

NOTE ON UNC

- 1 It is understood Modification 0843 proposes to introduce rights and obligations between IGTs and Shippers in relation to shrinkage, and to include these in the Transportation Principal Document (TPD) and/or the Independent Gas Transporters Arrangements Document (IGTAD), including the requirement that IGTs contract with Shippers for the purchase of IGT shrinkage.
- 2 The UNC contains a set of rules, comprised of different parts, including TPD, the Offtake Arrangements Document, IGTAD and General Terms.
- 3 By means of Shipper Framework Agreements, between each Transporter (i.e. National Gas Transmission and each of the DN Operators) and those gas shippers using the Transporter's pipe-line system, the Transporter's individual Network Code is given effect, each of which incorporates the UNC in full.
- 4 By means of the Transporters Framework Agreement between each of the Transporters and each of the IGTs, National Gas Transmission's individual Network Code is made binding between each of the Transporters and each of the IGTs.
- 5 It is important to note:
 - neither of these framework agreements create any contractual relationships between an IGT and a gas shipper in respect of use of a Transporter's pipe-line system;
 - the contractual relationship between an IGT and a gas shipper is established by an IGT Framework Agreement between the IGT and gas shippers using the IGT's pipe-line system. This makes the IGT's individual network code binding and with it the IGT uniform network code (comprising a different set of transportation arrangements to the UNC).
- 6 It is correct to say that for the purposes of the UNC an IGT is a 'Party', and this is made clear in GT B2.3.1, where a 'Party' *means a Transporter, an Independent Gas Transporter or a User*.
- 7 However, an IGT is not a Party for the purposes of all parts of the UNC. This is made clear in GT B2.3.2, which states:
 - references in the TPD to a Party are to a *Transporter or User*;
 - references in the IGTAD to a Party are to a *Transporter or an Independent Gas Transporter*.
- 8 And GT B2.4.1 goes on to confirm that nothing in the UNC creates contractual rights and liabilities between *Independent Gas Transporters and Users or IGTS Users*.
- 9 So it would be inconsistent with the established structure of the UNC to include rules in TPD or IGTAD which are expressed to create rights and obligations between IGTs and Shippers.
- 10 Rather this can be done by making appropriate modifications to the IGT uniform network code. And it is this document which establishes the transportation arrangements in relation to the IGT pipe-line system, and not the UNC.