

MODIFICATION 0822
REFORM OF GAS DEMAND SIDE RESPONSE ARRANGEMENTS
UNIFORM NETWORK CODE
EXPLANATORY TABLE

TRANSPORTATION PRINCIPAL DOCUMENT	-
SECTION D – OPERATIONAL BALANCING AND TRADING ARRANGEMENTS	-
Amended paragraph 5.1.1(d)	New definition of 'Voluntary DSR Period', to (i) commence when NGG issue Margins Notice or Gas Balancing Notification and (ii) end when Margins Notice ends, NGG issues a GBN Withdrawal Notice or (in either case) on declaration by NEC of Stage 2 of a Gas Deficit Emergency.
New paragraph 7.1 - General	Heading
New paragraph 7.1.1	To explain purpose of paragraph 7; to set out rules by which Users can give a commitment to NGG to make DSR Market Offers during Voluntary DSR Periods.
New paragraph 7.1.2	Sets out a series of new defined terms for purposes of paragraph 7.
New paragraph 7.2 – Option Pricing	Heading

New paragraph 7.2.1	Sets out additional new definitions relating to the option price, option fee and exercise price in relation to a DSR Option.
New paragraph 7.2.2	Establishes rules regarding the manner in which the User can express Exercise Price applying to a DSR Option, either as (i) a fixed price or (ii) a price determined by reference to SAP for D-1 and a factor determined by the User.
New paragraph 7.2.3	Sets out the definition of Combined Price term.
New paragraph 7.2.4	Where the User expresses the Exercise Price by reference to SAP for D-1 and the User's factor then in order to determine the Combined Price NGG will determined a deemed value for SAP which will be based on the forward gas price applying for the winter corresponding to the relevant Winter Period as published in the Argus European Natural Gas Report.
New paragraph 7.3 – Additional DSR Option Invitation	Heading
New paragraph 7.3.1	NGG to publish DSR Option Invitation by no later than 31 August in year Y-1 for years Y, Y+1 and Y+2.
New paragraph 7.3.2	Establishes the required information to be included in the DSR Option Invitation.
New paragraph 7.4 – DSR Option Offers	Heading
New paragraph 7.4.1	Establishes the information to be specified by a User submitting a DSR Option Offer in response to a DSR Option Invitation.
New paragraph 7.4.2	In relation to a Supply Point the User can submit (by way of separate offers) DSR Option Offers for any or all of the relevant Winter Periods, different DSR Option Offers for the same Winter Period and/or link different DSR Option Offers (so none can be accepted unless all are accepted).
New paragraph 7.4.3	A DSR Option Offer will not be valid unless it complies with all of the information requirements in paragraph 7.4.1, and if not valid the offer may not be selected for acceptance by NGG.

New paragraph 7.4.4	A User can withdraw a DSR Option before 17:00 hours on the invitation close date.
New paragraph 7.5 – Selection and acceptance of DSR Option Offers	Heading
New paragraph 7.5.1	Sets out the process rules for NGG's selection of valid DSR Offers for acceptance.
New paragraph 7.5.2	Once DSR Option Offers are selected for acceptance by NGG under paragraph 7.5.1 NGG will with 10 Business Days of the invitation close date (and subject to the Option Selection Guidance) accept the DSR Option Offers previously selected for acceptance and notify Users of acceptance/non-acceptance.
New paragraph 7.5.3	On acceptance by NGG under paragraph 7.5.2 the DSR Option comes into force.
New paragraph 7.5.4	Within 5 Business Days of the notification by NGG under paragraph 7.5.2 NGG will publish the required information regarding the outcome of the DSR Option Invitation.
New paragraph 7.6 - DSR Option and exercise	Heading
New paragraph 7.6.1	Except where the rules in paragraphs 7.6.7, 7.6.8 or 7.6.9 apply, a User cannot cancel or withdraw a DSR Option once in force.
New paragraph 7.6.2	Sets out the requirement on the User where a DSR Option is in force to make a DSR Market Offer for days in the Winter Period falling within a Voluntary DSR Period, including rules regarding the making of Nominations and Renominations in relation to days within the Voluntary DSR Period.
New paragraph 7.6.3	Sets out the consequences of a User not making a DSR Market Offer where required to do so under paragraph 7.6.2; being the payment by the User of a fee to NGG by reference to the Option Fee in accordance with the specified formula.
New paragraph 7.6.4	Establishes the basis and parameters for a DSR Market Offer were required to be made by a User in accordance with paragraph 7.6.2, including the

	specific requirements relating to a Within-Day Option and a Day-Ahead Option.
New paragraph 7.6.5	Sets out additional rules and considerations applying to in force DSR Options.
New paragraph 7.6.6	NGG may not accept a DSR Market Offer for a Day-Ahead Option after 17:00 hours on D-1.
New paragraph 7.6.7	A DSR Option will terminate where the User ceases to be the Registered User of the relevant Supply Meter Point and the incoming User may elect to be bound by the DSR Option – and also sets out rules for the apportionment of the Option Fee.
New paragraph 7.6.8	Sets out rules to apply in the event the relevant Supply Point is Isolated.
New paragraph 7.6.9	Allows the User to cancel a DSR Option on notice to NGG before 31 July in the Gas Year prior to the relevant Winter Period.
New paragraph 7.6.10	Sets out the consequences where the Annual Quantity at the relevant Supply Point falls below the eligibility level specified in paragraph 7.1.2.
New paragraph 7.7 – Option Fees	Heading
New paragraph 7.7.1	Requirement that NGG pay the Option Fee in monthly instalments for months in the relevant Winter Period.
New paragraph 7.7.2	Establishes basis for calculating the monthly Option Fee instalment.
New paragraph 7.7.3	Each monthly instalment to be paid at the same time as Energy Balancing Invoices for the relevant month.
New paragraph 7.7.4	Monthly instalments to be treated as additional Monthly Neutrality Adjustment Costs for the relevant month.
New paragraph 7.7.5	To make clear Option Fees are not part of the calculation of SAP, SMBP or SMSP.

TRANSITION DOCUMENT	-
PART IIC – TRANSITIONAL RULES	-
New paragraph 30 - Annual DSR Option Invitation	Heading
New paragraph 30.1	Transitional rule regarding invitation date for DSR Option Invitation for Gas Years 2022/23, 2023/2024 and 2024/2025.
New paragraph 30.2	Transitional rule regarding deemed value of SAP for Winter Period 2022/2023.