

22/06/2007

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0139**

“Amendments to UNC TPD OCS Process and Long Term Allocation of Capacity in the Transitional Period”

Please note that Modification Proposal No 0139 will be implemented with effect from 06:00 hours on 25/06/2007. The Final Modification Report, Version 1.0, was signed by Ofgem on 22/06/2007.

The new Code text resulting from this Modification follows.

Modified Text:

**Uniform Network Code - Transportation Principal Document
Section B – System Use and Capacity**

Amend existing text to read as follows:

6.2 Offtake Capacity Statement

- 6.2.1 National Grid NTS will issue to each DNO User, not later than 30 September in each Gas Year, a statement (“**Offtake Capacity Statement**”) specifying, for each DNO User, for each of the Gas Years (each a **relevant** Gas Year) up to and including the Gas Year ending 30 September 2011, in relation to each NTS/LDZ Offtake:
- (a) an amount of NTS Offtake (Flat) Capacity;
 - (b) an amount of NTS Offtake (Flexibility) Capacity;
 - (c) Assured Offtake Pressures (in accordance with Section J2.5).
- 6.2.2 The Offtake Capacity Statement prevailing at the UNC Implementation Date has been issued to DNO Users.
- 6.2.3 The Offtake Capacity Statement may be revised (as to any relevant Gas Year) in accordance with paragraph 6.3.
- 6.2.4 The Offtake Capacity Statement issued in any Gas Year will, as respects each relevant Gas Year, contain the same details as were specified in the preceding

year's statement for that Gas Year, subject to any revision pursuant to paragraph 6.3 or, in the case of Assured Offtake Pressures Section J2.5.

6.3 Registration

6.3.1 Subject to the further provisions of this paragraph 6.3, for each relevant Gas Year (or part thereof) a DNO User shall be registered as holding in respect of each relevant NTS/LDZ Offtake the amount of:

- (a) NTS Offtake (Flat) Capacity
- (b) NTS Offtake (Flexibility) Capacity

specified in respect of each Gas Year (or part thereof) in the prevailing Offtake Capacity Statement.

6.3.2 A DNO User may apply:

- (a) to increase its NTS Offtake Capacity at an NTS/LDZ Offtake:
 - (i) in relation to any relevant Gas Year (year Y) or any relevant Gas Year after Year Y by submitting an application to National Grid NTS during the period (The **Application Window**) 1 June to 24 July in Gas Year Y-1;
 - (ii) in relation to any relevant Gas Year(s) or the remaining part thereof, out with the Application Window, as a result of a request for new or additional capacity at a Supply Point, where the DNO User might otherwise be unable to comply with the relevant conditions of its Transporter's Licence, by submitting an application to National Grid NTS ;
- (b) for an amount of NTS Offtake Capacity at an NTS/LDZ Offtake in relation to any relevant Gas Year (year Y) by submitting an application to National Grid NTS during the Application Window 1 June to 24 July in Gas Year Y - 4;

subject to and in accordance with this paragraph 6.

6.3.3 An application for an amount of NTS Offtake Capacity or for an increase in NTS Offtake Capacity at an NTS/LDZ Offtake shall specify:

- (a) the identify of the User;
- (b) the relevant NTS/LDZ Offtake;
- (c) the relevant Gas Year or Gas Years (or parts thereof) in respect of which the application is made;

- (d) the amount or increased amount of NTS Offtake (Flat) Capacity and /or the amount or increased amount of NTS Offtake (Flexibility) Capacity applied for.
- 6.3.4 National Grid NTS may reject, or accept in part only, an application for an amount of or an increase in NTS Offtake Capacity in respect of an NTS/LDZ Offtake where, or (as the case may be) to the extent that, National Grid NTS determines that it would not be feasible to make gas available for offtake at the NTS/LDZ Offtake on the basis of such amount or increased amount of NTS Offtake Capacity throughout the period for which the application is made.
- 6.3.5 In making any determination under paragraph 6.3.4 in relation to applications made within an Application Window, National Grid NTS will take into account all applications received by National Grid NTS within the Application Window from DNO Users for an amount of or an increase in NTS Offtake Capacity and from any Shipper User for an amount of or an increase in NTS Exit Capacity at an NTS Exit Point other than an NTS/LDZ Offtake (and where relevant the provisions of paragraph 3.9).
- 6.3.6 National Grid NTS will in the case of an application made under paragraph 6.3.2:
- (a) as soon as reasonably practicable thereafter notify DNO Users where they believe they are unlikely to be able to meet the application in full, providing details of:
 - (i) the circumstances surrounding any restrictions and
 - (ii) the maximum available capacity;
 - (b) in the case of an application made under paragraph 6.3.2(a)(i) or (b) no later than 15 September provide an indicative statement (Offtake Capacity Statement) notifying the DNO User whether its application is accepted in whole, in part, or rejected, specifying the indicative amount of NTS Offtake (Flat) Capacity and / or NTS Offtake (Flexibility) Capacity and Assured Offtake Pressure for each NTS/LDZ Offtake and each Gas Year and maximum available NTS Offtake (Flat) Capacity and / or NTS Offtake (Flexibility) Capacity and associated Assured Offtake Pressures;.
 - (c) A DNO User will then have an opportunity to seek clarification, reconsider and resubmit its application within 5 Business Days, following notification from National Grid NTS under 6.3.6(b) above;
 - (d) National Grid NTS will use reasonable endeavours to consider and where necessary discuss an application made under 6.3.6(c) with a DNO User with a view to agreeing an Offtake Capacity Statement in relation to an application made under paragraph 6.3.2(a)(i) or (b) by 30 September in accordance with 6.2.1. Such statement will confirm whether the User's application is accepted in whole or in part, or rejected.

- (e) In the case of an application under paragraph 6.3.2(a)(ii) National Grid NTS must within 15 Business Days of such application provide a statement to the DNO User in accordance with B 6.2 (except with regard to date of 30 September). Such statement will for the purpose of 6.2.3 be deemed to be an Offtake Capacity Statement revision. It is understood that in determining whether capacity is available, National Grid NTS will take into account whether it would be likely to trigger the declaration of a Potential Network Gas Supply Emergency or actual Network Gas Supply Emergency. If this is likely to be the case it is understood that capacity would not be deemed to be available.

The remaining paragraphs 6.3.7 through to 6.3.10 remain unchanged. A new paragraph 6.3.11 should be inserted as detailed below.

6.3.11 The provisions set out in this section B should not be confused with provisions set out in the UNC OAD Section H relating to NTS Long Term Demand Forecasting. Information provided by DNO Users under UNC OAD Section H2 should not be construed as an application for the purposes of this paragraph 6.3. Similarly information provided by National Grid NTS under UNC OAD Section H to DNO Users should not be construed as an allocation for the purpose of paragraph 6.2 or 6.3 above.

Yours sincerely,

Julian Majdanski
Modification Panel Secretary