9 April 2019

**UNIFORM NETWORK CODE (UNC) LEGAL DRAFTING FOR REC/CSS PROJECT**

**EXPLANATORY NOTE**

**1 Proposed Legal Text**

1.1 The legal text changes to the UNC are contained in a series of documents which show changes against the current version of the UNC (and for further detail see paragraph 4).

1.2 The most significant changes are found in TPD Section G which now includes generic rules relating to the registration of Supply Points which apply to both CSS Supply Points and Non-CSS Supply Points as well as specific rules relating to (i) CSS Supply Points (which are entirely new and reflect REC/CSS processes) and (ii) Non-CSS Supply Points (which reflect the existing processes found in current TPD Section G2).

1.3 In addition to these changes current TPD Sections G1.19, 5 and 6 have been moved respectively to TPD Sections J1.9, new TPD Section B, Annex B-3 and new TPD Section B8.

1.4 Before making the change to TPD Section we re-ordered the existing text (i) to put the rules in a much more logical sequence and (ii) to remove the paragraphs which are being moved to TPD Section G and J. One of the documents is a mark up which shows the changes to current TPD Section G arising from the re-ordering exercise. A second mark up then shows the changes to the re-ordered TPD Section G which are required for the purposes of reflecting CSS/REC processes – and hopefully this document helps shows the extent of the required changes.

1.5 The documents showing the proposed legal text are listed in the table below; the table identifies the document type (clean or mark up) and includes (where relevant) a brief description of the most significant of changes made to the relevant section of UNC:

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| --- | --- | --- | --- |
| **Document** | **UNC Section** | **Document Type** | **Explanation/Notes** |
|  | **TPD Section B (System Use and Capacity)** |  |  |
| 1 | Revised Section B4: LDZ Supply Point Capacity | Mark-up against current TPD Section B4. | *Description of Changes*  *Paragraph 4.2 amended to reflect different processes under TPD Section G5 and G6 through which the User is treated as holding (or ceasing to hold) DM or NDM Supply Point Capacity at CSS/Non-CSS Supply Points.*  *All other amendments are minor consequential changes.* |
| 2 | New Section B8: Interruption | Mark-up against current TPD Section G6. | The interruption rules (in current TPD Section G6) have been moved to a new Section B8.  *Description of Changes*  *This is a 'lift and shift' of current TPD Section G6.*  *All amendments are minor consequential changes* |
| 3 | New Annex B-3: DM Supply Point Capacity and Offtake Rate) | Mark-up against a re-ordered version of current TPD Section G5. | The DM Supply Point Capacity and Supply Point Offtake Rate rules (in current TPD Section G5) have been moved to a new Annex B-3.  *Description of Changes*  *Amendments generally reflect different processes under TPD Section G5 in relation to setting DM Supply Point Capacity at the time of registration of a CSS Supply Point.*  *Included is a new rule to allow a Transporter to provide standing instructions to CDSP to be applied in event the Transporter is required to assess feasibility of making available gas for offtake at a Supply Point (such that the CDSP does not need to refer to the Transporter where the User's application falls within limits previously notified to the CDSP by the Transporter).*  *Paragraph 13 is a 'lift and shift' of current Section G7.3.* |
| 4 | Mark-up | Mark-up. | *Prior to making the changes current TPD Section G5 was re-ordered to make the sequence of the rules more logical; and the mark up shows the changes made for the purposes of creating a new 'baseline' version of Annex B-3.* |
|  | **TPD Section G (Supply Point Registration)** |  |  |
| 5 | Revised Section G | Clean copy. | *Description of Changes*  *Paragraph 1*  *G1.2 Introduces a number of new key definitions including CSS Supply Point/Supply Meter Point and Non CSS Supply Point/Supply Meter Point , REC and CSS Provider; and other rules to reflect the REC and new UNC processes for the registration of CSS Supply Points are which are now dependent on REC processes.*  *Paragraph 2*  *All amendments to Supply Point and Supply Meter Point characteristics are consequential changes*.  *Paragraph 3*  *Introduces new rules in G3.2 setting out the basis on which User will have access to Registration Details as provided for in Annex G-1 and rules in relation to the first registration of new CSS Supply Points.*  *Paragraph 4*  *Includes rules which are generic to registration of CSS/Non-CSS Supply Points – and include new defined terms in G4.1 to assist drafting. G4.4 sets out new rules in respect of a Transporter Referral, i.e. where a characteristic of the registration of a CSS Supply Point (as a DM Supply Point) needs to be referred to the Transporter for as response (e.g. optional commodity rate) This is not the same a referral regarding feasibility to offtake gas under Annex B-3 (formerly TPD Section G5).*  *Paragraph 5*  *Contains the new rules relating to registration and de-registration of CSS Supply Points and which reflect related CSS processes under the REC.*  *Paragraph 6*  *Contains the rules (largely based on current TPD Section G2) relating to registration and de-registration of Non-CSS Supply Points.*  *Paragraph 7*  *Includes generic rules relating to Isolation in relation to both CSS/Non-CSS Supply Points.*  *Paragraph 8*  *All amendments to Re-establishment are largely consequential changes to reflect the different registration processes for CSS/Non-CSS Supply Points*.  *Paragraph 9*  *Contains changes to rules for operation of Shared Supply Meter Points to reflect CSS processes where the SSMP is a CSS Supply Point.*  *Annex G-1*  *[See Document 6]*  *Annex G-2*  *A 'lift and shift' of current TPD Section G4 re Compensation Rules relevant to TPD Section G.*  *Annex G-3*  *A 'lift and shift' of current TPD Section G7.4 re Siteworks related definitions.*  *Annex G-4*  *A 'lift and shift' of mandatory allocation agent terms from current Annex G-2.* |
| 6 | New Annex G-1 and Tables A-D | Clean copy | *Annex G-1*  *A new Annex to replace current Annex G-1. Addresses various issues concerning Registration Details (as defined in TPD Section G3.1) including (i) what details make up Registration Details and whether they are relevant to CSS /Non-CSS Supply Points and also whether relevant to CSEP Supply Meter Points, (ii) at what stage in the registration process for both CSS/Non-CSS Supply Points Users will have access to particular Registration Details, (iii) what details need to be included in the new notifications to be given to and by the CDSP for the purposes of the registration of CSS Supply Points and (iv) how Registration Details may be modified and by whom during the life of a Supply Point.* |
| [7 | New 'baseline' for current TPD Section G | Mark-up. | *Prior to making the changes current TPD Section G was re-ordered to make the sequence of the rules more logical; and the mark up shows the changes made for the purposes of creating a new 'baseline' version of TPD Section G.* |
| 8 | Revised Section G | Mark-up of revised TPD Section G against new 'baseline' for current TPD Section G. | - |
|  | **TPD Section M (Supply Point Metering)** |  |  |
| 9 | Revised Section M | Mark-up against current TPD Section M. | *Description of Changes*  *New paragraph 2.6 is a 'lift and shift' or current paragraph 3.3.*  *Some consequential changes to paragraph 4.2 reflecting new processes and terminology included in TPD Section G.*  *New rules relating to requirement for Proposing User to submit Opening Meter Reading for Supply Point Registration Date for all Classes of Supply Point and setting out of circumstances where in absence of submission of Opening Meter Reading (or occurrence of other event) the CDSP will generate an estimate to be used as the Opening Meter Reading and the basis on which such estimate will be generated.* |
|  | **UNC Other Sections** |  |  |
| 10 | Other changes to TPD Sections A, B, C, E, H, J, Q, S and V, IGTAD Sections A and E and GT Sections C and D | Mark up against relevant extract from current versions of relevant Section of TPD, IGTAD and GT. | *Description of Changes*  *Amendments are generally consequential changes.*  *Addition in GT Section D of new term 'GRDA Functions' to reflect functions assigned to the CDSP under the REC (distinct from CSS Functions), to categorise GRDA Functions as Direct Services and to confirm Code Parties will not do anything to hinder Transporter's GT licence obligations in respect of procuring the CDSP to perform GRDA Functions.* |

**2 Outstanding Matters**

2.1 Pending further consideration by Ofgem, no changes have been made to the current rules relating to a Supplier of Last Resort at TPD Section G4.3 (currently TPD Section G2.1.6 to 2.1.14.

2.2 In addition, the following should be noted:

(a) the legal text does not cover any changes which may be required to any of the documents comprising the Data Services Contract;

(b) the legal text does not included changes (e.g. to TPD Section V5) which may be required to reflect the data enquiry service anticipated in the REC;

(c) further drafting may be required once an agreed approach is confirmed in relation to licence exempt networks;

(d) further changes may be required once the approach in the REC to Shared Supply Meter Points is confirmed; and

(e) no transitional rules have been drafted (but see paragraph 3).

**3 Transitional Issues**

*Introduction*

3.1 Transition rules for the UNC will need to be tied to equivalent rules for the REC (which could but need not provide separate inception dates for gas and electricity).

3.2 Transition rules for UNC could cover:

(a) how the new rules come into effect and the old rules cease to have effect;

(b) treatment of in-flight processes;

(c) carry-over or creation of classifications / status / other things under new rules; and

(d) initial database population.

*Effective Date*

3.3 UNC transition rules would address:

(a) the Effective Date (i.e. the Gas Flow Day) which can be the first Supply Point Registration Date under the new rules;

(b) the dates (earlier than the Effective Date) which are the earliest Days on which:

(i) Users can submit Referable Registration Nominations and Base Registration Nominations;

(ii) the CDSP will receive notice from the CSS Provider of Relevant CSS Requests;

(c) the latest dates on which Users can submit Supply Point Enquiries, Supply Point Nominations and Supply Point Confirmations (for CSS Supply Points) under the old rules.

3.4 Linked to these, transition rules may specify 'non-business days' when processes under the old rules are suspended in order to allow the new systems to be commissioned / brought into operation.

*In-flight things*

3.5 Presumably the basic existing processes simply fall away, i.e. Supply Point Enquiries, Supply Point Nominations, Supply Point Offers and Supply Point Confirmations (for CSS Supply Points) lapse if a Supply Point Registration has not gone live by the Effective Date.

3.6 But the position might be different for referrals, isolation requests, the 'shipperless' site processes, re-establishment, and other longer term processes.

*Carry-over/creation*

3.7 The initial versions of the Shipper-User Association Data and the Shipper-Transporter Association Data need to be created.

3.8 There may be a need to address classification or status under the new rules – e.g. by carry-across of an existing classification or status (e.g. a SMP which is Isolated under the old rules remains Isolated); and any actions by the CDSP needed to give effect to this.

*Database population*

3.9 Transition rules could impose obligations on UNC parties to participate in implementation processes to populate / update / clean up data. But this could be done in other ways.

3.10 This is potentially more relevant to REC/CSS than to the UNC.

**4 UNC – Versions of Code use in preparing Legal Text**

4.1 The changes to the UNC in the documents referred to in paragraph 2 are shown against the following versions of the UNC available from the Joint Office:

|  |  |
| --- | --- |
| **UNC Section** | **Version** |
| TPD A | 5.04 07 June 2017 |
| TPD B | 5.27 30 October 2018 |
| TPD C | 5.04 07 June 2017 |
| TPD E | 5.04 07 June 2017 |
| TPD H | 5.26 25 October 2018 |
| TPD J | 5.03 01 June 2017 |
| TPD M | 5.23 15 June 2018 |
| TPD Q | 5.03 01 June 2017 |
| TPD S | 5.03 01 June 2017 |
| TPD V | 5.31 07 December 2018 |
|  |  |
| IGTAD A | 5.03 01 June 2017 |
| IGTAD E | 5.03 01 June 2017 |
|  |  |
| GT C | 5.03 01 June 2017 |
| GT D | 5.30 30 November 2018 |

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