

## Stage 02: Workgroup Report

# 0461:

## Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes.

This modification seeks to implement changes to the definition of the Gas Day within the UNC and its associated documents to facilitate compliance with European legislative changes.

The Proposer recommends that this modification should change:

- a) UNC current definition and other related definitions
- b) Specific UNC times that define the start/end of the Gas Day
- c) Specific UNC times impacted by the Gemini outage time
- d) Specific UNC associated process times



- In relation to parts b, c and d the workgroup will assist in development of the proposal to identify what changes are required to the UNC and associated documents to align with the definition of the Gas Day in EU network codes.



**High Impact:** Shippers, Distribution Network Operators and Shippers, Distribution Network Operators, National Grid NTS, Third Party Participants and Materially Affected Parties.

At what stage is this document in the process?



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## About this document:

This report will be considered by the panel on 19 December 2013.

The panel will consider whether the modification should proceed to consultation or be returned to the workgroup for further assessment.


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# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification.

## Why Change?

In order to become compliant with the requirements of the Capacity Allocation Mechanism (CAM) European network code, the GB Gas Day is required to align with the Gas Day as defined in the CAM code. This effectively means a change from 06:00-06:00 to 05:00-05:00. To align with the Gas Day set out in CAM, the current Gas Day definition within the UNC will require amending.

## Solution

### a) UNC current definition and other related definitions

It is proposed that the 06:00 time references are changed to 05:00 within UNC General Terms Section C which contains the UNC current definition and other related definitions.

### b) Specific UNC times that define the start/end of the Gas Day

It is proposed that specific 06:00 time references in UNC Sections B, D, G and U that are associated with the start of the Gas Day should be changed to 05:00 to align with the start of the new Gas Day.

### c) Specific UNC times impacted by the Gemini outage

It is proposed that specified times in Sections B, C, D, E, K, Q, U and Z of the UNC should be changed as they will no longer be able to operate at their current time due to the revised Gemini outage time as a consequence of the Gas Day change.

### d) Specific UNC associated process times

It is proposed that specified times in Sections B, C and H of the UNC should change as they will no longer be able to operate at their current time due to operational constraints as a consequence of the change to the Gas Day.

## Relevant Objectives

The reference to the Gas Day being aligned is included within the EU CAM network code. Implementation of this modification would therefore facilitate compliance with European legislative requirements.

## Implementation

No implementation timescale is proposed.

The implementation date for CAM has been set as 01 November 2015. To be compliant, therefore, the change to the definition of the Gas Day will have to be implemented no later than this date.

## 2 Why Change?

### EU CAM Network Code

The current Gas Day in the UNC is 06:00-06:00, with a seasonal adjustment for daylight saving. The EU CAM network code states the Gas Day time will operate from 05:00-05:00, also with an equivalent daylight saving adjustment. This legislative requirement relating to the Gas Day timing contained within the EU CAM code supersedes any prevailing GB legislation. Therefore the implementation of the EU CAM network code directly impacts on the UNC and its associated documents, requiring the Gas Day definition to change to become EU compliant. To be compliant, the change to the definition of the Gas Day will need to be implemented no later than the date that the CAM code is implemented.

### Other EU Codes

Although CAM is only applicable at Interconnection Points (IPs), the Gas Day definition is referenced in other EU Network Codes (eg EU Balancing Code) that apply to the whole GB gas regime. The definition contained within CAM is generic and has the same meaning when referenced in other codes, therefore implying the Gas Day time has to be amended across the whole GB gas regime.

### UNC and Associated Documents Time References

The change to the Gas Day time will have a consequential impact on the UNC Gas Day definition as well as other time references and process times contained within the UNC and associated documents.

There are four categories of time references requiring change within the UNC:

- a) UNC current definition and other related definitions;
- b) Specific UNC times that define the start/end of the Gas Day;
- c) Specific UNC times impacted by the Gemini outage time; and
- d) Specific UNC associated process times.

All clauses containing time references within the General Terms, Transportation Principal Document and Offtake Arrangements Document have been reviewed. The workgroup have concluded that the wholesale movement of all these times is not necessary or efficient and has only suggested changing times that cannot operate at their existing time.

The workgroup has also reviewed time references contained within UNC associated documents and assessed their requirement to change. The workgroup has agreed that any proposed changes to UNC associated documents should be progressed through the specified governance process for each document, and not be included as part of this Modification proposal. It should be noted that the owners of the associated documents impacted by the Gas Day change have contributed to the aforementioned review and are aware of the changes required.

A summary of their conclusions is contained within the table below.

Topic Area	Document(s)	Workgroup Proposal
<b>Gas Day and related definitions</b>	UNC GTC - Interpretation	Change times (See section 3 Solution, table sub-section (a))
<b>Physical Regime – Assured Pressures and Flex Utilisation</b>	References contained within UNC Sections B, J, V and OAD Sections I & J	Leave all times as-is
<b>Capacity</b>	UNC Section B	<ul style="list-style-type: none"> <li>• Leave times related to the business day/working day as-is</li> <li>• Leave other times suitably detached from the start/end of Gas Day as-is</li> <li>• Leave D 02:00 reference in 3.5 – Release of Daily NTS Exit (Flat) Capacity (3.5.2) as-is to allow Shipper Users the opportunity to have further capacity allocations if required</li> <li>• Change times related to start of the Gas Day (See section 3 Solution, table sub-section (b))</li> <li>• Change times impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> <li>• Change other times related to capacity processes that can no longer operate at their current time (See section 3 Solution, table sub-section (d))</li> </ul>
<b>Nominations</b>	UNC Section C	<ul style="list-style-type: none"> <li>• Leave Nomination Timetable times as-is</li> <li>• Leave Calorific Value times as-is</li> <li>• Change times related to Renominations and Trade Nominations that are impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> <li>• Change other times related to Trade Nominations that can no longer operate at their current time (See section 3 Solution, table sub-section (d))</li> </ul>

<b>Operational Balancing and Trading Arrangements</b>	UNC Section D	<ul style="list-style-type: none"> <li>• Leave all times suitably detached from the start/end of Gas Day as-is</li> <li>• Change times related to start of the Gas Day (See section 3 Solution, table sub-section (b))</li> <li>• Change other times impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> </ul>
<b>Daily Quantities, Imbalances and Reconciliation</b>	UNC Section E	<ul style="list-style-type: none"> <li>• Leave all times related to the business day/working day as-is</li> <li>• Change time related to Incentivised Nomination Charges that are impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> </ul>
<b>Supply Points</b>	UNC Section G	<ul style="list-style-type: none"> <li>• Leave all times related to the business day/working day as-is</li> <li>• Change time related to the start of the Gas Day (See section 3 Solution, table sub-section (b))</li> </ul>
<b>Demand Estimation and Demand Forecasting</b>	UNC Section H	<ul style="list-style-type: none"> <li>• Change last LDZ Demand Forecasting time that can no longer operate at its current time (See section 3 Solution, table sub-section (d))</li> </ul>
<b>Supply Point Metering</b>	UNC Section M	<ul style="list-style-type: none"> <li>• Leave all times as-is</li> </ul>
<b>Operating Margins</b>	UNC Section K	<ul style="list-style-type: none"> <li>• Change time associated with Initial Input Nominations that is impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> </ul>
<b>Shrinkage</b>	UNC Section N	<ul style="list-style-type: none"> <li>• Leave time reference as-is</li> </ul>
<b>Emergencies</b>	UNC Section Q	<ul style="list-style-type: none"> <li>• Leave times detached from start/end of the Gas Day as-is</li> <li>• Change time associated with Storage Compensation Arrangements that is impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> </ul>
<b>Storage</b>	UNC Section R	<ul style="list-style-type: none"> <li>• Leave time reference as-is</li> </ul>

<b>Invoicing and Payment</b>	UNC Section S	<ul style="list-style-type: none"> <li>• Leave time reference as-is</li> </ul>
<b>UK Link</b>	UNC Section U	<ul style="list-style-type: none"> <li>• Change times related to start of the Gas Day (See section 3 Solution, table sub-section (b))</li> <li>• Change time associated with Contingency Arrangements that is impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> </ul>
<b>General</b>	UNC Section V	<ul style="list-style-type: none"> <li>• Leave all times detached from the start/end of the Gas Day as-is</li> <li>• Change times associated with quantity of LNG in store and SO commodity charge that relate to the start/end of the Gas Day (See section 3 Solution, table sub-section (b))</li> </ul>
<b>Energy Balancing Credit</b>	UNC Section X	<ul style="list-style-type: none"> <li>• Leave all time references as-is</li> </ul>
<b>National Grid LNG Storage</b>	UNC Section Z	<ul style="list-style-type: none"> <li>• Leave all times detached from the start/end of the Gas Day as-is</li> <li>• Change time associated with Storage Gas Transfer that is impacted by the Gemini outage time (See section 3 Solution, table sub-section (c))</li> </ul>
<b>Offtake Arrangements</b>	Offtake Arrangements Document (OAD)	<ul style="list-style-type: none"> <li>• Leave all time references as-is</li> </ul>

## 3 Solution

### a) UNC current definition and other related definitions

#### General Terms Section C - Interpretation

It is proposed that the 06:00 time references in the table below are changed to 05:00 within the General Terms Section of the UNC which contains the UNC current definition and other related definitions.

It is proposed that the 'Day' definition has to be changed to achieve legal compliance with the EU Network Codes. The other associated definitions are linked to the definition of the 'Day' and therefore also require amending for consistency and alignment of the UNC.

Definition	Document	Section	Clause
Day	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.1 (a)
Business Day	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.1 (b)
Calendar Day	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.2 (a)
Week	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.2 (b)
Month	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.2 (c)
Calendar Month	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.2 (d)
Year	General Terms Section C - Interpretation	2. Interpretation 2.2	2.2.2 (e)

### b) Specific UNC times that define the start/end of the Gas Day

As the 'Day' definition will be altered to start at 05:00, the UNC specific processes that commence when a new Gas Day begins will also require changing for the purpose of consistency and alignment.

It is proposed that the 06:00 time references in UNC Sections B, D, G, U and V that are associated with the start of the Day should be changed to 05:00 to align with the start of the new Day.

It is proposed that the 05:59 time contained in UNC Section V that is associated with the end of the Preceding Day should be changed to 04:59 hours to align with the end of the Day.

The table overleaf lists the specific sections and clauses impacted by this proposal.



Document	Section	Clause	No. Times References per Clause	New Times Proposed
Section B System Use & Capacity	2.4 Daily NTS Capacity	2.4.13	3 X 06:00	05:00
Section B System Use & Capacity	2.4 Daily NTS Capacity	2.4.14	1 X 06:00	05:00
Section B System Use & Capacity	2.4 Daily NTS Capacity	2.4.15	1 X 06:00	05:00
Section B System Use & Capacity	2.9 Curtailment of Interruptible NTS Entry Capacity	2.9.3	1 X 06:00	05:00
Section B System Use & Capacity	2.10 Surrender of NTS Entry Capacity	2.10.3	1 X 06:00	05:00
Section B System Use & Capacity	2.10 Surrender of NTS Entry Capacity	2.10.10	1 X 06:00	05:00
Section B System Use & Capacity	2.10 Surrender of NTS Entry Capacity	2.10.11	1 X 06:00	05:00
Section B System Use & Capacity	3.10 Curtailment of Off-peak Daily NTS Exit (Flat) Capacity	3.10.1	1 X 06:00	05:00
Section B System Use & Capacity	Annex - NTS Exit Capacity 3 – Capacity bids, capacity offers and capacity applications – 32	Annex B1 – 3.2	2 X 06:00	05:00
Section B System Use & Capacity	Annex – NTS Exit Capacity 3 -	Annex B1 – 3.9	2 X 06:00	05:00
Section D Operational Balancing and Trading Arrangements	Annex D-1 – Trading System Arrangements – 1 – Introduction	1.2	1 X 6:00	05:00
Section G Supply Points	Annex G-2 Mandatory Allocation Agency Terms - 2 Duration	Annex G-2-2	1 X 06:00	05:00
Section U UK Link	6.1 Contingency Arrangements – General	6.1.3	1 X 06:00	05:00
Section V General	Annex V-1	Aggregate physical LNG in store	1 X 05:59	04:59

Section V General	Annex V-2	SO Commodity Charge Information (week)	2 X 06:00	05:00
Section V General	Annex V-2	SO Commodity Charge Information (Formula Year)	1 X 06:00	05:00

### c) Specific UNC times impacted by the Gemini outage time

It is proposed that specified times in Sections B, C, D, E, K, Q, U and Z should be changed as they will no longer be able to operate at their current time due to the revised Gemini outage time as a consequence of the Gas Day change.

The table overleaf lists the specific sections, clauses and times impacted, and the new times proposed.

Document	Section	Clause	No. of Time References per Clause	New Times Proposed
Section B System Use & Capacity	2.4 Daily NTS Entry Capacity	2.4.15	1 X 04:00	03:00
Section B System Use & Capacity	2.13 Capacity Neutrality Arrangements	2.13.3	1 X 04:00	03:00
Section B System Use & Capacity	5.2 Capacity Transfer – Procedure	5.2.2	1 X 04:00	03:00
Section B System Use & Capacity	5.6 Daily NTS Capacity Transfer	5.6.2	1 X 04:00	03:00
Section C Nominations	4.1 Renomination – General	4.1.3	1 X 04:00	03:00
Section C Nominations	5.2 Trade Nominations – Content, timing and procedure	5.2.2	1 X 04:00	03:00
Section D Operational Balancing and Trading Arrangements	2.2 Trading Arrangements – Market Transactions and Trading Arrangements	2.2.1	1 X 04:00	03:00
Section D Operational Balancing and Trading Arrangements	Annex D-1 – Trading System Arrangements – 5 – Acceptance	5.1	2 X 03:35	02:35

Section E Daily Quantities, Imbalances and Reconciliation	5.3 – Imbalance – Incentivised Nominations Charges	5.3.5	1 X 04:00	03:00
Section K Operating Margins	1.3.3 – Introduction – National NTS as NTS User	1.3.3	1 X 04:00	03:00
Section Q Emergencies	7.2 Storage Curtailment Compensation Arrangements	7.2.1	1 X 04:00	03:00
Section U UK Link	6.1 Contingency Arrangements – General	6.1.3	1 X 04:00	03:00
Section Z National Grid LNG Storage Facilities	4.3 Procedure	4.3.3	1 X 04:00	03:00

#### d) Specific UNC associated process times

It is proposed that specific times associated with processes will no longer be able to operate at their current time to due operational constraints as a consequence of a change to the Gas Day.

The table overleaf lists the specific sections, clauses and times impacted, and the new times proposed.

Document	Section	Clause	No. of Time References per Clause	New Times Proposed
Section B System Use & Capacity	2.4 Daily NTS Entry Capacity	2.4.3	1 X 02:00	01:00
Section B System Use & Capacity	2.4 Daily NTS Entry Capacity	2.4.7	1 X 02:00	01:00
Section B System Use & Capacity	2.4 Daily NTS Entry Capacity	2.4.13	1 X 02:00	01:00
Section B System Use & Capacity	2.9 Curtailment of Interruptible NTS Entry Capacity	2.9.3	1 X 02:00	01:00
Section B System Use & Capacity	2.10 Surrender of NTS Entry Capacity	2.10.3	1 X 02:00	01:00
Section B System Use & Capacity	2.12 Overrun Charges	2.12.3	1 X 02:00	01:00
Section B System Use & Capacity	2.17 Force Majeure affecting capacity at an ASEP	2.17.5	1 X 01:00	00:00
Section B System Use & Capacity	3.10 Curtailment of Off-peak Daily NTS Exit (flat) Capacity	3.10.1	1 x 02:00	01:00

Section B System Use & Capacity	3.11 Surrender of Daily NTS Exit (flat) Capacity	3.11.2	1 X 02:00	01:00
Section B System Use & Capacity	Annex NTS Exit Capacity 3 – Capacity bids, capacity offers and capacity applications	Annex B1 – 3.2	1 X 02:00	01:00
Section C Nominations	5.2 Trade Nominations – Content, timing and procedure	5.2.3	1 X 07:00	06:00
Section H Demand Estimation and Demand Forecasting	5.2 – Daily Demand forecasting – LDZ Demand Forecasting	5.2.3	2 X 02:00	01:00

### User Pays

#### Classification of the modification as User Pays, or not, and the justification for such classification.

A Rough Order of Magnitude (ROM) has been obtained from the Transporters Agent which has indicated full system delivery costs for Modification 0461 to be in the region of £0.5 million. As this identifies a material change to Xoserve's system, this proposal could be classed as User Pays.

Modification 0461 seeks to amend the UNC to comply with EU Network Code delivery in the GB gas regime. It is part of a wider suite of UNC changes that will be proposed to achieve compliance with the EU Network Codes. National Grid NTS has been allocated funding through the RIIO-T1 price control process for EU market facilitation. National Grid expects to be able to utilise this funding to meet the costs of this EU-related change. Therefore no User Pays charges will be raised in relation to Modification 0461.

#### Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

Not applicable

#### Proposed charge(s) for application of User Pays charges to Shippers.

Not applicable

#### Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

Not applicable

## 4 Relevant Objectives

Impact of the modification on the <b>Relevant Objectives:</b>	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	Positive

### Impacts on Relevant Objective(s)

Implementation of this Modification will facilitate compliance with European legislative requirements by changing the definition of the GB Gas Day in the UNC to correspond with the definition of the Gas Day contained within the EU CAM code. Implementation therefore facilitates the Relevant Objective compliance with the Regulation and any relevant legally binding decisions of the European Commission.

Introducing a common Gas Day across the European Union is part of the package of changes that is being introduced to support the development of effective competition in the EU gas market. Moving to a gas day that is consistent with other EU countries may therefore be expected to further facilitate the securing of effective competition between Shippers and between Suppliers in the GB gas market.

### Initial Representations considered by the Workgroup

The Workgroup considered initial representations from four parties: Claims Validation Services Ltd (CVSL), Total E&P UK (TEPUK), Marathon Oil Norge AS (MONAS) and Marathon Oil UK (MOUK). All respondents objected to the proposed change of the Gas Day on the grounds that it would require extensive technical and contractual changes entailing significant costs. CVSL noted that the Claims Validation Information Agreement (CVIA) requires unanimous consent to enact changes and felt that this would be potentially impractical. While introducing costs to the market, it was also argued that there would be no benefits - the existing arrangements at the interconnectors to the UK successfully address cross-border timing differences.

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The Workgroup accepted that, where changes to systems, processes and/or contracts become necessary, changing the gas day will impose costs on affected parties, and that increasing the costs faced by the market could be regarded as running counter to the Relevant Objective of securing effective competition. However, the Workgroup also recognised that upstream arrangements are subject to regulations beyond the UNC and that a change in the legislative definition of the Gas Day, rather than the UNC definition, would be expected to impose the costs that have been identified. The Workgroup felt that it was the legislative change that should be regarded as driving both any upstream implications and the need to modify the UNC. As such, Modification 0461 should not be seen as creating the identified costs – if the external requirement to change the Gas Day did not exist, Modification 0461 would not have been raised.

## 5 Implementation

No implementation timescale is proposed.

CAM is to be implemented in the GB regime from 01 November 2015. Consistent with this, change to the definition of the Gas Day will need to be implemented no later than the implementation of the CAM network code.

While no implementation timescale is proposed, a practical and logical date for implementation of this modification would be 01 October 2015, corresponding with the beginning of the Gas Year whilst remaining compliant with the implementation date for the CAM European network code.

It is suggested that system compliance for implementation could be initiated on the Gas Day of 30th September 2015 in order for the Gas Day on 1st October 2015 to commence at 05:00. In reality this would mean that the Gas Day for 30th September 2015 is a 23 hour day operating from 06:00 to 05:00.

The Workgroup has discussed how historical data will be viewed once the change to the Gas Day is implemented and agreed that any data, pre-implementation date, will still be observed as a 06:00-06:00 Day.

## 6 Legal Text

### Text

The following text was provided by National Grid NTS.

#### **General Terms**

##### Section C - Interpretation

*Amend paragraph 2.2.1(a) to read as follows:*

- (a) "Day" means the period from ~~05:0006:00~~ hours on one day until ~~05:0006:00~~ hours on the following day;

*Amend paragraph 2.2.1(b) to read as follows:*

- (b) "Business Day" means (except for the purposes of TPD Sections G and M) a Day other than a Saturday or a Sunday or a Day which begins at ~~05:0006:00~~ hours on a bank holiday in England and Wales;

*Amend paragraph 2.2.2 to read as follows:*

2.2.2 Unless the context otherwise requires, a reference in the Code:

- (a) to a calendar day (such as 1 January) or a day of the week (such as Sunday) is to the Day which begins at ~~05:0006:00~~ hours on that day;
- (b) to a week is to the period from ~~05:0006:00~~ hours on a day until ~~05:0006:00~~ hours on the 7th day following;
- (c) to a month (or a number of months) is to the period from ~~05:0006:00~~ hours on a day in one month until ~~05:0006:00~~ hours on the same day of the month which follows (or follows by the relevant number of months), or if there is no such day in such month ~~05:0006:00~~ hours on the first day of the next following month;
- (d) to a calendar month is to the period from ~~05:0006:00~~ hours on the first day of a month until ~~05:0006:00~~ hours on the first day of the following month, and references to a particular calendar month (such as January) shall be construed accordingly;
- (e) to a year is to the period from ~~05:0006:00~~ hours on a day in one year until ~~05:0006:00~~ hours on the same day (or where the day in the first year was 29 February, on 1 March) in the following year;
- (f) to a calendar year (such as 1996) is to be construed accordingly.

#### **Transportation Principal Document**

##### Section B - System Use and Capacity

*Amend paragraph 2.4.3 to read as follows:*

2.4.3 A daily capacity bid:

- (a) may be submitted at any time from the 7th Day before the Gas Flow Day until ~~01:0002:00~~ hours on the Day for which the Daily NTS Entry Capacity is applied for; and
- (b) may, subject to paragraph 2.4.4, in the case of a fixed bid be withdrawn

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or amended and in the case of a reducing bid withdrawn, at any time before Daily NTS Entry Capacity is allocated in respect of such bid.

*Amend paragraph 2.4.7 to read as follows:*

2.4.7 For each Day (or part of each such Day) in respect of each Aggregate System Entry Point, where Available Daily Capacity is available National Grid NTS will initiate a capacity allocation period. For the avoidance of doubt, where Daily NTS Entry Capacity in respect of an Aggregate System Entry Point is applied for on the Day for which such Daily NTS Entry Capacity is required, National Grid NTS will initiate a capacity allocation period on each of the next hour bars falling thereafter, until such daily capacity bid is no longer available in accordance with 2.4.14, up to and including ~~01:0002:00~~ hours on such Day where Available Daily Capacity is available at that Aggregate System Entry Point.

*Amend paragraph 2.4.13(b) to read as follows:*

- (b) the "**bid effective time**" is the time on the hour in relation to a daily capacity bid being the later of:
  - (i) ~~05:0006:00~~ hours on the Gas Flow Day; or
  - (ii) the time falling no earlier than 60 minutes after Daily NTS Entry Capacity has been allocated in respect of such bid;

*Amend paragraph 2.4.13(c) to read as follows:*

- (c) a "**capacity allocation period**" is the period of 15 minutes, in which National Grid NTS conducts capacity allocation at an Aggregate System Entry Point for a Day, and which subject to there being Available Daily Capacity and available daily capacity bids at such time:
  - (i) first commences at 13:00 hours on the Preceding Day to that for which the Daily NTS Entry Capacity is applied for;
  - (ii) commences on any hour bar falling thereafter up to and including ~~01:0002:00~~ hours on the Day for which the Daily NTS Entry Capacity is applied for (but not thereafter);

*Amend paragraph 2.4.13(f) to read as follows:*

- (f) the "**reserve price**" shall mean:
  - (i) in respect of Daily NTS Entry Capacity applied for and allocated prior to ~~05:0006:00~~ on the Day for which it was applied for, the reserve price for Unsold NTS Entry Capacity (in accordance with National Grid NTS's Transportation Statement); or
  - (ii) in respect of Daily NTS Entry Capacity applied for and allocated after ~~05:0006:00~~ hours on the Day for which it was applied for, zero.

*Amend paragraph 2.4.14 to read as follows:*

2.4.14 A daily capacity bid is "**available**" where:

- (a) submitted and not withdrawn prior to the start of any capacity allocation period; and
- (b) the bid effective time is later than ~~05:0006:00~~ on the Gas Flow Day, the implied capacity rate is less than or equal to the available capacity rate at the relevant Aggregate System Entry Point

and for the avoidance of doubt, where Daily NTS Entry Capacity is allocated



in respect of a bid such bid shall be extinguished and no longer be available for the purposes of paragraph 2.7.

*Amend paragraph 2.4.15(b) to read as follows:*

- (b) the "capacity allocation effective time" is:
  - (i) where the capacity allocation period ends prior to ~~03:0004:00~~ hours on the Preceding Day, ~~05:0006:00~~ on the Gas Flow Day;
  - (ii) the hour bar following the next hour bar falling after the end of a capacity allocation period;

*Amend paragraph 2.9.3(b) to read as follows:*

- (b) the time ("**curtailment effective time**") with effect from which such curtailment is to take place, which shall be on the hour, shall not be earlier than ~~05:0006:00~~ hours nor later than ~~01:0002:00~~ hours on the Gas Flow Day, and shall not be less than 60 minutes after such notice is given; and

*Amend paragraph 2.10.3 to read as follows:*

2.10.3 A daily capacity offer:

- (a) may be submitted at any time from ~~05:0006:00~~ hours on the 7th Day before the Gas Flow Day until ~~01:0002:00~~ hours on the Day for which the NTS Entry Capacity is offered for surrender; and
- (b) may, subject to paragraph 2.10.4, in the case of a fixed offer be withdrawn or amended and in the case of a reducing offer be withdrawn, at any time before NTS Entry Capacity in such bid is selected for surrender.

*Amend paragraph 2.10.10(a) to read as follows:*

- (a) the "**offer effective time**" is the time on the hour in relation to a daily capacity offer being the later of:
  - (i) ~~05:0006:00~~ hours on the Gas Flow Day; and
  - (ii) the time not earlier than 60 minutes after Firm NTS Entry Capacity has been selected pursuant to such bid for surrender;

*Amend paragraph 2.10.11 to read as follows:*

2.10.11 A daily capacity offer is "**available**" where:

- (a) submitted and not withdrawn prior to the start of any capacity selection period; and
- (b) where the offer effective time is later than ~~05:0006:00~~ on the Gas Flow Day, the implied surrender rate is less than or equal to the available surrender rate at the relevant Aggregate System Entry Point

and for the avoidance of doubt, where Firm NTS Entry Capacity is selected for surrender pursuant to an offer such offer shall be extinguished and no longer be available for the purposes of this paragraph 2.10.

*Amend paragraph 2.12.3 to read as follows:*

2.12.3 The System Entry Overrun Charge shall be calculated as the amount of the overrun quantity multiplied by whichever is the greatest of:

- (a)  $(8 * A)$ , where 'A' is the highest bid price in relation to a capacity bid

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in respect of which NTS Entry Capacity was allocated following an invitation under paragraphs 2.2, 2.3 and 2.4; and

- (b)  $(1.1 * B)$ , where 'B' is the relevant average accepted offer price;
- (c)  $(1.1 * C)$ , where 'C' is the relevant average accepted forward price;
- (d)  $(1.1 * D)$ , where 'D' is the relevant average accepted exercise price; and
- (e)  $(1.1 * E)$ , where 'E' is the highest unit price accepted by National Grid NTS

where (a), (b), (c), (d) and (e) are calculated by reference to information available to National Grid NTS at ~~01:00~~ hours on the relevant Day.

*Amend paragraph 2.13.3 to read as follows:*

2.13.3 In relation to each Aggregate System Entry Point and a calendar month, National Grid NTS shall pay to each relevant User an amount ("**Capacity Revenue Neutrality Charge**") determined as:

$$RCR * UFAC / AFAC$$

where:

RCR is the Relevant Capacity Revenues;

UAFC is the aggregate sum of the User's Fully Adjusted Firm Available NTS Entry Capacity at each Aggregate System Entry Point; and

AFAC is the aggregate sum of all User's Fully Adjusted Firm Available NTS Entry Capacity at each Aggregate System Entry Point

in each case as determined at ~~03:00~~ hours on the relevant Day.

*Amend paragraph 2.17.5(g) to read as follows:*

- (g) the latest time by which a Force Majeure Option may be exercised; (which shall be no later than ~~00:00~~ hours on the Day);

*Amend paragraph 3.10.1(b) to read as follows:*

- (b) the time ("**exit curtailment effective time**") with effect from which such curtailment is to take place, which shall be on the hour, shall not be earlier than ~~05:00~~ hours nor later than ~~01:00~~ hours on the Gas Flow Day, and shall not be less than four (4) hours after such notice is given; and

*Amend paragraph 3.11.2(a) to read as follows:*

- (a) where, in relation to an NTS Exit Constraint, National Grid NTS wishes to accept daily capacity offers in respect of NTS Exit (Flat) Capacity, National Grid NTS will initiate a capacity selection period no earlier than 15:00 hours on D-1 and no later than ~~01:00~~ hours on Day D;

*Amend paragraph 5.2.2 to read as follows:*

5.2.2 A proposed System Capacity Transfer may not be notified later than ~~03:00~~ hours on the Day or first Day of the Transfer Period.

*Amend paragraph 5.6.2(d) to read as follows:*

- (d) a proposed System Capacity Transfer may not be notified earlier than 16:00 hours on the Preceding Day or later than ~~03:00~~ during the Transfer Period;

*Amend paragraph 3.2 of Annex B-1 to read as follows:*

3.2 A User may submit:

- (a) a capacity application in relation to an annual capacity notification during the Annual Application Window;
  - (b) a capacity bid or capacity offer in relation to a daily capacity invitation (in relation to Day D):
    - (i) for NTS Exit (Flat) Capacity at any time from ~~05:00~~~~06:00~~ hours on Day D-7 until:
      - (1) 00:00 hours on Day D for capacity bids;
      - (2) ~~01:00~~~~02:00~~ hours on Day D for capacity offers;
    - (ii) for Off-peak Daily NTS Exit (Flat) Capacity at any time from ~~05:00~~~~06:00~~ hours on Day D-7 until 14:00 hours on D-1
- (provided that bids or offers submitted after the commencement of a capacity allocation period or capacity selection period will not participate in the relevant allocation).

*Amend paragraph 3.9(b) of Annex B-1 to read as follows:*

- (b) such daily capacity bid or offer is **"available"** in relation to a capacity allocation or selection period where:
  - (i) such bid or offer was submitted and not withdrawn prior to the start of such capacity allocation or selection period;
  - (ii) if the allocation effective time is later than ~~05:00~~~~06:00~~ hours on the Gas Flow Day, the implied capacity rate is less than or equal to the available capacity rate; and
  - (iii) such bid or offer was not allocated or selected in any earlier capacity allocation or selection period;

*Amend paragraph 3.9(c) of Annex B-1 to read as follows:*

- (c) the **"earliest effective time"** is the later of:
  - (i) ~~05:00~~~~06:00~~ hours on the Day; and
  - (ii) the first hour bar which falls more than sixty (60) minutes after the capacity bid or offer was submitted;

## **Transportation Principal Document**

### Section C - Nominations

*Amend paragraph 4.1.3(b) to read as follows:*

- (b) earlier than the Renomination Start Time, or later than ~~03:00~~~~04:00~~ hours on the Gas Flow Day;

*Amend paragraph 5.2.2 to read as follows:*

- 5.2.2 A Trade Nomination may not be made:
- (a) earlier than 30 Days before the Gas Flow Day;
  - (b) later than ~~03:0004:00~~ hours on the Gas Flow Day.

*Amend paragraph 5.2.3(b) to read as follows:*

- (b) if the corresponding Trade Nomination is not submitted, in compliance with paragraph 5.2.1:
  - (i) where the first Trade Nomination was submitted before the Gas Flow Day, by ~~06:0007:00~~ hours on the Gas Flow Day;
  - (ii) otherwise, within 60 minutes before or after the first Trade Nomination was made;

## **Transportation Principal Document**

### **Section D - Operational Balancing and Trading Arrangements**

*Amend paragraph 2.2.1(h) to read as follows:*

- (h) in relation to a Physical Market Transaction the "**Contract Renomination Time**" is the later of 19:00 hours on the Day preceding the Market Offer Date and that time falling 60 minutes after notification by the Trading System Operator to National Grid NTS of the Transaction Details, but not later than ~~03:0004:00~~ hours on the Market Offer Date;

*Amend paragraph 1.2(h)(i) of Annex D-1 to read as follows:*

- (i) to effect a Physical Market Transaction:
  - (1) the "**Market Offer Specified Quantity**" is the quantity which would be the Trade Nomination Quantity in respect of the Trade Nominations to be made where the Market Offer to effect such Physical Market Transaction is accepted in full;
  - (2) the "**Market Offer Derived Rate**" is the rate in kWh/Day calculated as the Market Offer Specified Quantity multiplied by 24 and divided by the period in hours from the Transaction Effective Time to the end of the Gas Flow Day;
  - (3) the "**Market Offer Specified Rate**" is the rate in kWh/Day which would be equivalent to the Trade Nomination Quantity in respect of the Trade Nominations to be made where the Market Offer to effect such Physical Market Transaction is accepted in full and in relation to which the Transaction Effective Time is on or before ~~05:0006:00~~ hours on the Market Offer Date;
  - (4) the "**Market Offer Derived Quantity**" is the quantity equivalent to the Market Offer Specified Rate divided by 24 and multiplied by the period in hours from the Transaction Effective Time to the end of the Gas Flow Day;

*Amend paragraph 5.1 of Annex D-1 to read as follows:*

- 5.1 Except in the case of Multi-Day Balancing Transactions, Market Offers in respect of a Market Offer Date will be capable of acceptance by Trading Participants between 12:00 hours on the Day preceding the Market Offer Date and ~~02:3503:35~~ hours on the Market Offer Date. Market Offers in respect of Multi-Day Balancing Transactions will only be capable of acceptance by Trading Participants between 12:00 hours on the Day preceding the first Day to which the Multi-Day Balancing Transaction relates and ~~02:3503:35~~ hours on

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the first Day to which the Multi-Day Balancing Transaction relates.

### **Transportation Principal Document**

#### **Section E - Daily Quantities, Imbalances and Reconciliation**

*Amend paragraph 5.3.5 to read as follows:*

5.3.5 A Forecast Daily Imbalance Nomination may be submitted no earlier than 30 Days before the Gas Flow Day and no later than ~~03:00~~~~04:00~~ hours on a Gas Flow Day.

### **Transportation Principal Document**

#### **Section G - Supply Points**

*Amend clause 2 of Annex G-2 to read as follows:*

##### **2. Duration**

This Agreement shall become effective at ~~05:00~~~~06:00~~ hours on the date specified in Part 6 of the Schedule and shall continue in force until and unless terminated by agreement of all of the Shippers.

### **Transportation Principal Document**

#### **Section H - Demand Estimation and Demand Forecasting**

*Amend paragraph 5.2.3 to read as follows:*

5.2.3 The Transporter will notify demand under paragraph 5.2.1 after receipt of weather data under paragraph 5.1.1 not later than the following times: 14:00, 18:00 hours, and ~~01:00~~~~02:00~~ hours on the Preceding Day and 12:00 hours, 15:00 hours, 18:00 hours, 21:30 hours and ~~01:00~~~~02:00~~ hours on the Gas Flow Day.

### **Transportation Principal Document**

#### **Section K - Operating Margins**

*Amend paragraph 1.3.3 to read as follows:*

1.3.3 The general provisions of the Code are (as provided in the relevant Section) modified in respect of their application to National Grid NTS for Operating Margins Purposes as follows:

- (a) Balancing Neutrality Charges and Reconciliation Neutrality Charges are not payable by or to National Grid NTS for Operating Margins Purposes;
- (b) Initial Input Nominations may be made at any time up to ~~03:00~~~~04:00~~ hours on the Gas Flow Day.

### **Transportation Principal Document**

#### **Section Q - Emergencies**

*Amend paragraph 7.2.1 to read as follows:*

7.2.1 On each Day that Storage Curtailment occurs, then each User will submit to National Grid NTS by ~~03:00~~~~04:00~~ hours on the Day that Storage Curtailment occurs a CQ<sub>SCP</sub> Statement detailing the User's Estimated Individual Storage

Curtailment Compensation Quantity in respect of each Storage Connection Point at which Storage Curtailment occurred and a SCCQ Statement detailing the User's Estimated Aggregate Storage Curtailment Compensation Quantity. Not later than 17:00 hours on the first Business Day following the Day that Storage Curtailment occurs, National Grid NTS will advise each User that submits a SCCQ Statement, in accordance with this paragraph, of the amount payable by National Grid NTS pursuant to paragraph 7.2.2.

## **Transportation Principal Document**

### Section U - UK Link

*Amend paragraph 6.1.3 to read as follows:*

- 6.1.3 A Code Contingency may (where so specified in the Contingency Procedures) include:
- (a) a degradation in performance of UK Link which falls short of a failure thereof (where the Contingency Procedures are likely, having regard to such degradation, to provide a superior method of communicating);
  - (b) planned UK Link downtime which occurs other than between ~~03:00~~~~04:00~~ hours and ~~05:00~~~~06:00~~ hours on any Day.

## **Transportation Principal Document**

### Section V - General

Amend the sixth row of the table in Annex V-1 to read as follows:

<p>The aggregate physical LNG in store (in kWh) at LNG Importation Facilities at <del>04:5905:59</del> hours on the Preceding Gas Flow Day: provided that, where not all LNG Importation Facilities have provided such data to National Grid NTS by the time specified in the next column as being the time for publication, then National Grid NTS shall publish that such aggregate is unknown (and shall not be required to publish the information received from any LNG Importation Facility).</p>	<p>By 16:00 hours on each Day</p>	<p>Tabular</p>	<p>Viewable</p>	<p>Public</p>
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*Amend the key at the end of Annex V-2 to read as follows:*

Where:

- t means the relevant Formula Year;
- t-1 means the Formula Year prior to the relevant Formula Year;
- week means the seven day period from ~~05:0006:00~~ hours on a Monday until ~~05:0006:00~~ hours on the following Monday;
- throughput means (actual inputs to the System + sum of UDQOs) / 2
- Relevant SO Incentive Schemes means exit capacity investment incentive, system balancing incentive and internal cost incentive schemes as defined by the Licence;
- Licence means the Transporter's Licence;
- Formula Year means a period of twelve months commencing on 1 April at ~~05:0006:00~~ hours.

**Transportation Principal Document**

Section Z - National Grid LNG Storage Facilities

*Amend paragraph 4.3.3 to read as follows:*

4.3.3 A proposed Storage Transfer or a proposed Storage Gas Transfer may not be notified later than ~~03:0004:00~~ hours on the transfer date or (as the case may be)

Day or first Day of the Storage Transfer Period. A proposed Storage Injectability Transfer or a proposed Storage Deliverability Transfer may not be notified later than one (1) hour prior to the commencement of the Storage Transfer Period.



## 7 Recommendation

The Workgroup invites the Panel to:

- AGREE that this modification should be submitted for consultation.