#### **Text 0464**

TPD Sections A, B, D I and R to be amended as per below

# **TPD Section A 1.7 Scottish Independent Networks**

#### 1.7 Scottish Independent Networks

- 1.7.1 Subject to paragraph 1.7.5, each of the separate pipeline networks located in Scotland at Thurso, Wick, Campbeltown and Oban provisioned with LNG, and at Stranraer with gas, is a "Scottish Independent Network".
- 1.7.2 Except where otherwise provided and where the context otherwise requires, a reference to the Total System includes a reference to the Scottish Independent Networks.
- 1.7.3 A System Exit Point on a Scottish Independent Network is a "SIN" System Exit Point.
- 1.7.4 For the purposes of the Code:
  - (a) without prejudice to paragraph (b) (ii), each Scottish Independent Network shall be treated as being a separate LDZ the area of which is one separate Exit Zone;
  - (b) <u>in respect of each Scottish Independent Network</u> there shall (simultaneously) be:
    - (i) a deemed to be in relation to each such Exit Zone an NTS
      Exit Point ("SIN NTS Exit Point"), being a NTS/LDZ
      Offtake, at which the gas referred to in Sections B1.9.2(a)
      and B1.9.2(b) is deemed to flow out of the NTS and into such Scottish Independent Network-; and
    - (ii) a System Entry Point in respect of each Scottish Independent Network (other than Stranraer) at which the regasified liquefied natural gas referred to in Section B1.9.2(c) is injected into such Scottish Independent Network.
- 1.7.5 Pursuant to an arrangement set out or described in the relevant CSEP Ancillary Agreement, the separate pipeline network located at Stranraer is supplied with gas taken from the Total System at a Connected System Exit Point and conveyed by means of pipes operated other than by a Transporter (and not forming part of the Total System); and accordingly in any provision of the Code referring to LNG Facilities, a reference to a Scottish Independent Network does not include the network at Stranraer.

# **TPD Section B 1.9 Scottish Independent Networks**

#### 1.9 Scottish Independent Networks

- 1.9.1 References in this Section B to the Total System include references to the Scottish Independent Networks.
- 1.9.2 In order to enable Users to offtake gas from the Total System at Scottish Independent Network Supply Point Components:
  - (a) except as provided in paragraph (b) but in addition to paragraph (c), the relevant DN Operator maywill arrange with a Storage Operator(s) to hold Storage Space (as defined in Section R) in and inject gas into a Storage Facility(ies) in which gas is stored as LNG, and for LNG to be lifted from those facilities and transported by road tanker to and discharged to LNG storage and regasification plants at each Scottish Independent Network;
  - (b) in relation to the Scottish Independent Network at Stranraer, the relevant DN Operator will arrange for gas to be taken from the Total System at Connected System Exit Point and conveyed to that network pursuant to the arrangements referred to in Section A1.7.5.
  - (c) in relation to each of the Scottish Independent Networks at Thurso, Wick, Oban and Campbeltown respectively, the relevant DN Operator may, in addition to paragraph(a), act as a Delivery Facility Operator in the operation of a Connected Delivery Facility (being a liquefied natural gas storage and regasification plant connected to such Scottish Independent Network) to enable liquefied natural gas to be lifted from any facility (whether such facility is located in or outside of the United Kingdom) other than one of the National Grid LNG Storage Facilities and transported by road tanker and discharged to such Connected Delivery Facility.

# 1.9.3 For the purposes of the Code:

- (a) there shall be deemed to be capacity in the NTS at the Scottish Independent Network NTS Exit Point;
- (b) the relevant DN Operator shall hold NTS Exit Capacity at such Scottish Independent Network NTS Exit Point;

- (c) NTS Exit Capacity may be held by Users at the Scottish Independent Network NTS Exit Point;
- (d) for the purposes of paragraph 3.13 there will be deemed on each Day to be a gas flow out of the NTS at the Scottish Independent Network NTS Exit Point:
  - (i) in respect of each Scottish Independent Network other than Stranraer, of any gas referred to in Section B1.9.2(a) and the amount of such gas shall be equal to: (A) the aggregate amount of gas offtaken by each User on that Day from the Total System at Scottish Independent Network Supply Point Components in respect of such Scottish Independent Network; Less (B) the amount of any gas referred to in Section B1.9.2 (c) that is properly nominated by such User (in accordance with Section E and relevant Network Entry Provisions and Local Operating Procedures) for injection on that Day at the relevant System Entry Point in respect of that Scottish Independent Network; and
  - (ii) in respect of the Scottish Independent Network at Stranraer, of any gas referred to in Section B1.9.2(b) and the amount of such gas shall be in respect of (and equal to the aggregate amount of) the offtake of gas offtaken by each User on that Day from the Total System on that Day at Scottish Independent Network Supply Point Components in respect of the Stranraer Scottish Independent Networkby each User on a Day.

## **TPD Section D 1.7 Scottish Independent Networks**

#### 1.7 Scottish Independent Networks

- 1.7.1 References in this Section D to the NTS do not include references to the Scottish Independent Networks.
- 1.7.2 Injection of gas to LNG Facilities for the purposes described in Section B1.9.2(a) will take place only at certain times of the year and not at a uniform rate through the year; and accordingly quantities delivered by Users to the Total System with a view to balancing the quantities offtaken from the Scottish Independent Networks will at certain times of the year exceed, and at others be less than, the quantities offtaken from the Total System for injection into LNG Facilities for such purposes.
- 1.7.3 National Grid NTS will manage and account for the differences in quantities referred to in paragraph 1.7.2 as changes in NTS Linepack (potentially giving rise to or contributing to Operational Balancing Requirements) each Day; and will not be treated as a User of the NTS in so doing.
- 1.7.4 In accordance with paragraph 1.7.3, Storage Injection Nominations made by the Transporter for the purposes referred to in paragraph 1.7.2 will not take effect as Output Nominations.

## **TPB Section I -- Entry Requirements**

#### 1 GENERAL

#### 1.1 Introduction

- 1.1.1 The provisions of this Section I shall apply in respect of the delivery of gas to the Total System at System Entry Points.
- 1.1.2 Users delivering gas to the Total System at a System Entry Point shall comply with the relevant requirements of this Section I.
- 1.1.3 Nothing in the Code confers on any person any entitlement to have any pipeline, plant or other installation connected to the Total System for the purposes of delivering gas to the Total System.
- 1.1.4 The provisions of this Section I shall not apply in respect of gas flows at Inter-System Offtakes.

#### 1.2 Connected Delivery Facility

- 1.2.1 For the purposes of this Section I a "Connected Delivery Facility" is a single facility or system (comprising pipeline(s), plant and/or other installations), operated by one person (or jointly operated by several persons), and connected to the Total System at one or more Individual System Entry Points.
- 1.2.2 Without prejudice to paragraph 1.1.3, a Connected Delivery Facility may be:
  - (a) a facility for processing gas produced (and transported to such facility) from offshore or onshore oil or gas fields;
  - (b) a facility for the storage of gas;
  - (c) the pipeline system operated by another gas transporter;
  - (d) a pipeline interconnector by which gas is transported from another country;
  - (e) any other pipeline or pipeline system; or
  - (f) a facility for the commingling of gas, at which gas is offtaken from the NTS and commingled with other gas prior to the commingled gas being delivered to the NTS-; or

- a facility for the storage and regasification of liquefied natural gas which delivers gas to a Scottish Independent Network located at Oban, Thurso, Wick or Campbeltown and in relation to which facility the DN Operator (of the relevant connected Scottish Independent Network) acts as the Delivery Facility Operator.
- 1.2.3 A "**Delivery Facility Operator**" is the operator of a Connected Delivery Facility.
- 1.2.4 A Connected Delivery Facility may (in accordance with Section J1.4.6) also be a Connected Offtake System.

## 1.3 Network Entry Agreement

- 1.3.1 Subject to paragraphs 1.3.7 and 1.6, a User may not deliver gas to the Total System at any System Entry Point unless there is in force an Agreement ("Network Entry Agreement") to which the parties include both the Transporter and the Delivery Facility Operator, containing Network Entry Provisions and (if not incorporated into the Network Entry Provisions) Local Operating Procedures applicable in respect of the System Entry Point.
- 1.3.2 For the purposes of the Code "**Network Entry Provisions**" are terms and conditions or other provisions which specify requirements (for the purposes of the Code) in respect of the delivery of gas to the Total System.
- 1.3.3 Where in relation to a Connected Delivery Facility there is (in accordance with paragraph 1.4.2) more than one System Entry Point the Network Entry Provisions applicable in respect of each System Entry Point may be contained in one Network Entry Agreement.
- 1.3.4 A Network Entry Agreement may contain provisions other than Network Entry Provisions.
- 1.3.5 The existence of a Network Entry Agreement shall not relieve Users of any obligation under the Code, and the Transporter shall not be required (for itself or for the benefit of any User) to secure in a Network Entry Agreement any remedy against the Delivery Facility Operator nor to take steps to enforce any provision of a Network Entry Agreement.
- 1.3.6 There may be other persons (in addition to the Transporter and the Delivery Facility Operator) party to a Network Entry Agreement; but a

User shall not (in its capacity as User) be required or entitled to be a party to a Network Entry Agreement.

1.3.7 Paragraph 1.3.1 shall not apply (and a Network Entry Agreement shall not be required) in respect of the delivery of gas to a Scottish Independent Network from any Connected Delivery Facility falling within the definition in paragraph1.2.2 (g) in circumstances where the relevant DN Operator (of that Scottish Independent Network) is also acting as the Delivery Facility Operator of such Connected Delivery Facility, provided always that the relevant DN Operator has in place (for each LDZ System Entry Point in respect of that Scottish Independent Network) Network Entry Provisions and, if applicable, Local Operating Procedures.

#### 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 A DNO will allow the delivery of gas at an LDZ System Entry Point both:
  - in accordance with an LDZ System Network Entry
    Agreement in respect of that LDZ System Entry Point
    (in accordance with Standard Special Condition D12
    of the DNO's Gas Transporter Licence); and
  - (b) without the requirement for an LDZ System Network
    Entry Agreement, in the circumstances specified in
    Section I1.3.7 and Section I1.6 respectively, provided
    the delivery of such gas is in accordance with the
    relevant Network Entry Provisions and, if applicable,
    the relevant Local Operating Procedures.
- 3.11.3 In respect of an LDZ System Entry Point:
  - (a) Section B1.2.7, 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:

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 E2;
- 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 accordance with the Network Entry Provisions, each LDZ System Entry Point User's Input Nomination shall be determined as:

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.

# TPD Section R 1.10 - SINs and National Grid LNG Storage

# 1.10 Scottish Independent Networks, and National Grid LNG Storage and other liquefied natural gas storage

The relevant Transporter will enter into an arrangement with National Grid LNG Storage (in accordance with Section Z) in respect of a National Grid LNG Storage Facility, pursuant to which the relevant Transporter may withdraw gas from the facility as LNG loaded on to road tankers, fFor the purposes of enabling the relevant Transporter to provide Scottish Independent Networks with LNG as provided in Section B1.9.2, the relevant Transporter may enter into arrangements with:

- (a) National Grid LNG Storage (in accordance with Section Z) in respect of any National Grid LNG Storage Facility, pursuant to which the relevant Transporter may withdraw gas from the facility as LNG loaded on to road tankers and discharge such LNG into any Scottish Independent Network (other than Stranraer); and/or
- (b) any person in respect of any other liquefied natural gas storage facility (whether such facility is located in or outside of the United Kingdom), pursuant to which the relevant Transporter (or any other person) may withdraw gas from such facility as liquefied natural gas loaded on to road tankers, and discharge such liquefied natural gas into any Connected Delivery Facility referred to in Section I1.2.2(g) in respect of a Scottish Independent Network.