

28/09/2007

Dear Colleague,

**NOTICE OF IMPLEMENTATION  
MODIFICATION PROPOSAL No: 0154**

“Enduring Provisions for LDZ System Entry Points”

Please note that Modification Proposal No 0154 will be implemented with effect from 06:00 hours on 01/10/2007. The Final Modification Report, Version 3.0, was signed by Ofgem on 28/09/2007.

The new Code text resulting from this Modification follows.

**Modified Text:**

**Transportation Principal Document, Section B**

**Section B, paragraph 1.2.8. Amend to read as follows:**

“1.2.8            Subject to Section I 3.11.3(a), ~~Where~~ ...”

**Transportation Principal Document, Section I**

**Section I, paragraph 2.1.1. Amend to read as follows:**

“2.1.1 Subject to paragraph 2.1.3, the Transporter will make available to any User (and the DNO will procure that the Delivery Facility Operator will make available to any LDZ System Entry Point User wishing to deliver gas at an LDZ System Entry Point) on request ...Network Entry Agreement.”

**Section I. Add new paragraph 3.11 to read:**

**“ 3.11. LDZ System Entry Points**

3.11.1 For the purposes of the Code:

- (a) an " **LDZ System Entry Point**" is a System Entry Point on a DNO's System and that is not listed as an Entry Point in Schedule A, Table A2 of National Grid NTS's Licence;

- (b) an " **LDZ System Entry Point User**" is a Delivering User at an LDZ System Entry Point;
- (c) an "**LDZ System Network Entry Agreement**" is a Network Entry Agreement between a DNO and a Delivery Facility Operator of a Connected Delivery Facility at an LDZ System Entry Point containing Network Entry Provisions, including those to determine the quantities of gas which may be delivered and operation of gas flows to an LDZ System Entry Point.

3.11.2 In accordance with Standard Special Condition D12 of the DNO's Gas Transporter Licence, a DNO will allow the delivery of gas at an LDZ System Entry Point in accordance with an LDZ System Network Entry Agreement.

3.11.3 In respect of an LDZ System Entry Point:

- (a) Section B1.2.8, Section B2 and paragraphs 3.7, 3.8 and 3.9 shall not apply;
- (b) an LDZ System Entry Point User will pay the relevant transportation charge (if any) as set out in the Transportation Statement.

3.11.4 An LDZ System Entry Point User wishing to deliver gas at an LDZ System Entry Point acknowledges and shall be subject to the terms of the Network Entry Provisions.

3.11.5 Subject to the provisions of the Code and the Network Entry Provisions, the DNO will accept at an LDZ System Entry Point at any time gas entered for delivery by an LDZ System Entry Point User at a rate (in kWh/Day) not exceeding the maximum permitted flow in accordance with the Network Entry Provisions.

3.11.6 Subject to the provisions of the Code and the Network Entry Provisions, if in respect of any Day the DNO fails to comply with its obligation under paragraph 3.11.5 the DNO will pay the LDZ System Entry Point User an amount which is equal to an amount determined as:

$$A * B * C$$

where for each such Day:

A is the shortfall between:

- (i) the Input Nomination of the LDZ System Entry Point User at the LDZ System Entry Point; and

(ii) the LDZ System Entry Point User's proportion of the Entry Point Daily Quantity Delivered at the LDZ System Entry Point as determined in accordance with E 2;

B is the relevant daily transportation charge payable by the LDZ System Entry Point User;

C is five (5).

3.11.7 For the purposes of paragraph 3.11.6 only, where in respect of any Day the sum of the Input Nominations of all the LDZ System Entry Point Users exceeds the maximum permitted flow (in kWh/Day) at the LDZ System Entry Point, as determined in accordance with the Network Entry Provisions, each LDZ System Entry Point User's Input Nomination shall be determined as:

$$D/E * F$$

where for each such Day:

D is Input Nomination of the LDZ System Entry Point User;

E is the sum of the Input Nominations of all the LDZ System Entry Point Users;

F is the maximum permitted flow (in kWh/Day) at the LDZ System Entry Point, as determined in accordance with the Network Entry Provisions.

3.11.8 Any dispute as to the amount in "A" in paragraph 3.11.6 shall be referred to Expert Determination.

3.11.9 For the avoidance of doubt, the DNO will not be in breach of its obligations under paragraph 3.11.5 in circumstances which render it unable to accept delivery of gas at an LDZ System Entry Point, including compliance with the Network Entry Provisions or the taking steps for the curtailment of gas flow rates where a Transportation Constraint is imminent or has arisen.

Yours sincerely,

Julian Majdanski  
Modification Panel Secretary