

## Appendix A

### Proposed revisions to UNC Section Q High level summary

April 2006 (updated May 2006)

#### 1. Revised Definitions

- a. Network Gas Supply Emergency (*no change*)
- b. ~~Network Gas Supply Emergency~~ Gas Deficit Emergency
- c. ~~Network Gas Supply Emergency~~ Critical Transportation Constraint Emergency

(Remove the strikeouts from the full definitions but they will remain linked to Section Q.1a. in the UNC).

- d. ~~Potential~~ Network Gas Supply Emergency/Stage 1.

Remove 'Potential' from Section Q. The use of this term has previously caused some confusion amongst Users, especially in relation to a Network Gas Supply Emergency and/or Stage 1. For the purposes of the UNC, a Network Gas Supply Emergency and/or a Stage 1 could only be considered as 'potential' prior to a further Stage (2-4) being declared.

Whilst the Emergency Procedure E1 will continue to include 'potential' within its definitions, National Grid NTS considers that the term 'potential' might lead to unnecessary complexity and misinterpretation within UNC Section Q.

#### 2. Re-ordering of sub-sections

Re-ordering of these sub-sections will ensure that Section Q is aligned to the Emergency Procedure E1.

- a. Emergency Procedures      now    Q.1.3
- Emergency Stages        now    Q.1.4
- Emergency Steps        now    Q.1.5
- b. Gas Deficit Emergency      now    Q.3.2 (includes Stages 1 – 5)
- c. Critical Transportation Constraint Emergency now Q.3.3 (includes Stages 1 – 5)

#### 3. Clarification

- a. Sub-section Q.1.3.1; clarification of the linkage between Emergency Procedures, Emergency Stages and Emergency Steps.
- b. Sub-section Q.1.3.2; clarification that the Emergency Procedures are available upon request by Users from National Grid NTS.
- c. Sub-section Q.1.4.1; clarification that the NEC might declare an individual or a number of Emergency Stages together.
- d. Sub-section Q.1.4.3; clarification of linkage between a Network Gas Supply Emergency and Emergency Steps.
- e. Sub-section Q.1.5.6; clarification of linkage between Emergency Steps and Emergency Stages (of a Network Gas Supply Emergency)
- f. Sub-section Q.3.2.5; inclusion of Stage 5.
- g. Sub-sections Q.3.3.1 to Q3.3.5; clarification/inclusion of Stages 1 to 5.

## Section Q - proposed 'material' changes;

### 4. **UNC 0035 “Revisions to Section Q to facilitate the revised NEC Safety Case”**

- a. Sub-section Q.1.4.1; clarification that the NEC might declare individual, sequential Emergency Stages, or, a number of Emergency Stages together.
- b. Sub-sections ~~Q.3.1.8~~, Q.3.2.4 and Q3.3.4; inserted/clarification of the relationship between Transporters/DNs in the event of demand-side reduction.
- c. Sub-section Q.4.2.3 (a); clarification that Trade Nominations completed on the OCM prior to its suspension, will be included within the Users allocated imbalance position.

### 5. **UNC 0044 “Revised Emergency cash-out and curtailment arrangements”**

An area of potential for ambiguity has been discovered within the current UNC legal text that was introduced as part of this Proposal. This could occur when a successful ECQ claim is made and an adjustment is required based on a lower ECQ when only a Stage 1 Emergency has been declared and the OCM therefore remains open. In this event, the calculation of the “relevant price” (Q.6.3.4 and Q.4.2.4) used to calculate the payment that should be made to adjust a User’s cash-out exposure might be considered to be ambiguous. Therefore, to address this potential for ambiguity, National Grid NTS considers that the term "relevant price" should be referred to as either the "relevant buy price" or the "relevant sell price".

National Grid NTS has therefore proposed to insert a new sub-section Q.6.3.5 to provide additional clarity.

### 6. **Other associated UNC changes**

- TD Part IID, paragraph 5.10.1: replace "Section Q3.2.2" with "Section Q3.2.2(c)";
- TD Part IID, paragraph 5.10.1(a): replace "Section Q3.3 and 3.4" with "Section Q3.2, 3.4 and 3.5"
- TPD K2.1.1(c): Replace "Section Q3.4" with "Section Q3.4 and 3.5"
- TPD Z5.9.1: Replace "Section Q3.3.3" with "Section Q3.2.2(b) and 3.3.2(a)"
- TPD Z6.7.1: Delete "(including a Potential Network Gas Supply Emergency)", and replace "Section Q3.3.3" with "Section Q3.2.2(b) and 3.3.2(a)"
- OAD C2.6.4(a)(ii): Replace with "where the emergency Party is National Grid NTS, a Network Gas Supply Emergency which is at Stage 1 (but not higher); and"
- OAD C2.7.3: Replace “Q1.3.4 and Q1.3.5” with “Q1.5.4 and Q1.5.5”
- Minor grammatical changes as advised by the Joint Office of Gas Transporters