Supply Point, the System Exit Point notified to the Transporter as the Proposed Supply Point in the User's Detail Registration ~~User's Supply Point~~ Nomination in accordance with Section G6.4.2(h) or Supply Point Nomination or, in the case of a CSEP, the LDZ System Exit Point identified as the CSEP in the Conventional Notice in accordance with paragraph (f);
- (b) the LDZ Capacity Charge payable (for any Day) by a Registered User or CSEP User will be determined (for each Specified Exit Point) as the Registered LDZ Capacity multiplied by the LDZ Optional Capacity Rate applicable for the capacity (calculated in accordance with paragraph (c)) and the distance (calculated in accordance with paragraph (d)) and shall be invoiced and are payable in accordance with Section S;
- (c) for the purposes of this paragraph 4.6.8 the capacity of the LDZ Specified Exit Point shall be the Supply Point Capacity, determined in accordance with Annex B-3, paragraph 5.1 except:

- (i) for an LDZ Supply Point the capacity shall be the sum of the DM Supply Point Capacity and the NDM Supply Point Capacity that the User is registered as holding from time to time in accordance with paragraphs 4.2 and 4.3 respectively;
 - (ii) for a Shared Supply Meter Point the capacity shall be determined in accordance with Section G9.74.13;
 - (iii) for an LDZ CSEP the capacity shall be determined in accordance with paragraph 4.5.2;
- (d) the distance (to the nearest 0.1 km) from the Notional NTS Connection Point to the curtilage of the LDZ Specified Exit Point or the offtake from the Total System at the LDZ Specified Exit Point (whichever is the lesser) shall be calculated on a straight line basis using eight figure grid references and the Transporter shall determine an eight figure grid reference for each Notional NTS Connection Point and each LDZ Specified Exit Point (which may be revised in accordance with paragraph (f) or Sections ~~G6.5.12~~ G5.3.14 or 6.5.12);
- (e) an application for the LDZ Optional Capacity Rate for a Supply Point shall be made by submitting a Detail Registration Nomination in accordance with ~~the provisions of~~ Section ~~G5.36.4.2(h)~~ or a Supply Point Nomination in accordance with G6.4.2(g) and, for a CSEP, shall be made in accordance with the provisions of paragraph (f);
- (f) a CSEP User, or a Proposing CSEP User, may apply for the LDZ Optional Capacity Rate in the following manner:
- (i) by notice to the Transporter stating the CSEP User, the LDZ Specified Exit Point; and
 - (ii) the Transporter shall identify the Notional NTS Connection Point and offer the LDZ Optional Capacity Rate and shall provide the distance between the LDZ Specified Exit Point and the Notional NTS Connection Point, the capacity of the CSEP determined in accordance with paragraph 4.5.2 and the eight figure grid references used; and
 - (iii) where the CSEP User disputes the distance specified by the Transporter under paragraph (ii), the CSEP user may resubmit an application in accordance with paragraph (i) stating an alternative eight figure grid reference for the LDZ Specified Exit Point with supporting evidence of calculation;
 - (iv) the CSEP User shall confirm acceptance of the offer made in accordance with paragraph (ii) not earlier than 15 days after the submission of the confirmation (or such lesser period as the Transporter may specify) and not later than six months from the date of the offer;
- (g) where the User elects to pay the LDZ Optional Capacity Rate the LDZ Commodity Charge shall not be payable.

4.6.9 The Notional NTS Connection Point shall be derived by the Transporter as:

- (a) in the case of a Supply Point, the point on the NTS at which the NTS is nearest to either:

- (i) the curtilage of the LDZ Specified Exit Point; or
 - (ii) the offtake from the Total System at the LDZ Specified Exit Point
- whichever gives the lesser distance;

- (b) in the case of a CSEP the point on the NTS at which the NTS is nearest to the LDZ Specified Exit Point.

4.7 Supply Point Ratchet

4.7.1 Subject to paragraph 1.3.2, and paragraphs 4.7.10, ~~4.7.11~~ and 4.7.12 ~~and 4.7.14~~ if for any reason:

- (a) in respect of a DM Supply Point (other than a Seasonal Large Supply Point) on any Day, other than a Day in the months of June to September inclusive, or
- (b) in respect of a Seasonal Large Supply Point, on any Day,

the quantity of gas offtaken by a User from the Total System at a DM Supply Point exceeds the User's Registered DM Supply Point Capacity (such occurrence being in each case a "**Supply Point Ratchet**"), then in each such case:

- (i) the User's Registered DM Supply Point Capacity at that Supply Point shall automatically be increased with effect from the following Day in accordance with paragraph 4.7.3; and
- (ii) subject to paragraph 4.7.11, the User shall pay a charge ("**Supply Point Ratchet Charge**") in respect of the Capacity Ratchet Amount in accordance with paragraph 4.7.7 or 4.7.8.

4.7.2 For the purposes of this Section B, subject to paragraph 4.7.10~~11~~, the "**Capacity Ratchet Amount**" shall be the amount by which the User's UDQO on the Day of the Supply Point Ratchet in respect of the DM Supply Point exceeds the User's Registered DM Supply Point Capacity.

4.7.3 Subject to Annex B-3, paragraph 6.5, the increased amount (the "**Ratcheted Supply Point Capacity**") of the User's DM Registered Supply Point Capacity shall be the sum of the User's Registered DM Supply Point Capacity on the Day of the Supply Point Ratchet and the Capacity Ratchet Amount.

4.7.4 Where the Supply Point Ratchet relates to:

- (a) a Class 1 Supply Point a "**Class 1**" Ratchet Charge shall apply;
- (b) a Class 2 Supply Point a "**Class 2**" Ratchet Charge shall apply.

4.7.5 Notwithstanding paragraph 4.7.3, and unless the User's Registered Supply Point Capacity is increased other than pursuant to the Supply Point Ratchet, until the last Day of the calendar month in which the Supply Point Ratchet occurred the LDZ Capacity Charge and the Capacity Variable Component of the Customer Charge payable in respect of the Supply Point shall be determined on the basis of the User's Registered DM Supply Point Capacity on the Day of the Supply Point Ratchet (and not on the basis of the Ratcheted Supply Point Capacity).

4.7.6 For the avoidance of doubt the User's Registered LDZ Capacity will be increased so as to be equal to the Ratcheted Supply Point Capacity in accordance with paragraph 4.4.

4.7.7 A Class 1 Ratchet Charge shall be calculated as the Capacity Ratchet Amount multiplied by the sum of:

- (a) 2 times the Applicable Annual Rate (including where determined in accordance with paragraph 1.8.5(a)) of the LDZ Capacity Charge; and
- (b) where applicable, 2 times the Applicable Annual Rate of the Capacity Variable Component (if any) of the Customer Charge

the rate in each case being determined (where such rate is a function of LDZ Capacity or Supply Point Capacity) by reference to the sum of the Capacity Ratchet Amount and the User's Registered Supply Point Capacity at the DM and any NDM Supply Point on the Day of the Supply Point Ratchet.

4.7.8 A Class 2 Ratchet Charge shall be calculated as the sum of:

$$((A + B + C) * D) - ((E + F + G) * H) * J / 365$$

where in respect of the Ratchet Supply Point Capacity;

- A the Applicable Annual Rate of the LDZ Capacity Charge;
- B the Applicable Annual Rate of the Capacity Variable Component (if any) of the Customer Charge;
- C the applicable annual rate of the LDZ ECN charge;
- D is the Ratcheted Supply Point Capacity;

where in respect of the Registered User's Supply Point Capacity on the Day of the Supply Point Ratchet:

- E the Applicable Annual Charge of the LDZ Capacity Charge;
- F the Applicable Annual Rate of the Capacity Variable Component (if any) of the Customer Charge;
- G the applicable annual rate of the LDZ ECN charge;
- H is the Registered User's Supply Point Capacity on the Day of the Supply Point Ratchet; and
- J the number of Days in the period between:

- (a) in the case of a Supply Point:
 - (i) for which the User was the Registered User prior to the start of the Gas Year in which the Supply Point Ratchet occurred, the preceding 1 October;
 - (ii) for which the User was not the Registered User prior to the start of the Gas Year in which the Supply Point Ratchet occurred, the Supply Point Registration Date;

- (iii) which is a Seasonal Larger Supply Point, the first Day of the Restricted LDZ Capacity Period; and
- (b) the first Day of the calendar month in respect of which LDZ Capacity Charges, Capacity Variable Component (if any) of the Customer Charges and LDZ ECN charges (being the charges payable pursuant to Section Y, Part B paragraph 9) are determined on the basis of the Ratcheted Supply Point; and

where the 'LDZ ECN charge' is the charge payable by Users pursuant to TPD Section Y Part B paragraph 9.

- 4.7.9 Subject to paragraph 4.7.913, the Supply Point Ratchet Charge shall be invoiced and payable in accordance with Section S.
- 4.7.10 Where a DM Supply Point comprises a Shared Supply Meter Point:
 - (a) paragraph 4.7.1 shall apply only if and to the extent that the aggregate quantity offtaken from the Total System by all Sharing Registered Users at the DM Supply Points which comprise such Shared Supply Meter Point exceeds the aggregate of such Users' Registered Supply Point Capacity at such Supply Point, the amount of such excess (the "**aggregate ratchet excess**");
 - (b) for each such Sharing Registered User, the Capacity Ratchet Amount shall be determined as the amount (the "**individual ratchet excess**") by which that User's UDQO exceeds its Registered Supply Point Capacity, divided by the sum of the individual ratchet excesses for all such Sharing Registered Users, multiplied by the aggregate ratchet excess.
- 4.7.11 Without prejudice to Section G6.8.3 to 6.8.6 (inclusive), where in accordance with Section G6.4.1 the Proposing User has submitted a Supply Point Confirmation of the Supply Point Offer made in respect of the Supply Point First Nomination ("**Supply Point First Confirmation**") and this has become effective and has been registered in the name of the Proposing User ("**Supply Point First Registration**") and subsequent to the date of such Supply Point First Registration such User incurs and pays a Supply Point Ratchet Charge in respect of such Supply Point then, where such Proposing User has also submitted a Supply Point Confirmation of the Supply Point Offer made in respect of the Supply Point Second Nomination ("**Supply Point Second Confirmation**") and this has become effective and has been registered in the name of the Proposing User ("**Supply Point Second Registration**") then, subject to paragraph 4.7.12, the Transporter will reimburse the User the amount of such Supply Point Ratchet Charge which has been paid by the User for the period of 18 Days commencing from the Supply Point First Registration Date.
- 4.7.12 The amount of such reimbursement in accordance with paragraph 4.7.911 shall not exceed the amount of the Supply Point Ratchet Charge which applies in respect of the Confirmed Supply Point Capacity for the Supply Point Second Registration. For the purpose only of calculating the amount of such reimbursement, such Confirmed Supply Point Capacity shall not be treated as increased in accordance with Section G6.8.4(a) as a result of the occurrence of a Supply Point Ratchet.
- 4.7.13 Where on any Day(s) in any relevant Billing Period, on the occurrence of a Supply Point Ratchet the User's Registered DM Supply Point Capacity is greater than or equal to the Provisional Maximum Supply Point Capacity (the "**Relevant Day(s)**"), only the highest Supply Point Ratchet Charge incurred on the Relevant Day(s) in such relevant

Billing Period shall be invoiced and payable in accordance with paragraph 4.7.9.

4.7.14 Paragraph 4.7.~~1315~~ applies in relation to a Supply Point where:

- (a) pursuant to the Supply Point Registration:
 - (i) the Supply Meter Point was (prior to such Supply Point Registration) ~~in~~ Class 3 or 4; and
 - (ii) following such Supply Point Registration the Supply Meter Point is ~~in~~ Class 1 or 2; or
- (b) pursuant to a Supply Point Amendment, the Registered User changes the Class of the Supply Meter Point from Class 3 or 4 to Class 1 or 2;

and where (in either case)

- (c) the Supply Point is not a Seasonal Large Supply Point; and
- (d) the DM Supply Point Capacity following such Supply Point Registration or Supply Point Amendment is not less than the NDM Supply Point Capacity of the Supply Point prior to it.

4.7.15 Where this paragraph 4.7.~~1315~~ applies, for a period starting with the Supply Point Registration Date or (as the case may be) effective date of the Supply Point Amendment, and ending on the earlier of:

- (a) the expiry of a period of 12 months; or
- (b) the date (if any) when the DM Supply Point Capacity becomes less than the NDM Supply Point Capacity as referred to in paragraph 4.7.~~1214~~(d); or
- (c) the Supply Point Registration Date of any subsequent Supply Point Registration pursuant to which a User other than the Existing User becomes the Registered User

the Registered User shall not be liable for any Supply Point Ratchet Charge in respect of the Supply Point (but without prejudice to paragraph 4.7.1(b)(i)).

4.7.16 Where any of the circumstances set out in the Distribution Network Operator Designated Class 1 Guidance Document apply in respect of a Class 2, 3 or 4 Supply Point the Transporter may designate the Supply Point as one in respect of which Class 1 Ratchet Charges should apply; and where the Transporter so designates a Supply Point it shall notify the CDSP, and the CDSP shall promptly notify the Registered User and the designation shall be effective from the date of the CDSP's notification unless paragraph 4.7.~~179~~(a) applies.

4.7.17 The Transporter may only designate a Supply Point for the purposes of paragraph 4.7.~~146~~:

- (a) subject to paragraph (b), on a Day in the period from 1 June to the date falling forty (40) Supply Point Systems Business Days before the following 1 October in any calendar year;
- (b) in the case of a new Supply Point, in the period ending thirty (30) Supply Point Systems Business Days after the Supply Point Registration Date.

- 4.7.18 Where the CDSP notifies the Registered User a Supply Point is designated for the purposes of paragraph 4.7.146 the Registered User may within twenty (20) Supply Point Systems Business Days of the CDSP's notification notify the CDSP of the User's objection to the designation on the basis the User believes the circumstances set out in the Distribution Network Operator Designated Class 1 Guidance -Document do not apply, and the CDSP shall notify the Transporter of any such objection.
- 4.7.19 Following the CDSP's notification under paragraph 4.7.168, the Transporter shall notify the CDSP of the Transporter's response to the User's objection within twenty (20) Supply Point Systems Business Days of notification of the User's objection; and where:
- (a) the Transporter accepts the circumstances do not apply the Supply Point shall not be so designated, and Class 1 Ratchet Charges shall not apply (and in the event any Class 1 Ratchet Charges have been applied in relation to the Supply Point an adjustment shall be made (in the case of Class 2 Supply Point on the basis Class 2 Ratchet Charges should have been applied and in the case of a Class 3 or 4 Supply Point on the basis no Supply Point Ratchet Charges should have applied);
 - (b) the Transporter rejects the User's objection, Class 1 Ratchet Charges shall apply from the date of the CDSP's notification under paragraph 4.7.146.
- 4.7.20 For the purposes of paragraphs 4.7.146 to 4.7.179 (inclusive) the Transporters shall prepare and publish (and may update from time to time) a guidance document ("**Distribution Network Operator Designated Class 1 Guidance Document**") setting out:
- (a) the circumstances which must apply before the Transporter may designate a Class 2, 3 or 4 Supply Point as one in respect of which Class 1 Ratchet Charges should apply;
 - (b) the basis on which a User may object to a designation, and the basis on which a Transporter may accept or reject a User's objection to a designation for the purposes of paragraph 4.7.179.
- 4.7.21 Where the Transporter designates a Class 2, 3 or 4 Supply Point for the purposes of paragraph 4.7.146, the Registered User shall within twenty (20) Supply Point Systems Business Days of the later of CDSP's notification under paragraph 4.7.146 or the Transporter's rejection of the Registered User's objection in accordance with paragraph 4.7.179(b) submit a Supply Point Amendment to change the Class of the Supply Meter Point and Supply Point to Class 1 (failing which the CDSP shall make such amendment to the Supply Point Register and notify the Registered User of such amendment)

4.8 LDZ CSEP Overrun Charge

- 4.8.1 If for any reason in any calendar month (an "**overrun month**"):
- (a) in respect of a LDZ Connected System Exit Point (other than a Seasonal LDZ Connected System Exit Point) on any Day other than a Day in a month from June to September inclusive; or
 - (b) in respect of a Seasonal LDZ Connected System Exit Point, on any Day in any Month;
 - (i) the quantity of gas offtaken by a CSEP User from the Total System at a

relevant LDZ Metered Connected System Exit Point or Seasonal LDZ Connected System Exit Point on any Day exceeds the User's Registered LDZ Capacity; and

- (ii) (where pursuant to the CSEP Network Exit Provisions this paragraph (ii) applies) the aggregate quantity of gas offtaken by all CSEP Users at the relevant Metered Connected System Exit Point on such Day exceeds the sum of such CSEP Users' Registered LDZ Capacities

(such Day being an “**overrun day**”) the User shall pay a charge (“**LDZ CSEP Overrun Charge**”) in respect of LDZ Capacity at that Metered Connected System Exit Point in that month.

4.8.2 For the purposes of this paragraph 4.8, in respect of a CSEP User:

- (a) the “**overrun quantity**” in respect of an overrun day is the amount by which the UDQO in respect of the relevant LDZ Metered Connected System Exit Point exceeds the User's Registered LDZ Capacity;
- (b) the “**chargeable overrun quantity**” in respect of an overrun month is the largest overrun quantity in respect of any overrun day in that month.

4.8.3 The LDZ CSEP Overrun Charge shall be calculated as the amount of the chargeable overrun quantity multiplied by two (2) times the Applicable Annual Rate (including where determined in accordance with paragraph 1.8.5(a)) of the LDZ Capacity Charge.

4.8.4 The LDZ CSEP Overrun Charge shall be invoiced and payable in accordance with Section S.

4.9 Seasonal LDZ Capacity

4.9.1 “**Seasonal Period**” means the period commencing 05:00 on 1 April and ending at 05:00 on the next following 1 October.

4.9.2 In respect of any DM Supply Point (other than an NTS Exit Point) whose Annual Quantity is greater than or equal to 5,860,000 kWh (*200,000 therms*), a User may, on or before 1 March in the current Gas Year (or such later date in the Gas Year as the DNO shall allow) request ~~in any Supply Point~~ pursuant to a Detail Registration Nomination or Supply Point Nomination or a Capacity Revision Application that:

- (a) the User be registered as the holder of Supply Point Capacity at that DM Supply Point on all Days; and
- (b) LDZ Capacity and a specific Supply Point Offtake Rate are made available for that DM Supply Point only for a restricted period of specified consecutive calendar months falling within the Seasonal Period in the current Gas Year (the “**User Nominated Restricted LDZ Capacity Period**”).

4.9.3 Following a request by a User pursuant to paragraph 4.9.2, the DNO shall notify the User of such period (if any) of consecutive calendar months within the Seasonal Period throughout which the LDZ Capacity, Supply Point Capacity and Supply Point Offtake Rate requested by the User can be made available at the relevant DM Supply Point (the “**DNO Notified Restricted LDZ Capacity Period**”).

4.9.4 If both (1) the start of the User Nominated Restricted LDZ Capacity Period is no earlier

than the start of the DNO Notified Restricted LDZ Capacity Period; and (2) the end of the User Nominated Restricted LDZ Capacity Period is no later than the end of the DNO Notified Restricted LDZ Capacity Period, then (subject to the acceptance by the Transporter of a Capacity Revision Application (in respect of a capacity increase at an Existing Supply Point) or Supply Point Registration (in respect of a New Supply Point)):

- (a) the DM Supply Point shall be classified as a “**Seasonal Large Supply Point**”;
- (b) the period of consecutive calendar months during the Seasonal Period throughout which LDZ Capacity shall be made available for that DM Supply Point at the requested Supply Point Offtake Rate (the “**Restricted LDZ Capacity Period**”) shall be the shorter of:
 - (i) the DNO Notified Restricted LDZ Capacity Period; and
 - (ii) the User Nominated Restricted LDZ Capacity Period; and
- (c) once set pursuant to paragraph 4.9.4(b) the Restricted LDZ Capacity Period in respect of the relevant Seasonal Large Supply Point shall not be varied without the prior consent of the DNO.

4.9.5 In respect of a Seasonal Large Supply Point:

- (a) the User's Registered Supply Point Capacity will be registered (in accordance with this Section B) for a period (the “**SLSP Annual Period**”) of twelve (12) months from 05:00 on the first day of the Restricted LDZ Capacity Period and, subject to paragraphs 4.7 and 4.9.5(c), such Supply Point Capacity will apply in respect of all Gas Flow Days within the SLSP Annual Period. For the avoidance of doubt, the Capacity Variable Component of the Customer Charge shall be payable in respect of each Day within the SLSP Annual Period and will not be limited to the Restricted LDZ Capacity Period.
- (b) the User's Registered LDZ Capacity will only be available in respect of those Days falling within the Restricted LDZ Capacity Period and the User shall hold no Registered LDZ Capacity in respect of any Day that does not fall within the Restricted LDZ Capacity Period;
- (c) the Supply Point Capacity and LDZ Capacity shall be increased in accordance with paragraph 4.7 (Supply Point Ratchet) provided always that the resulting increased LDZ Capacity pursuant to any Supply Point Ratchet will only be available during the Restricted LDZ Capacity Period.
- (d) without prejudice to paragraph 4.9.4(c), if prior to the expiry of any SLSP Annual Period the User wishes to increase the Supply Point Capacity, LDZ Capacity or Supply Point Offtake Rate then, ~~pursuant to~~ in accordance with Annex B-3, it may submit a Capacity Revision Application or an application for an increased Supply Point Offtake Rate.
- (e) without prejudice to paragraph (g), the User shall not be entitled to reduce either the Supply Point Capacity or the LDZ Capacity in respect of a Seasonal Large Supply Point until the expiry SLSP Annual Period;
- (f) in the event of any inconsistency between (on the one hand) paragraphs 4.9.5(d) or 4.9.5(e) and (on the other hand) the provisions of Annex B-3, then paragraph

4.9.5(d) or 4.9.5(e) (as the case may be) shall prevail.

- (g) the User's Registered Supply Point Capacity as at the expiry of any SLSP Annual Period shall be Registered for a further period of twelve (12) months with effect from the expiry of such SLSP Annual Period (such further period of twelve (12) months being a new SLSP Annual Period); and
 - (i) the User shall be Registered as holding LDZ Capacity for the next following Restricted LDZ Capacity Period falling within the new SLSP Annual Period; and
 - (ii) the Supply Point Offtake Rate prevailing at the expiry of the current SLSP Annual Period shall continue to the new SLSP Annual Period;

Provided always that the User may, prior to the commencement of the new SLSP Annual Period, request a reduction in Supply Point Capacity and LDZ Capacity where such reduction is to be effective from the first day of the new SLSP Annual Period.

4.9.6 The offtake arrangements in respect of a Seasonal Large Supply Point shall be comprised in Network Exit Provisions and, where applicable any Siteworks Contract in relation to that Seasonal Large Supply Point.

4.9.7 Seasonal Capacity Failure Charge

If, in respect of a Seasonal Large Supply Point and any Day (being a Day which is not within the Restricted LDZ Capacity Period for that Seasonal Large Supply Point) the User offtakes gas and exceeds the Registered LDZ Capacity (which, for the avoidance of doubt, is zero in respect of any Day that is not within the Restricted LDZ Capacity Period) a Seasonal Capacity Failure will have occurred and:

- (a) the User shall pay a charge (a Seasonal Capacity Failure Charge) in respect of each Day on which a Seasonal Capacity Failure occurs determined as:
 - (i) the Applicable Annual Rate for Registered LDZ Capacity multiplied by the aggregate quantity (in kWh) of gas offtaken at that Seasonal Large Supply Point on that Day;
- (b) the Seasonal Capacity Failure Charge will be:
 - (i) payable in addition to any Supply Point Ratchet Charge payable in respect of that Seasonal Large Supply Point and that Day; and
 - (ii) invoiced and payable as an Ancillary Invoice in accordance with Section S2.4; -and
- (c) irrespective of whether the Seasonal Capacity Failure resulted from Force Majeure, where the Transporter determines that the Seasonal Capacity Failure results in a significant risk to the security of the relevant System, the Transporter may take any steps available to it to isolate or disconnect any or all Supply Meter Points comprised within the Seasonal Large Supply Point.

4.10 Seasonal LDZ Capacity at LDZ Metered CSEPs

4.10.1 “Seasonal Period” means the period commencing 05:00 on 1 April and ending at 05:00

on the next following 1 October.

- 4.10.2 In this paragraph 4.10, references to a LDZ Metered CSEP are to a LDZ System Point as referred to in Section A3.3.1 and not to any separate System Exit Point deemed (pursuant to CSEP Network Exit Provisions) to be comprised in such a System Point as provided in Section A3.3.5.
- 4.10.3 In respect of any LDZ Metered CSEP, a CSEP User may, on or before 1 March in the current Gas Year (or such later date in the Gas Year as the DNO shall allow) request (in accordance with Section B4.5.2 and the relevant CSEP Network Exit Provisions) that LDZ Capacity at that LDZ Metered CSEP be made available to the CSEP User for only a restricted period of specified consecutive calendar months falling within the Seasonal Period in the current Gas Year (the “**CSEP User Requested Period**”).
- 4.10.4 Following a request by a User pursuant to paragraph 4.10.3, the DNO shall notify the CSEP User of such period (if any) of consecutive calendar months within the Seasonal Period throughout which the LDZ Capacity requested by the CSEP User can be made available at the relevant LDZ Metered CSEP (the “**DNO Notified Period**”).
- 4.10.5 If both (1) the start of the CSEP User Requested Period is no earlier than the start of the DNO Notified Period; and (2) the end of the CSEP User Requested Period is no later than the end of the DNO Notified Period, then:
- (a) the LDZ Metered CSEP shall be classified as a “**Seasonal LDZ Metered CSEP**”;
 - (b) the period of consecutive calendar months during the Seasonal Period throughout which LDZ Capacity shall be made available to the CSEP User at that LDZ Metered CSEP (the “**Restricted LDZ CSEP Capacity Period**”) shall be the shorter of:
 - (i) the DNO Notified Period; and
 - (ii) the CSEP User Requested Period; and
 - (c) once set pursuant to paragraph 4.10.5(b) the Restricted LDZ CSEP Capacity Period in respect of the relevant CSEP User and Seasonal LDZ Metered CSEP shall not be varied without the prior consent of the DNO.
- 4.10.6 In respect of a CSEP User and a Seasonal LDZ Metered CSEP:
- (a) the CSEP User's Registered LDZ Capacity will only be available in respect of those Days falling within the Restricted LDZ CSEP Capacity Period and the CSEP User shall hold no Registered LDZ Capacity in respect of any Day that does not fall within the Restricted LDZ CSEP Capacity Period;
 - (b) without prejudice to paragraph (c), the CSEP User shall not be entitled to reduce its LDZ Capacity during the Restricted LDZ CSEP Capacity Period;
 - (c) the CSEP User shall be Registered as holding LDZ Capacity at the Seasonal LDZ Metered CSEP for the Restricted LDZ CSEP Capacity Period falling within all subsequent Seasonal Periods;

Provided always that the CSEP User may, prior to the commencement of the next following Seasonal Period, request a reduction in LDZ Capacity at the relevant

Seasonal LDZ Metered CSEP where such reduction is to be effective from the first day of the Restricted LDZ CSEP Capacity Period in such next following Seasonal Period.

4.10.7 The offtake arrangements in respect of a Seasonal LDZ Metered CSEP shall be comprised in CSEP Network Exit Provisions.

4.10.8 Seasonal CSEP Capacity Failure Charge

If, in respect of a Seasonal LDZ Metered CSEP and any Day (being a Day which is not within the Restricted LDZ CSEP Capacity Period for that CSEP User in respect of that Seasonal LDZ Metered CSEP) the CSEP User offtakes gas and exceeds the CSEP User's Registered LDZ Capacity (which, for the avoidance of doubt, is zero in respect of any Day that is not within the Restricted LDZ CSEP Capacity Period) a **"Seasonal CSEP Capacity Failure"** will have occurred and:

- (a) the CSEP User shall pay a charge (a **"Seasonal CSEP Capacity Failure Charge"**) in respect of each Day on which a Seasonal CSEP Capacity Failure occurs determined as the Applicable Annual Rate for Registered LDZ Capacity multiplied by the aggregate quantity (in kWh) of gas offtaken by the CSEP User at that Seasonal LDZ Metered CSEP on that Day.
- (b) the Seasonal CSEP Capacity Failure Charge will be:
 - (i) payable in addition to any LDZ CSEP Overrun Charge payable by the CSEP User in respect of that Seasonal LDZ Metered CSEP and that Day; and
 - (ii) invoiced and payable as an Ancillary Invoice in accordance with Section S2.4; and
- (c) irrespective of whether the Seasonal CSEP Capacity Failure resulted from Force Majeure, where the Transporter determines that the Seasonal CSEP Capacity Failure results in a significant risk to the security of the relevant System, the Transporter may take any steps available to it to isolate or disconnect the Seasonal LDZ Metered CSEP as specified and agreed between the Transporter and the Connected System Operator and defined in the CSEP Network Exit Provisions.