

## EU CODES - MODIFICATION 0510V - LEGAL DRAFTING - EXPLANATORY TABLE

### Sections A, C and D of the European Interconnection Document (EID)

#### Notes

1. The table is based on the legal drafting for Modification 0510-~~submitted by NGG to the Joint Office on 16 January (Final Text)~~V.
2. Modification 0510V relates to the reform of the Gas Allocation Regime at GB Interconnection Points.

EID	Topic	BRDs	Explanation
<b>EID Section A</b>			
1.3.3	Physical flows at Interconnection Points		Sets out various minor amendments to paragraph 1.3.3, which deals with where physical flow at an Interconnection Point is permitted in one direction only (the forward Direction).
2.3.5	Direction		Inserts a new paragraph 2.3.5, which states that except in relation to a Day on which physical flows of gas occurs at an Interconnection Point in both Directions: <ul style="list-style-type: none"> <li>(a) the Direction in which physical flow occurs is the <b>forward</b> Direction;</li> <li>(b) the other Direction is the <b>reverse</b> Direction.</li> </ul>
<b>EID Section C</b>			
1.6.2	Nominated Quantity		Sets out a minor amendment to paragraph 1.6.2, which deals with the meaning of references to Nominated Quantity in respect of any Day, User, Interconnection Point and Direction.
<b>EID Section D</b>			
1.1	Introduction		Introduces EID Section D which provides for the determination of the quantities of gas treated as delivered to and offtaken from the NTS at an Interconnection Point.

1.2.1	Interpretation: Definitions		Provides definitions in relation to a Day and an Interconnection Point: <ul style="list-style-type: none"> <li>▪ <b>Measured Quantity</b></li> <li>▪ <b>Aggregate Nominated Quantity</b></li> <li>▪ <b>Net Aggregate Nominated Quantity</b></li> <li>▪ <b>Steering Difference</b></li> <li>▪ <b>Cumulative Steering Difference</b></li> <li>▪ <b><u>Scheduled Correction</u></b></li> </ul>
1.2.2	Steering difference		Provides clarity that the steering differences calculated on either side of the Interconnection Point will be equal (because of nominations matching). While not strictly necessary, this explanation is useful - the arrangements depend on the quantities as calculated on both sides being equal.
1.2.3	Interpretation: Definitions		Provides definitions in relation to an Interconnection Point: <ul style="list-style-type: none"> <li>▪ <b>Operational Balancing Account</b></li> <li>▪ <b>Steering Tolerance</b></li> </ul>
1.2.4	Interpretation: calculating quantities		For the purpose of calculating quantities in EID Section D, quantities delivered to the NTS shall be positive and quantities offtaken from the NTS shall be negative.
1.3	Interpretation: provisions of the TPD which do not apply		Specifies provisions of the TPD which do not apply (because replaced by the 0510 <u>V</u> rules).
2.1	Allocations - OBA day: Entry quantities		Sets out how entry quantities of gas will be allocated on OBA days (i.e. except when 3 applies).  Neither Users nor User Agents may submit Entry Allocation Statements in respect of an Interconnection Point.

2.2	Allocations - OBA day: Exit quantities		Sets out how exit quantities of gas will be allocated on OBA days (i.e. allocated as nominated).  Neither Users nor User Agents may submit Exit Allocation Statements in respect of an Interconnection Point.
3	Non-OBA Days		<p>The proportional allocation rules in EID D3 are intended to recognise that adjacent TSOs at different interconnection points may operate slightly different allocation rules. By way of example:</p> <ul style="list-style-type: none"> <li>• allocation based on hourly nominations could, on a Non-OBA Day where there are both forward and reverse physical flows, give rise to different results as compared with proportional allocation based on the net physical flow;</li> <li>• while NGG's 'default' allocation attributes steering difference only to forward flow nominations (on a Non-OBA day), an interconnector operator may attribute the difference to both forward and reverse flow nominations;</li> <li>• at Moffat, allocation (on a Non-OBA day) of the Moffat metered quantity among NGG shippers based on UNC nominations may give a different result from allocating the metered (or deemed metered) quantities for NI and ROI separately among shippers (based on their NI and ROI nominations) and summing those allocations.</li> </ul> <p>The UNC allocation must match the Adjacent TSO allocation. EID D3 is therefore drafted to allow for different bases of allocation by the Adjacent TSO at different interconnection points.</p>
3.1	Non-OBA Day		Sets out what circumstances constitute a <b>Non-OBA Day</b> (broadly, that (i) the Cumulative Steering Difference <a href="#">(or in the case within paragraph 3.4 the forecast Cumulative Steering Difference)</a> exceeds the Steering Tolerance, and (ii) that conditions under the Interconnection Agreement are met).
3.2.1	Conditions for allocation to follow Adjacent TSO		<p>In order for UNC allocation to follow the Adjacent TSO's allocation, certain conditions have to be met:</p> <ul style="list-style-type: none"> <li>• The IA must 'switch on' this approach (3.2.1(a))</li> <li>• On a particular Day, the Adjacent TSO must have sent to National Grid NTS, by exit close-out, the relevant data - ie allocations to IS Users for each nomination (enabling an</li> </ul>

			<p>allocation match between User and Counterparty IS User at nomination level);</p> <ul style="list-style-type: none"> <li>The net sum of the Adjacent TSO's allocated quantities <a href="#">and any Scheduled Correction</a> must add to the metered quantity on the Day <a href="#">(subject to paragraph 3.4.3)</a></li> </ul>
3.2.2	Basis for allocation to follow Adjacent TSO		<p>If the conditions are satisfied:</p> <ul style="list-style-type: none"> <li>A User's entry allocation (UDQI) is the total of the allocations (by the Adjacent TSO) to that User's Counterparty IS Users in respect of their matched nominations;</li> <li>The Entry Point Daily Quantity Delivered (which will be a 'virtual' quantity where there are nominations in both directions) is the total of all Users entry allocations;</li> <li>The same applies to exit allocations;</li> <li>Because the day is a Non-OBA day, the CSD is unchanged (ie no SD for the day) <a href="#">(subject to paragraph 3.4)</a></li> </ul>
3.2.3	Revised allocation		The Adjacent TSO may update its allocation, up to exit close-out. Exit close-out is chosen as the earlier of the two close-out dates (exit allocations could not be varied after that date)
3.2.4	Provisional allocations		Where under the UNC indicative settlement / balancing information is to be published ahead of exit close-out, if the Adjacent TSO has not yet sent valid data, the default allocation rules in 3.3 will be used provisionally
3.2.5	Adjacent TSO allocations		National Grid NTS is not expected to query the allocations it receives from the Adjacent TSO (assuming the conditions in 3.2.1(b) and (c) are met) - it would have no basis for doing so.
3.3	Default allocation		Para 3.3 sets out the allocation rules where 3.2 does not apply
3.3.1	Default allocation		The default allocation rules in 3.3 apply if the 'Adjacent TSO allocation' mechanism in 3.2 is not switched on in the IA, or on a day the necessary data is not obtained by exit close-out.
3.3.2(a)	Basis of allocation - forward direction		<p>In the forward direction:</p> <ul style="list-style-type: none"> <li>if it is NTS entry, the (virtual) Entry Point Daily Quantity Delivered (EPDQD) is the forward metered flow, <a href="#">any Scheduled Correction</a> plus the total amount of nominations in the reverse direction. (This follows the approach in TPD Section E1.9.)</li> </ul>

			<ul style="list-style-type: none"> <li>the existing TPD rules for allocation (in the absence of valid claims statements) apply. This follows the EID approach of using existing UNC rules where applicable. Under TPD Section E2.1.8 and 2.1.9 (if valid allocation claims are not received), the EPDQD is allocated pro rata input nominated quantities (or if there were no nominations, in the same proportions as on the preceding day).</li> </ul> <p>If the forward direction is NTS exit, the same applies based on the equivalent TPD Section E rules for default exit allocation at CSEPs.</p>
3.3.2(b)	Basis of allocation - reverse direction		In the reverse direction, nominations are allocated whole, ie the normal rules in EID Section D2 apply.
3.3.2(c)	Steering difference		Because the day is a Non-OBA day, the CSD is unchanged (ie no SD for the day)
<a href="#">3.4.1</a>	<a href="#">Hourly allocation</a>		<a href="#">Explains that the paragraph applies in relation to an Interconnection Point at which the Adjacent TSO allocates quantities on an hourly basis (i.e. currently only applicable in relation to the BBL Interconnection Point).</a>
<a href="#">3.4.2</a>	<a href="#">Hourly allocation - forecast</a>		<p><a href="#">Where paragraph 3.4 applies the Adjacent TSO may, at anytime during the day, forecast the CSD for that day. If at any time the forecast CSD for the day exceeds the Steering Tolerance, the TSOs may agree that it is a Non-OBA Day.</a></p> <p><a href="#">For such a day the Adjacent TSO will determine the Part-Day Steering Difference for those hours of the day for which the Adjacent TSO allocates quantities based on confirmed hourly nomination quantities (rather than a proportional allocation) from the hourly steering difference for each such hour.</a></p> <p><a href="#">This is because BBL receives nominations from its shippers and provides allocations to them on an hourly basis and BBL is not able to retrospectively adjust allocations for the hours of the gas day which have already passed; it is only able to implement proportional allocation prospectively.</a></p>
<a href="#">3.4.3</a>	<a href="#">Hourly allocation</a>		<p><a href="#">States that in relation to a Non-OBA Day pursuant to paragraph 3.4.2:</a></p> <ul style="list-style-type: none"> <li><a href="#">for the purposes of paragraph 3.2.1(c), the Measured Quantity shall be adjusted by the Part-Day Steering Difference;</a></li> <li><a href="#">for the purposes of paragraph 3.2.2(e), the Steering Difference shall be equal to the</a></li> </ul>

			<a href="#">Part-Day Steering Difference</a>
4.1	Revisions of Measured Quantity		Sets out the rules in relation to revisions to the Measured Quantity for a Day. The decision whether the Day is a Non-OBA Day is not changed, but (up to exit close-out) the Cumulative Steering Difference is adjusted to reflect the revision.
4.2	Scheduling Charges		States that Scheduling Charges are not payable in respect of Interconnection Points.
<b>Transition Document - Part VA</b>			
Modification 0510 <u><a href="#">V</a></u> inserts a new paragraph 5 into Transition Document Part VA.			
5.1	Effective from Gas Flow Day		States that the provisions of EID Section D will be effective from the Gas Flow Day 1 October 2015.
5.2	EID Section D1.2.1(e)		Sets out when the Cumulative Steering Difference is zero for the purposes of EID Section D1.2.1(e).

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