

**APPENDIX**

**PROPOSED BUSINESS RULES  
FOR  
REVISED DN INTERRUPTION ARRANGEMENTS**

- 1. INTRODUCTION**
- 2. LDZ EXIT CAPACITY DEFINITION**
- 3. NON DAILY METERED (NDM) SUPPLY POINTS**
  - 3.1 Introduction**
  - 3.2 Supply Point Registration**
  - 3.3 Supply Point Capacity**
  - 3.4 LDZ Capacity**
  - 3.5 Energy Measurement/Allocation**
- 4. LDZ DAILY METERED (DM) SUPPLY METER POINTS and CONNECTED SYSTEM EXIT POINTS (CSEPs) - FIRM**
  - 4.1 Introduction**
  - 4.2 Firm Supply Point Registration**
  - 4.3 Firm Supply Point Capacity**
  - 4.4 Firm LDZ Capacity**
  - 4.5 Firm Supply Point Ratchet**
  - 4.6 Firm LDZ CSEP Overrun**
  - 4.7 Energy Management/Allocation**
- 5. LDZ DAILY METERED (DM) SUPPLY METER POINTS and CONNECTED SYSTEM EXIT POINTS (CSEPs) - INTERRUPTIBLE**
  - 5.1 Supply Point Registration**
  - 5.2 Application for Supply Point Capacity**
  - 5.3 Application for Interruptible LDZ Capacity**
- 6. INTERRUPTION NOTICE**
- 7. FAILURE TO INTERRUPT**
- 8. SHARED SUPPLY METER POINTS**
- 9. TRANSITION ARRANGEMENTS**

## **1 INTRODUCTION**

- 1.1 This section describes proposed Interruptible LDZ Capacity high-level principles.
- 1.2 The business rules contained in this document have been raised to set out how enduring arrangements for Interruptible Capacity in the LDZs could be reformed. Modifications to the arrangements with respect to NTS Supply Points are outside the scope of these business rules.
- 1.3 The revised Interruptible Capacity arrangements described in this document will not supersede the established Emergency Arrangements described in Section Q of the UNC.
- 1.4 The existing Firm LDZ Capacity booking arrangements will not be changed.
- 1.5 The existing UNC arrangements for requesting a switch from Interruptible to Firm will continue to apply outside the Interruptible Application Process described in this document.
- 1.6 Arrangements for requesting a switch from Firm to Interruptible will only be via the Interruptible Application Process.
- 1.7 Applications for Interruptible LDZ Capacity and management of Interruption will continue on an individual Supply Point basis.
- 1.8 Users will be able to apply for Interruptible LDZ Capacity through the Interruptible Application Process in respect of all relevant Supply Points and CSEPs with an AQ greater than 5,860,000 kWh, both Firm and Interruptible.
- 1.9 Annual applications for Interruptible LDZ Capacity will occur each year, at least three (3) Gas Years ahead of the applicable Gas Year, for example June 2007 for the Gas Year starting October 2010.
- 1.10 DNs may be permitted to tender for Interruptible rights in timescales shorter than three (3) Gas Years through the ad hoc Interruptible Application Process.
- 1.11 Users will be able to register Interruptible LDZ Capacity through the annual Interruptible Application Process for multiple Gas Years, up to and including five (5).
- 1.12 Users will be able to apply for “n” maximum Days of Interruption for each Supply Point per annum.
- 1.13 Each Transporter will publish its Interruption requirements on a location by location basis and offer Interruptible LDZ Capacity based on a range of maximum Interruptible Days, say five (5), fifteen (15), thirty (30) and forty five (45) Days. Compensation payments for Interruptible rights would be dependent on the permitted number of Days of Interruption per annum and location.
- 1.14 Interruption payments by DNs to Users will be based on an option and exercise scheme where the option fee will be a monthly payment and the exercise fee will be payable for each Day that Interruption was incurred. The charging methodology will be described in a statement provided by each Transporter in a form approved by the Authority.
- 1.15 The Transporter will be permitted to reject an application for Interruptible LDZ Capacity if the application was not required to maintain its required transportation capability.

- 1.16 A User at a New Supply Point, that is New after the Interruptible Application Process has begun, will be Firm if the LDZ Capacity is available; otherwise, the Supply Point will be allocated the required number of Interruptible Days to maintain the Transporter's required transportation capability and will receive the associated compensation payment, as set out in the Transporter's relevant statement.
- 1.17 The User can then enter the next available Interruptible Application Process to obtain revised terms although the required number of Interruptible Days will apply until the revised terms take effect.
- 1.18 All Users will pay Firm LDZ Capacity charges (from 2010) and those Users that obtain Interruptible LDZ Capacity will receive a compensation payment for Interruptible rights as set out in the Transporter's relevant statement.
- 1.19 There will not be a facility for Users to enter into Interruptible Partnering Arrangements (ref UNC Section G6.1.3).
- 1.20 The classification of Network Sensitive Loads (NSLs) and Transporter Nominated Interruptibles (TNIs) will no longer apply.
- 1.21 Section I5 of the Offtake Arrangements Document relating to Interruption for NTS purposes will no longer apply.
- 1.22 Users applying for Interruptible LDZ Capacity will be able to retain a portion of their Supply Point Capacity as Firm, subject to a minimum Interruption quantity of 5,860,000 kWh.
- 1.23 For the period from the implementation date of the Proposal to 30 September 2010, "the **Transition Period**", transitional arrangements will apply. For Interruptible Supply Points, the present Interruptible arrangements will continue to apply, e.g. forty five (45) Day Interruption Allowance, attracting the level of discount on capacity charges as set out in the Relevant Transporters' Transportation Statements.

Draft business rules are described for each of the following categories of points:

- NDM Supply Points
- LDZ DM Firm Supply Points
- LDZ DM Interruptible Supply Points
- LDZ DM CSEPs (Firm and Interruptible).

## **2 LDZ EXIT CAPACITY DEFINITION**

**2.1 This section describes the products that will be made available for LDZ Capacity. The business rules in this section reflect existing arrangements and no change is intended. There will be two categories of LDZ Capacity: Firm and Interruptible.**

### **2.2 Non Daily Metered (NDM) LDZ Capacity**

2.2.1 NDM LDZ Capacity will only be available as Firm.

2.2.2 NDM LDZ Capacity will be based on an estimate of Supply Point Capacity (SOQ) that is provided by the Transporter in accordance with agreed algorithms described in the UNC.

### **2.3 Daily Metered (DM) LDZ capacity**

2.3.1 There are two forms of Capacity - Firm and Interruptible.

2.3.2 Both categories of Capacity will be subject to monitoring and control in two dimensions: daily demand (SOQ) and hourly rate (SHQ). The maximum permissible level for each dimension will be set by agreement with the Transporter. Users will be able to apply for an increase in either. The ratio of SOQ to SHQ will be controlled by limits set within the UNC with the purpose of limiting the extent of profiling to acceptable levels.

2.3.3 For an increase in SOQ, the Firm portion of the SOQ will increase; for a decrease in SOQ, the Firm portion will decrease; if the Firm portion is zero the Interruptible SOQ will be reduced.

2.4 Booking and allocation of LDZ Capacity will be with reference to each Supply Point.

2.5 LDZ Capacity will not be tradable.

2.6 Users' Firm LDZ Capacity charges will be set out in the Transporter's Transportation Statement. Users' Interruptible LDZ Capacity compensation payments will be set out in the Transporter's relevant statement.

2.7 The purchaser of LDZ Capacity will be liable for payment to the Transporter on the first capacity invoice after the month in which that LDZ Capacity became effective. Invoices will be issued on a monthly basis.

2.8 Firm LDZ Capacity held by a User will not be acquirable by the Transporter other than by curtailment of demand in accordance with Emergency Steps set out in Section Q of the UNC or through an Interruptible Application Process as set out in this document.

2.9 Interruptible LDZ Capacity contracts will be exercisable by the Transporter from a User on a Day for constraint management purposes. Exercise of Interruptible LDZ Capacity could be for whole or part Days and whole or part of previously allocated volumes (by Supply Point). An exercise payment in accordance with the agreed Interruption Terms may be required from the Transporter to the relevant User for each Day of Interruption.

2.10 Failure by the Transporter to make gas available for offtake at a Supply Point where Firm transportation arrangements apply will require compensation payments from the Transporter to the relevant User(s). The terms and payment calculation will be as currently set out in Section J of the UNC. The existing offtake obligations on Users will also continue to apply as described in Section J.



### **3 NON DAILY METERED (NDM) SUPPLY POINTS**

3.1 **The process described below is unchanged from existing Uniform Network Code procedures and is provided for completeness in this review of LDZ Capacity arrangements.**

#### **3.2 Supply Point Registration**

##### **3.2.1 Supply Point Confirmation Only**

(a) A User will be permitted to become the Registered User at a Smaller Supply Point (AQ not more than 73,200 kWh) through a Supply Point Confirmation only process, save where the Smaller Supply Point contains more than one Supply Meter Point.

##### **3.2.2 Nomination, Supply Point Offer, and Supply Point Confirmation**

(a) A User will be permitted to become the Registered User at a Larger Supply Point (AQ more than 73,200 kWh), or Smaller Supply Point containing more than one (1) Supply Meter Point, by submitting a Nomination and by successful Supply Point Confirmation of the resultant Supply Point Offer made by the Transporter.

(b) The Existing Registered User will be permitted to submit a Supply Point Objection against a Confirmation submitted by a Proposing User. Failure by the Proposing and Existing Registered Users to resolve such objection would prevent a successful Supply Point transfer.

#### **3.3 Supply Point Capacity**

3.3.1 The Registered User at a Supply Point will be deemed to hold Supply Point Capacity as a consequence of successfully submitting, and the Transporter accepting, a Supply Point Confirmation.

3.3.2 Capacity will be effective from the Supply Point Registration Date.

3.3.3 The level of Capacity will be determined by the Transporter [in accordance with UNC Section H4.1] by reference to the UNC formula utilising Supply Point Annual Quantity and the relevant E U C peak load factor.

#### **3.4 LDZ Capacity**

3.4.1 A Registered User will hold Firm LDZ Capacity in an equal amount to the User's Registered Supply Point Capacity of the LDZ Supply Point.

3.4.2 Users will not be permitted to submit separate applications for Supply Point and LDZ Capacity.

3.4.3 A Connected System Exit Point (CSEP) User will be permitted to request LDZ Capacity in accordance with the relevant CSEP Network Exit Agreement.

#### **3.5 Energy Measurement/Allocation**

3.5.1 NDM Supply Meter Point Demand will be determined by the Transporter for each NDM Supply Meter Point in accordance with the formula stated within Section H2.1 rather than by reference to any individual meter readings.

- 3.5.2 Deemed demand will be subject to reconciliation for both transportation commodity and energy balancing, but not LDZ Capacity, where reconciliation is conducted for:
- (a) Larger NDM Supply Meter Points - Demand will be reconciled individually by reference to Valid Meter Reads.
  - (b) Smaller NDM Supply Meter Points - Demand will be reconciled through aggregate NDM reconciliation as an equal, though opposite, consequence of Individual NDM Reconciliation Quantities within the relevant LDZ.

#### **4 LDZ DAILY METERED (DM) SUPPLY METER POINTS and CONNECTED SYSTEM EXIT POINTS (CSEPs) – FIRM**

4.1 **The process described below is unchanged from existing Uniform Network Code procedures but in future will apply to all LDZ Supply Points and is provided for completeness in this review of LDZ Capacity arrangements.**

##### **4.2 Firm Supply Point Registration**

4.2.1 A User will be permitted to become the Registered User at a D M Supply Meter Point by submitting a Nomination and by a successful Supply Point Confirmation of the resultant Supply Point Offer made by the Transporter.

4.2.2 The Existing Registered User will be permitted to submit a Supply Point Objection against a Supply Point Confirmation submitted by a Proposing User. Failure by the Proposing and Existing Registered Users to resolve such objection will prevent a successful Supply Point transfer.

##### **4.3 Firm Supply Point Capacity**

4.3.1 The Registered User at a Supply Point will be deemed to have requested Supply Point Capacity as a consequence of successfully submitting, and the Transporter accepting, a Supply Point Confirmation.

4.3.2 Firm Capacity will be effective from the Supply Point Registration Date.

4.3.3 Supply Point Capacity will be subject to a minimum and maximum level, a User may submit a Capacity Revision Application within these upper and lower parameters.

(a) The Supply Point Capacity will not be less than the Bottom-Stop SOQ, defined as the highest Supply Meter Point Daily Quantity for any day within the preceding Winter Period (October to May).

(b) The Supply Point Capacity will not be more than the Transporter determines can feasibly be off-taken by the DM Supply Meter Point within a Day.

(c) An application to amend the Supply Point Capacity within the minimum and maximum requirements may be made at any time in respect of a Capacity increase, and during the months of October to January inclusive in respect of a Capacity decrease.

##### **4.4 Firm LDZ Capacity**

4.4.1 A Registered User will hold Firm LDZ Capacity in an amount equal to the User's Registered Supply Point Capacity of that LDZ Supply Point.

4.4.2 Users may not submit separate applications for LDZ Capacity.

4.4.3 A Connected System Exit Point (CSEP) User may request LDZ Capacity in accordance with the CSEP Network Exit Agreement.

##### **4.5 Firm Supply Point Ratchet**

4.5.1 A User at a Supply Point where the User's UDQO on a Day, during the months of October to May inclusive, exceeds the registered Supply Point Capacity for that Day, will

incur a ratchet charge.

- 4.5.2 The Capacity Ratchet Amount will be the excess of the User's UDQO above that User's Registered Supply Point Capacity, with the charge rate multiplier defined in UNC and the charge rate defined within the Transportation Statement.
- 4.5.3 The User's Registered Supply Point Capacity will be ratcheted upward by the amount of the Capacity Ratchet Amount on the Day following the ratchet occurrence (subject to Section G5.5.5).
- 4.5.4 Two ratchet components will be charged:
  - (a) LDZ Capacity; and
  - (b) Customer Charge.

#### 4.6 **Firm LDZ CSEP Overrun**

- 4.6.1 A User at a CSEP where the User's UDQO on a Day, during the months of October to May inclusive, exceeds the User's Registered LDZ Capacity for that Day, will incur a LDZ CSEP Overrun Charge.
- 4.6.2 The LDZ overrun quantity will represent the excess of the quantity of gas offtaken above the Registered LDZ Capacity of either individual Users or Users in aggregate, subject to the Network Exit Agreement. The charge rate multiplier will be defined within the UNC with the charge rate being contained within the Transportation Statement.
- 4.6.3 Only one LDZ CSEP Overrun Charge will be applied within any overrun month, with such charge representing the highest overrun quantity occurring within that month.
- 4.6.4 LDZ Capacity will not be increased to reflect the overrun quantity.

#### 4.7 **Energy Measurement/Allocation**

- 4.7.1 A User's UDQO for a DM Supply Meter Point or CSEP will reflect individual Metered Volume.
- 4.7.2 DM gas quantities will be subject to reconciliation for both transportation commodity and energy balancing, but not LDZ Capacity. Reconciliation will be undertaken by reference to an initial UDQO and the subsequent DM Check Reconciliation Quantity.

## **5 LDZ DAILY METERED (DM) SUPPLY METER POINTS and CONNECTED SYSTEM EXIT POINTS (CSEPs) – INTERRUPTIBLE**

### **5.1 Supply Point Registration**

#### **5.1.1 Existing Supply Points – transfer of registration**

- (a) A User may become the Registered User at a DM Supply Meter Point by submitting a Nomination and by successful Supply Point Confirmation of the resultant Supply Point Offer made by the Transporter.
- (b) The Existing Registered User may submit a Supply Point Objection against a Supply Point Confirmation submitted by a Proposing User. Failure by the Proposing and Existing Registered Users to resolve such objection will prevent a successful Supply Point transfer.
- (c) Upon transfer, the Interruptible rights for the Supply Point would transfer to the Proposing User.

#### **5.1.2 New Supply Points (Greenfield Sites)**

- (a) A User at a New Supply Point, that is New after the Interruptible Application Process has begun, will be awarded Firm LDZ Capacity if it is available; otherwise, the New Supply Point will be allocated the required number of Interruptible Days that the Transporter can provide.
- (b) The User can then enter the next available Interruptible Application Process and will remain on the applicable terms (Firm or required Interruptible) until the revised terms take effect (e.g. three (3) years from that application process).

#### **5.1.3 Re-designation of Supply Points from Firm to Interruptible**

- (a) Users at Firm Supply Points will only be entitled to apply for Interruptible LDZ Capacity through either an annual or ad hoc Interruptible Application Process.

#### **5.1.4 Re-designation of Supply Points from Interruptible to Firm**

- (a) Interruptible Supply Points, that are not allocated Interruptible LDZ Capacity in the annual Interruptible Application Process, will be re-designated as Firm, three (3) Gas Years from the start of the following Gas Year.
- (b) A User will be entitled to re-designate an Interruptible Supply Point as Firm (outside the annual Interruptible Application Process) with effect from an Eligible Status Change Date, by giving notice to the Transporter not later than the Change Request Deadline.
- (c) Where the Supply Point ceases to be eligible for Interruptible designation the Supply Point shall, unless the Transporter otherwise determines, be re-designated as Firm with effect from the first Eligible Status Change Date.

#### **5.1.5 Where a Supply Point is requested to be re-designated as Firm with effect from an Eligible Status Change Date, and the Transporter determines and notifies the User that the Firm Transportation Requirement will not be not satisfied, the re-designation will not be effective.**

## 5.2 **Application for Supply Point Capacity**

*(This does not represent a change to existing Uniform Network Code rules.)*

5.2.1 For the purposes of charging and booking arrangements, all Supply Point Capacity will be deemed as Firm by the relevant Transporter.

5.2.2 For the purposes of determining the Daily LDZ Capacity Charge, the Applicable Daily Rate will be based on the SOQ , and the chargeable quantity will be the Registered Supply Point Capacity.

## 5.3 **Application for Interruptible LDZ Capacity**

*(For the avoidance of doubt, all LDZ Users are Firm and specific applications need to be made for Interruptible LDZ Capacity. This section presents the application process for Interruptible LDZ Capacity where Users can apply for differing option rates, durations, and years of Interruptible rights, and the Transporter can use this process for choosing which applications to satisfy.)*

### 5.3.1 Introduction

- (a) Interruptible LDZ Capacity will be released for a Gas Year (October to September) or parts or multiples thereof. The process for considering how much Interruptible Capacity is to be released will be conducted on at least an annual basis.
- (b) Quantities of Interruptible LDZ Capacity applied for will not exceed the Registered Supply Point Capacity at the point of application.
- (c) Successful applications for Interruptible LDZ Capacity through an annual Interruptible Application Process will be effective from 1 October (the start of the Gas Year) three (3) years ahead of the sale process.
- (d) Applications for Interruptible LDZ Capacity outside an Interruptible Application Process will not be permitted.
- (e) A User will be deemed to hold Supply Point Capacity at the DM Supply Meter Point, as part of the Supply Point Confirmation and with effect from the Supply Point Registration Date.
- (f) A Connected System Exit Point (CSEP) User will be entitled to request Interruptible LDZ Capacity in accordance with Section 5.3.2 and 5.3.3 and with due regard to the CSEP Network Exit Agreement.
- (g) Users will indicate the portion of the Supply Point Capacity that they wish to be Interruptible (minimum 5,860,000 kWh/annum).
- (h) The Interruptible LDZ Capacity can be applied for in tranches; the minimum tranche size will be 5,860,000 kWh per annum and the maximum number of tranches per Supply Point will be nine (9).
- (i) Each tranche at a Supply Point can apply for separate Interruptible terms.

### 5.3.2 Annual Interruptible Application Process

- (a) No later than twenty eight (28) Days before the Annual Interruptible LDZ Capacity Invitation Date the Transporter will publish estimates of the Interruptible LDZ Capacity requirements for each location for each Gas Year commencing in Gas Year +4, in respect of which Users are invited to make applications. Such estimates will be net of any existing long-term Interruptible quantities. At that stage, the Transporter will also confirm the Annual Interruptible LDZ Capacity Invitation Date.
- (b) The Annual Interruptible LDZ Capacity Invitation Date will be no earlier than 1 June and no later than 30 June in any Gas Year. From such date the Transporter will invite and Users may apply for Interruptible LDZ Capacity from Gas Year +4 to Gas Year +9.
- (c) The period for submitting applications will be ten (10) consecutive Business Days.
- (d) Applications may be submitted by Users up to 17:00 hours on the last Annual Interruptible LDZ Capacity Invitation Date for any number and combination of Gas Years, Days per annum, and locations.
- (e) Applications may be withdrawn or amended until but not after 17:00 hours on the last Annual Interruptible LDZ Capacity Invitation Date.
- (f) Following the last Annual Interruptible LDZ Capacity Invitation Date, the Transporter will conduct the allocation process in accordance with 5.3.6.
- (g) No later than twenty eight (28) Days following the closure of the bid window the Transporter will inform each successful User of those bids which have been accepted, together with details of their accepted bids, and the Transporter will also inform all other Users of those bids that have not been accepted (see 5.3.7(a) and 5.3.7(b)).

### 5.3.3 Ad hoc Interruptible Application Process

- (a) The Transporter can invite Users to make applications for Interruptible LDZ Capacity at any other time, for any location or number of locations, and for any period, by giving notice to Users.
- (b) Ad hoc invitations will specify:
  - (i) the invitation date from which bids can be submitted;
  - (ii) the cut off date and time by which bids must be submitted;
  - (iii) the location(s) at which Interruptible LDZ Capacity is required;
  - (iv) the period for which Interruptible LDZ Capacity is required; and
  - (v) the date and time by which the Transporter must consider and confirm to Users whether applications have been successful, and details of successful bids.

### 5.3.4 Applications may be amended or withdrawn up to the last invitation date and cut off time but not after.

### 5.3.5 Participation Rules

- (a) Users will only be entitled to submit applications in respect of qualifying Supply Points for which the User is the prevailing Registered User or has received a Supply Point Confirmation.
- (b) Users will only be entitled to apply in respect of Supply Points that meet the conditions for designation as Interruptible (in accordance with Section G6.2).
- (c) Users will not be entitled to apply for Interruptible LDZ Capacity in respect of Supply Points with existing long term Interruptible rights unless such application is to offer additional amounts of Interruptible LDZ Capacity.
- (d) For each application for Interruptible LDZ Capacity, the applicant User will be required to specify the following information:
  - (i) User ID;
  - (ii) Supply Point ID, Supply Point Confirmation number Meter Point Reference Number, and Logical Meter number;
  - (iii) duration (minimum duration one (1) year for an annual Application process);
  - (iv) number of Days' Interruption (the Interruption Allowance);
  - (v) the compensation payment information as required by the Relevant Transporters' relevant statement;
  - (vi) the Supply Point Capacity that the User wishes to be Interruptible;
  - (vii) the information shall be supplied for each tranche of the Interruptible Supply Point Capacity; and
  - (viii) the User can submit an application for more than one Interruption Allowance per Supply Point or tranche.

Transporters will issue a template for Users to submit this information.

- (e) Transporters will seek to validate applications during the application process and Users will be notified if applications do not satisfy the criteria set out in 5.3.4(b) and (d); Users can resubmit applications.
- (f) It will be assumed that in the event of non-participation, the User wishes all current Firm Supply Points to remain so.

### 5.3.6 Allocation of Contracts

- (a) Interruptible LDZ Capacity will be allocated in accordance with the Interruptible requirement of each Relevant Transporter.
- (b) Applications for multi-year Interruptible LDZ Capacity will be considered together with all other applications. Applications will be sorted into relevant location groups.
- (c) In accordance with the relevant Transporter's relevant statement, Interruptible

LDZ Capacity will be allocated against applications until all Interruptible requirements are satisfied.

- (d) The allocation process will be completed in twenty eight (28) Days for an annual Interruptible Application Process and in accordance with 5.3.3(b)(v) for an ad hoc Interruptible Application Process.

#### 5.3.7 Results

- (a) Following closure of the bid window and completion of the allocation process, each Transporter will publish results in accordance with 5.3.2(g) (annual Interruptible Application Process) and 5.3.3(b)(v), (ad hoc Interruptible Application Process) with, as a minimum, the following information to be made publicly available. (The information will be made available on a location by location basis provided three (3) or more Users successfully applied for Interruptible LDZ capacity in that location):
  - (i) the number of applications received, i.e. per Interruption Allowance; number of Gas Years (in aggregate by LDZ, and for each location);
  - (ii) number of successful applications, i.e. per Interruption Allowance, number of Gas Years (in aggregate by LDZ, and for each location);
  - (iii) Interruptible LDZ Capacity offered by Users (in aggregate by LDZ, and for each location);
  - (iv) Interruptible LDZ Capacity allocated (in aggregate by LDZ, and for each location);
  - (v) the highest and lowest price received in aggregate by LDZ, and for each location; and
  - (vi) the highest and lowest price for all accepted offers in aggregate by LDZ, and for each location.
- (b) Following completion of the allocation process, each Transporter will publish results in accordance with 5.3.2(g) (annual Interruptible Application Process) and 5.3.3(b)(v), (ad hoc Interruptible Application Process) including the following information for each relevant Gas Year to the relevant User:
  - (i) those applications that were accepted;
  - (ii) those applications that were not accepted; and
  - (iii) the identity of those Supply Points that have changed Firm/Interruptible designation.

#### 5.3.8 Effective Date

- (a) Where applications for Interruptible LDZ Capacity are successful, the Interruptible LDZ Capacity will become effective from the date confirmed through the allocation process.
- (b) For successful applications for Interruptible LDZ Capacity relating to Firm DM Supply Meter Points, the Supply Point will be re-designated as Interruptible with

effect from the date confirmed through the allocation process.

- (c) For applications for Interruptible LDZ Capacity relating to Interruptible Supply Points that were not successful, the Supply Point will be re-designated as Firm with effect from the date confirmed through the allocation process.

## **6 INTERRUPTION NOTICE**

- 6.1 Existing notification requirements will remain, with the exception that Interruptible Partnering Arrangements will not apply and Users will not be able to request an alternative Supply Point to be interrupted when an Interruption Notice has been served.
- 6.2 The Relevant Transporter will give five (5) hours' notice of Interruption specifying:
  - (a) the Supply Points (and tranches) to be Interrupted;
  - (b) the Gas Flow Day;
  - (c) the Interruption Start Time; and
  - (d) an estimate of when that Interruption will cease to apply.
- 6.3 The User will confirm receipt of notice and will confirm Interruption has taken place or notify the Transporter where Interruption may be prevented from taking place.
- 6.4 Where the User has not acknowledged receipt, then the Transporter can notify the consumer directly.
- 6.5 Where the Transporter identifies that Interruption will cease to apply, then the Transporter will notify the User when Interruption will cease to apply.
- 6.6 Existing communication processes, e.g. Batch Transfer Communication, will continue to apply.
- 6.7 Interruption will not necessarily be required at all Interruptible Supply Points at a Shared Supply Meter Point.
- 6.8 The existing provisions of Section G6.6.2 will be retained in order that Interruption contact details continue to be provided to the Transporters.

## **7 FAILURE TO INTERRUPT**

- 7.1 The failure to Interrupt provisions are triggered when Interruption is called (Interruption Notice) and not complied with.
- 7.2 Where the Transporter determines that the failure to Interrupt results in a significant risk to the security of the relevant System, the Transporter may take any steps available to isolate or disconnect any of the relevant Supply Meter Points.
- 7.3 Where there is a failure to Interrupt on the first and subsequent Day of the failure, the User will pay a charge determined as two (2) times the higher of the Applicable Annual Rate of the Interruptible compensation payment and the LDZ Capacity Charge.
- 7.4 Charges will be invoiced in accordance with Section S.
- 7.5 The Relevant Transporter will be reimbursed by the User for any costs incurred under paragraph 7.2.
- 7.6 The Registered User shall ensure that the Relevant Transporter has access to the relevant Supply Point for the purposes of paragraph 7.2.
- 7.7 No Day on which there is a failure to Interrupt at a Supply Point shall count towards the use of the Interruptible Allowance in respect of that Supply Point.
- 7.8 For the avoidance of doubt, failure to Interrupt obligations will not apply to Supply Points that a User has formally requested to be isolated, or have been isolated, or are no longer taking gas, and Users will not be eligible for compensation payments in respect of these Supply Points.

## **8 SHARED SUPPLY METER POINTS**

- 8.1 Shared Supply Meter Point status will only apply to sites registered to more than one User.
- 8.2 The process to obtain Shared Supply Meter Point status will remain the same.
- 8.3 A Shared Supply Meter Point, that requires an Interruptible Supply Point component, can only obtain Interruptible LDZ Capacity through an application process.
- 8.4 An application for Interruptible LDZ Capacity (through an application process) can be made by the User(s) or the User appointed as the Users' Agent.
- 8.5 On calling Interruption, the Relevant Transporter shall notify the User(s) and/or User Agent of the Interruption requirement.
- 8.6 The Relevant Transporter will inform each User and User Agent of the Interruptible contract that is to be called.
- 8.7 The failure to Interrupt provisions will apply.
- 8.8 Reallocation of the Firm and Interruptible Supply Point component cannot occur whilst an Interruptible contract is in place.

## 9 TRANSITION ARRANGEMENTS

- 9.1 For the period from the implementation date of the Proposal to 30 September 2010, “**the Transition Period**”, transitional arrangements will apply. For Interruptible Supply Points, the present Interruptible arrangements will continue to apply, e.g. forty five (45) day Interruption Allowance, attracting the level of discount on LDZ Capacity Charges as set out in the Relevant Transporters’ Transportation Statements.
- 9.2 A User at a New Supply Point that connects within the Transition Period and that requests to be Firm, will be Firm if the LDZ Capacity is available; otherwise, the Supply Point will be allocated a required number of Interruptible Days (forty five (45) Days per annum until the end of the Transition Period).
- 9.3 A User at a New Supply Point that connects within the Transition Period and that requests to be Interruptible, will be allocated the minimum number of Interruptible Days that the Transporter can provide (forty five (45) Days per annum until the end of the Transition Period).
- 9.4 That User can then enter the next available annual Interruptible Application Process to obtain revised terms although that User will remain on the applicable terms (Firm or required Interruptible terms) until the revised terms take effect three (3) Gas Years from that application process.

**Code Concerned, sections and paragraphs**

UNC The Principal Document

Section G