

UNIFORM NETWORK CODE

MODIFICATION 0818

RELEASE OF UNUSED CAPACITY UNDER A SPECIFIC SET OF CIRCUMSTANCES

Legal text]

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION B – SYSTEM USE AND CAPACITY

Add new paragraph 14 in Annex B-3 to read as follows:

14 Transporter Initiated Capacity Reduction

- 14.1 Where a Transporter submits a TI Reduction Notice in respect of an Eligible Supply Point prior to 31 May in any year the Supply Point Offtake Rate and the Supply Point Capacity at the Eligible Supply Point may be reduced with effect from 1 October in the same year ("**TI Reduction Date**") in accordance with this paragraph 14.
- 14.2 For the purposes of this paragraph 14:
- (a) "**Eligible Supply Point**" means a Supply Point which, at the date of the TI Reduction Notice:
 - (i) is a LDZ Supply Point;
 - (ii) is (and for the thirty-six (36) month period (or such longer period as the Transporter may from time to time specify) ("**qualification period**") preceding the date of the TI Reduction Notice, has been) a Class 1 Supply Point;
 - (iii) is specified in a Transporter SPOR Report issued in the fifteen (15) month period preceding the date of the TI Reduction Notice;
 - (iv) is one at which a consumer has not made any payment to the Transporter for the purposes of the reinforcement works to increase available Supply Point Capacity at the relevant System Exit Point;
 - (v) is situated at a point on the Transporter's System where there exist (in the opinion of the Transporter) constraints on the availability of System Point Capacity;
 - (vi) is one at which the hourly offtake rate of gas from the System during the qualification period is (in the opinion of the Transporter) consistently lower than the prevailing Supply Point Offtake Rate; and

(vii) is not a 'Class A' Priority Supply Point in any list established by the Transporter for the purposes of Section Q1.7.1.

(b) **"TI Reduction Notice"** means a notice submitted by the Transporter to the Registered User of an Eligible Supply Point for the purposes of this paragraph 14.

14.3 A TI Reduction Notice shall specify:

- (a) the Supply Point Reference Number, the Meter Point Reference Number, the prevailing Supply Point Offtake Rate and the Prevailing Supply Point Capacity for the Eligible Supply Point;
- (b) the reduced Supply Point Offtake Rate and the reduced Supply Point Capacity which the Transporter's considers sufficient for the purposes of the offtake of gas from the System at the Supply Point;
 - (i) which rate shall be not less than a rate equal to 150% of the highest hourly offtake rate recorded at the Eligible Supply Point in the qualification period; and
 - (ii) which capacity shall be, unless otherwise specified by the Transporter, equal to 16 times the proposed reduced Supply Point Offtake Rate; and
- (c) such other information as the Transporter considers appropriate in relation to the reduced Supply Point Offtake Rate and Supply Point Capacity proposed by the Transporter.

14.4 Where the Registered User is of the opinion:

- (a) the Supply Point is not an Eligible Supply Point;
- (b) the prevailing Supply Point Offtake Rate and Supply Point Capacity are consistent with the requirement for the future offtake of gas from the System at the Supply Point; or
- (c) an alternative rate and capacity to that proposed by the Transporter in the TI Reduction Notice is more consistent with the requirement for the future offtake of gas from the System at the Supply Point,

the Registered User may submit a notice of appeal to the Transporter by no later than 31 July in the same year.

14.5 A notice of appeal:

- (a) shall specify:
 - (i) the Eligible Supply Point;
 - (ii) the basis on which the Registered User is making the appeal (in accordance with paragraph 14.4) and where it is made in accordance with paragraph 14.4(c) the alternative Supply Point Offtake Rate and Supply Point Capacity proposed by the Registered User (consistent with the requirement in paragraph 14.3(b));

- (b) may include such additional information (if any) as the Registered User considers appropriate in support of the appeal.
- 14.6 Where the Registered User submits a notice of appeal in accordance with paragraph 14.5 the Transporter shall:
 - (a) consider the appeal and whether any alternative reduced rate and capacity (consistent with the requirement in paragraph 14.3(b)) to that proposed in the TI Reduction Notice or by the Registered User in its notice of appeal would better meet the future requirement for the offtake of gas from the System at the Supply Point; and
 - (b) give notice to the Registered User of the outcome of the appeal by no later than 31 August in the same year.
- 14.7 The Transporter's notice under paragraph 14.6 shall:
 - (a) where the Transporter rejects the appeal, confirm that with effect from the TI Reduction Date the Supply Point Offtake Rate and the Supply Point Capacity are to be reduced to the rate and the capacity specified in the TI Reduction Notice;
 - (b) where the Transporter accepts the appeal, confirm that there will be no reduction in prevailing Supply Point Offtake Rate or the Supply Point Capacity; or
 - (c) where the Transporter:
 - (i) accepts an alternative rate or capacity proposed by the Registered User in its notice of appeal; or
 - (ii) proposes an alternative rate or capacity to that proposed in the TI Reduction Notice or the Registered User's notice of appeal;confirm the Supply Point Offtake Rate and the Supply Point Capacity to apply (in accordance with (i) or (ii)) with effect from the TI Reduction Date.
- 14.8 Where the Transporter's notice is in accordance with paragraph 14.7(a) or (c) the Registered User shall submit a Supply Point Amendment specifying the reduced Supply Point Offtake Rate and the Supply Point Capacity specified in the Transporter's notice to be effective on the TI Reduction Date.
- 14.9 Where the Registered User does not submit an appeal the Registered User will submit a Supply Point Amendment specifying the reduced Supply Point Offtake Rate and Supply Point Capacity specified in the TI Reduction Notice to be effective on the TI Reduction Date.
- 14.10 Where the Registered User does not submit a Supply Point Amendment in accordance with paragraph 14.8 or 14.9 by 31 October in the same year the CDSP shall modify the Registration Details of the Eligible Supply Point such that the Supply Point Offtake Rate and the Supply Point Capacity are the Supply Point Offtake Rate and the Supply Point Capacity specified in the Transporter's notice under paragraph 14.7(a) or (c).
- 14.11 Where the Supply Point Offtake Rate and the Supply Point Capacity are reduced in accordance with this paragraph 14, Section B4.7 shall not apply in respect of the Eligible Supply Point from the date the Supply Point Amendment under paragraph 14.8, 14.9 or 14.10 is effective ("**effective date**") and the earlier of:

- (a) the date on which there is a change in the Registered User;
- (b) the date on which there is an increase in the Supply Point Offtake Rate and Supply Point Capacity in accordance with Section B or this Annex B-3;
- (c) the date falling twelve (12) months after the effective date.

14.12 For the purposes of paragraph 14.8, 14.9 and 14.10 a reference to the Registered User includes a User who becomes the Registered User of a Supply Point comprising the Class 1 Supply Meter Point comprised in the Eligible Supply Point,