

21 October 2022

**MODIFICATION 0813**

**REVISION OF VIRTUAL LAST RESORT USER AND CONTINGENT PROCUREMENT OF  
SUPPLIER DEMAND EVENT TRIGGERS**

[Proposed] Legal Text

**TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION D – OPERATIONAL BALANCING AND TRADING ARRANGEMENTS**

*Amend paragraph 6.1 to read as follows:*

**6.1 General**

6.1.1 This paragraph 6 applies where there is, or National Grid NTS expects that there will be, one or more Relevant TSMPs.

6.1.2 "**Relevant TSMP**" is Supply Meter Point for which, in respect of a Day (D), the following conditions are satisfied:

- (a) the Registered User is:
  - (i) a Discontinuing User pursuant to a Termination Notice under which the User Discontinuance Date; or
  - (ii) a Premises Termination User pursuant to a User Premises Termination Notice in respect of which the Premises Termination Date

on or before that Day (and accordingly the Supply Meter Point is a Terminated Supply Meter Point);

- (b) a binding undertaking has been given, by the supplier (including a Supplier of Last Resort) of the Supply Point Premises, to the Transporter pursuant to Standard Condition 18 of the Supplier Licence;
- (c) pursuant to that undertaking, before the User Discontinuance Date or (as the case may be) the Premises Termination Date the Transporter gave notice (of the end of the arrangements in respect of the relevant premises under the Code between the Transporter and the Discontinuing User or Premises Termination User) as contemplated by Standard Condition 18.1(c) to the supplier; and
- (d) no other User has become Registered User of the Supply Meter Point.

## SECTION E – DAILY QUANTITIES, IMBALANCE AND RECONCILIATION

Amend paragraph 10 to read as follows:

### 10.1 Application

10.1.1 This paragraph 10 applies if:

- (a) a User has been given **either**:
  - (i) a Termination Notice by National Grid NTS **(under Section V4); or**
  - (ii) **a User Premises Termination Notice by National Grid NTS (under Section G4.8.9);**
- (b) a supplier (the **Supplier**) in respect of all or some of the Terminated Supply Meter Points (the **relevant TSMPs**) has given a binding undertaking (**Undertaking**) to the Transporter pursuant to Standard Condition 18 of the Supplier Licence in a form which incorporates the effect of the arrangement in paragraph 10.2.2(a);
- (c) pursuant to the Undertaking, before the User Discontinuance Date **or (as the case may be) the Premises Termination Date**, the Transporter has given notice (of the end of the arrangements **in respect of the relevant premises** under the Code between the Transporter and the Discontinuing User **or Premises Termination User**) as contemplated by Standard Condition 18.1(c) to the Supplier; and
- (d) another User (the virtual last resort User, **VLR User**) has given notice to National Grid NTS, with evidence (satisfactory to National Grid NTS) that the Supplier has authorised the notice to be given, electing that this paragraph 10 should apply in relation to the Qualifying TSMPs.

10.1.2 For the purposes of this paragraph 10, each relevant TSMP is a **Qualifying TSMP** on each Day (**relevant Day**, from and including the User Discontinuance Date **or (as the case may be) the Premises Termination Date**) on which there is no Registered User of such relevant TSMP.

### 10.2 Deemed UDQI for Supplier

10.2.1 Where this paragraph 10 applies:

- (a) the VLR User may, for any relevant Day, make a Disposing Trade Nomination specifying the Discontinuing User **or (as the case may be) the Premises Termination User** as the User making the corresponding Trade Nomination;
- (b) **in a case within paragraph 10.1.1(a)(ii) the Premises Termination User shall not submit a corresponding Acquiring Trade Nomination (and any purported such Acquiring Trade Nomination shall be of no effect);**
- (c) provided that the Disposing Trade Nomination is otherwise valid, it shall be effective (for the purposes of Section C5.1.3(a)) without the requirement (under Section C5.2.3(b)) for a corresponding Trade Nomination to be submitted (and notwithstanding **in a case within paragraph 10.1.1(a)(i)** that the Discontinuing User has ceased to be a User.

10.2.2 Where the VLR User makes a Disposing Trade Nomination in respect of a Day pursuant to paragraph 10.2.1(a):

- (a) in (and only for the purposes of) calculating the amount payable pursuant to the Undertaking by the Supplier in respect of Energy Balancing Charges for the Day, the Trade Nomination Quantity shall be treated as if it had been introduced to the Total System on that Day by the Discontinuing User or Premises Termination User (in other words, as an UDQI of the Discontinuing User) but subject to paragraph (b) or (c);
- (b) in a case within paragraph 10.1.1(a)(i), for the avoidance of doubt there is no Acquiring Trade Nomination, and the Discontinuing User has no rights or other interest under the Code or otherwise pursuant to this paragraph 10;
- (c) in a case within paragraph 10.1.1(a)(ii), in determining the Daily Imbalance of the Premises Termination User:
  - (i) the Trade Nomination Quantity shall be deemed to be zero;
  - (ii) the quantity treated (as provided in paragraph (a)) as introduced by the Premises Termination User shall be deemed to be zero;
  - (iii) the Premises Termination User has no right or interest under the Code in respect of the Disposing Trade Nomination made by the VLR User or such quantity treated as introduced.

### 10.3 TSMP Information

10.3.1 Where this paragraph 10 applies, the CDSP shall use reasonable endeavours, subject to Sections G4.2.6, 4.2.7 and 4.2.8 (which shall apply as if the VLR User were a Last Resort User) to make available (by UK Link) to the VLR User each Day the TSMP Information in respect of Qualifying TSMPs.

## SECTION G – SUPPLY POINT REGISTRATION

*Amend paragraph 4.8 to read as follows:*

### 4.8 Termination and Supplier of Last Resort

4.8.1 Where the Transporter has given a Termination Notice (under Section V4) to a User, the Transporter may decide:

- (a) to reduce any of the periods and/or curtail any of the procedures provided for in this Section G in relation to any Supply Point Nomination or Supply Point Confirmation by any other User in respect of; or
- (b) to implement any other procedure for the registration in the name of any other User (who wishes to become the Registered User) of

any Supply Meter Points of which the Discontinuing User was the Registered User.

4.8.2 For the purposes of paragraphs 4.8.3, 4.8.4, 4.8.5, 4.8.6, 4.8.7 and 4.8.8:

- (a) where a User has been given either:
  - (i) a Termination Notice by National Grid NTS (under Section V4); or

- (ii) [a User Premises Termination Notice by National Grid NTS \(under paragraph 4.8.9\)](#).

all Supply Meter Points in respect of which the Discontinuing User was the Registered User immediately prior to the User Discontinuance Date, [or as the case may be all the Supply Meter Points comprised in the Terminated Supply Points](#), shall be known as the **“Terminated Supply Meter Points”**;

- (b) a **“Supplier of Last Resort”** is a supplier whom by virtue of Standard Condition 8 of the Supplier’s Licence has been directed by the Authority to supply gas in accordance with that condition in respect of any or all of the Terminated Supply Meter Points;
- (c) **“the Last Resort User”** is a User who is the first User, following the appointment of the Supplier(s) of Last Resort, to become the Registered User of all of the Terminated Supply Meter Points;
- (d) **“day of issue”** is the Day following the day of notification;
- (e) **“day of notification”** is the Day on which the Transporter receives written notice from the Authority of the appointment and identity of the Last Resort User; and
- (f) **“TSMP Information”** is relevant information (including, but not limited to, Protected Information) relating to the Terminated Supply Meter Points to which the Discontinuing User [or Premises Termination User](#) would have had access through UK Link, immediately prior to the User Discontinuance Date [or \(as the case may be\) Premises Termination Date](#).

4.8.3 Where National Grid NTS has given [either \(i\) a Termination Notice \(under Section V4\) or \(ii\) a User Premises Termination Notice \(under paragraph 4.8.9\)](#) to a User and [\(in either case\)](#) the Authority directs a Supplier of Last Resort in respect of a Terminated Supply Meter Point, then notwithstanding any other provision of Code, the Last Resort User shall become the Registered User of the Terminated Supply Meter Points, thereby accepting the benefit of the rights and the burden of obligations under Code, the Framework Agreement and any relevant Ancillary Agreement, in respect of the Terminated Supply Meter Points (including without limitation the payment of Transportation Charges and Energy Balancing Charges in respect thereof) with effect from and including the date of the appointment of the Supplier of Last Resort.

4.8.4 To assist the Last Resort User in exercising its rights and discharging its obligations in respect of the Terminated Supply Meter Points the CDSP shall use reasonable endeavours, subject to paragraphs 4.8.6, 4.8.7 and 4.8.8, to provide to the Last Resort User on the day of issue a copy of the TSMP Information which can be accessed by the Last Resort User through UK Link.

4.8.5

- (a) the Transporter shall undertake a review of the Last Resort User’s Code Credit Limit and (in the case of National Grid NTS) Secured Credit Limit as soon as reasonably practicable following the day of notification, and shall advise the Last Resort User, as soon as reasonably practicable thereafter but in any event not later than 3 Days after the day of notification, of any further security that will be required to be provided by the Last Resort User in accordance with paragraph [4.8.5\(b\)](#).

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(b) in the event that following the review referred to in paragraph 4.8.5(a) the Transporter notifies the Last Resort User that additional security is required, then the Last Resort User shall be obliged to provide the requisite security in accordance with the Code or Energy Balancing Credit Rules (as appropriate) in favour of the Transporter (or National Grid NTS) as soon as reasonably practicable thereafter but in any event no later than 14 Days of the day of notification and upon receipt of that security the Transporter shall revise the Last Resort User's Code Credit Limit (and/or in the case of National Grid NTS) Secured Credit Limit (as appropriate) as soon as reasonably practicable thereafter but in any event no later than 14 Days after the date of notification to take effect from the date of that revision.

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(c) in the event that security is required to be provided by the Last Resort User pursuant to paragraph 4.8.5(a) but the Last Resort User fails to provide the security in accordance with paragraph 4.2.5(b), then the Code Credit Limit and/or Secured Credit Limit (as appropriate) shall not be revised pursuant to this paragraph 4.8.5 and the Transporter shall be entitled to exercise those rights and remedies available to it pursuant to V3.3 or Section X, as appropriate.

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4.8.6 By virtue of this paragraph 4.8.6 the Discontinuing User or (as the case may be) Premises Termination User, hereby is deemed to have given its written consent for the purposes of both paragraph V5.5.2(a) and Section 105 of the Utilities Act 2000 (as amended from time to time) to the Transporter to disclose to the Last Resort User the TSMP Information pursuant to paragraph 4.8.4 above.

4.8.7 It is acknowledged that the TSMP Information contains information which has been provided to the CDSP by the Discontinuing User or (as the case may be) Premises Termination User, and accordingly the Last Resort User hereby acknowledges and agrees that:

- (a) the TSMP Information disclosed to it pursuant to paragraph 4.8.4 above shall not have been independently verified;
- (b) it shall be solely responsible for making its own judgement and decision on the TSMP Information disclosed to it;
- (c) neither the CDSP nor any of its employees, agents, consultants, advisers or directors, accept responsibility for, or make any representation or warranty (express or implied) regarding, the accuracy or completeness of the content of the TSMP Information; and
- (d) the CDSP shall have no liability to the Last Resort User, in respect of any of the contents of the TSMP Information.

4.8.8 For the purposes of paragraph 4.8.4, the Last Resort User shall execute all such documents, deeds and assignments and perform such acts as the Transporter may reasonably require, including, without limitation, executing any relevant documents, deeds and assignments, or perform such acts, necessary to ensure compliance with the provisions of the Data Protection Act 2018 (as may be amended from time to time).

4.8.9 Where National Grid NTS notifies the Authority that it has determined:

- (a) a User is or becomes a designated person, or a person owned or controlled by a designated person, for the purposes of the Sanctions and Anti-Money Laundering Act 2018 or regulations made pursuant to that Act ("Regulations"); and

(b) as a consequence of the event or circumstance in (a):

- (i) the offtake by that User of gas from the Total System at a Supply Meter Point, or
- (ii) the making available by the Transporter of gas at a Supply Meter Point for such offtake by that User, or
- (iii) the sale or (where that User is the supplier) supply to any person of gas by that User of gas offtaken from the Total System at a Supply Meter Point

is or will be prohibited by that Act or those Regulations:

National Grid NTS shall give a notice ("User Premises Termination Notice") to the User ("Premises Termination User") and each other Transporter stating that the arrangements made by National Grid NTS and each other Transporter with the User for the conveyance of gas to the premises ("Relevant Premises") served by each Supply Meter Point referred to in paragraph (b) are to end (unless, following National Grid NTS so notifying the Authority, the Authority gives Condition 11(18) Disapproval (by such date as National Grid NTS and the Authority agree) to National Grid NTS giving such notice).

4.2.10 For the purposes of paragraph 4.8.9(a) 'owned or controlled' has the meaning given (pursuant to Section 62(5) of that Act) in the relevant Regulations, and where so provided in those Regulations includes direct or indirect ownership or control.

4.8.11 In relation to a User Premises Termination Notice:

- (a) the "Premises Termination Date" is:
  - (i) the date the prohibitions under the Act or the Regulations come into force; or
  - (ii) if later, the earliest practicable Day after the date on which National Grid NTS gives the User Premises Termination Notice on which it is practicable for the steps in paragraph 4.8.12 to be given effect (whether on or after such date);
- (b) each Supply Point for which Relevant Premises are the Supply Point Premises is a "Terminated Supply Point";
- (c) the notice may be given by any of the means prescribed in GT Sections B5.2 and 5.3 and, notwithstanding any of the requirements of GT Section B5.2, shall be treated as effective at the time at which it was given to the Premises Termination User.

4.8.12 With effect from the Premises Termination Date:

- (a) the arrangements (pursuant to the Code) by which gas is conveyed to each of the Relevant Premises shall end;
- (b) pursuant to and for the purposes of giving effect to paragraph (a):
  - (i) the Premises Termination User shall (notwithstanding any other provision of or process under the Code) cease to be Registered User of each Terminated Supply Point;

- (ii) except for the purposes of giving effect to the earlier provisions of this paragraph 4.8, any process under this Section G which is in train in respect of a Supply Meter Point comprised in a Terminated Supply Point shall automatically lapse;
- (iii) where applicable, paragraph 9.6.5 shall apply as if the Premises Termination User were a Discontinuing User (and until the steps in that paragraph are complete, gas offtaken at the relevant Shared Supply Meter Point shall be allocated among the Sharing Registered Users other than the Premises Termination User and where necessary any allocation methodology shall be deemed amended so that each such Sharing Registered User bears its share of what would have been allocated to the Premises Termination User);
- (iv) the Premises Termination User shall cease to hold Supply Point Capacity at or LDZ Capacity in respect of any Terminated Supply Point;
- (v) where the Terminated Supply Point is a NTS Supply Point and the Premises Termination User has Available NTS Exit Capacity at the Terminated Supply Point, that NTS Exit Capacity does not confer on the User any rights in respect of the offtake of gas at the Terminated Supply Point.

4.8.13 Paragraph 4.8.12 is without prejudice to the rights and obligations (but subject to any other effect or consequence of the Act or the Regulations referred to in paragraph 4.8.9) of the Transporter and the Premises Termination User arising or accruing under the Code in connection with the Terminated Supply Points before the Premises Termination Date; but no Offtake Reconciliation shall be carried out (in respect of quantities offtaken by the Premises Termination User) for Gas Days after the Premises Termination Date in respect of any Supply Meter Point comprised in a Terminated Supply Point.

4.8.14 Where National Grid NTS gives a User Premises Termination Notice it shall be entitled:

- (a) to inform such persons as it thinks fit (including any other User, the supplier and consumer at any Relevant Premises and the Connected System Operator in relation to any relevant Connected System Exit Point) that it has given such notice and of the identity of the Premises Termination User; and it shall inform the CDSP where it has done so;
- (b) to give the CDSP a Registration Block Notice which shall be effective from the Premises Termination Date.

4.8.15 The CDSP shall take such steps as are necessary or appropriate to give effect to paragraph 4.8.12 and the CDSP shall cease to provide CDSP Services to the Premises Termination User with effect from the Premises Termination Date.

4.8.16 For the avoidance of doubt, paragraphs 4.8.9 to 4.8.15 are without prejudice to any other effect or consequence of (or the compliance by any person with) the Act or Regulations referred to in paragraph 4.8.9 in respect of the operation of the Code in relation to a User referred to in paragraph 4.8.9.

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*Amend paragraph 5.1.3 to read as follows:*

5.1.3 A User shall cease to be the Registered User of a CSS Supply Point:

(a) pursuant to the Switch Request or Change of Shipper Request process as provided in paragraph 5.2;

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(b) pursuant to the Registration Deactivation Request process as provided in paragraph 5.6;

~~(c) where the User becomes a Premises Termination User pursuant to a User Premises Termination Notice, with effect from the Premises Termination Date; or~~

~~(d) where the User becomes a Discontinuing User pursuant to a Termination Notice, with effect from the User Discontinuance Date.~~

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*Amend paragraph 5.7.8 to read as follows:*

5.7.8 Where National Grid NTS gives a User Premises Termination Notice under paragraph 4.2.9 or a Termination Notice under Section V4, with effect from the Premises Termination Date or (as the case may be) the User Discontinuance Date the CDSP will modify the Shipper-Supplier Association Data to remove the Premises Termination User or (as the case may be) the Discontinuing User and (in relation to it) its Authorised Suppliers.

*Amend paragraphs 5.8.2 and 5.8.3 to read as follows:*

5.8.2 The CDSP will update the Shipper-Transporter Association Data:

(a) to reflect a Shipper becoming a User in relation to a Transporter, with effect from 05.00 on the User Accession Date;

(b) where a Transporter gives a User Premises Termination Notice under paragraph 4.2.9 or a Termination Notice under Section V4, with effect from the Premises Termination Date (or as the case may be) the User Discontinuance Date, the CDSP will modify the Shipper-Supplier Association Data to remove the Premises Termination User or (as the case may be) the Discontinuing User:

(i) in relation to that Transporter, or

(ii) (where the Termination Notice was given by National Grid NTS) in relation to all Transporters.

5.8.3 The CDSP will update the Shipper-Transporter Association Data to reflect:

(a) a Registration Block Notice, or

(b) the withdrawal of a Registration Block Notice

given by a Transporter to the CDSP under paragraph 4.2.13, Section S3.5.3(b) or V3.3.2(c) in relation to a User, within the timescales in the UK Link Manual.