

Action 1101: NGT (PL) to clarify the difference between the **Maximum permitted rate** in accordance with paragraphs 3.10.2 and 3.10.3 and how is it different from the capitalised **Maximum Permitted Offtake** and whether they should be the same.

The term ‘**maximum permitted rate**’ (my assumption is that this is the intended phrase the action is referring to, as opposed to the stated “Maximum permitted rate” – with capitalised ‘M’) is set out in TPD J3.10.1 as being “*in accordance with paragraph 3.10.2*”. Thus, whilst this is not a UNC defined term in the traditional sense (i.e. capitalised and in bold), it’s intended meaning is nevertheless signposted as being as set out in the specific paragraphs identified. Its intended meaning is therefore explicitly defined and, in the case of an NTS Supply Point or a NTS Connected System Exit Point, is as set out in J3.10.2.(b).

I was unable to locate the term ‘**Maximum Permitted Offtake**’ in TPD J, nor is it included in the Defined Terms Listing within the General Terms of the UNC. The most similar term to this in TPD J is ‘**Maximum NTS Exit Point Offtake Rate**’ in TPD J 3.10.5(f). This is defined in TPD B 3.6.6 and appears to be a quantification determined by NGT (presumably based on physical capability of the offtake) as opposed to maximum permitted offtake for which, in the case of an NTS Supply Point or a NTS Connected System Exit Point, is a function of the Shipper User’s NTS Exit (Flat) Capacity.

I have extracted and highlighted the relevant UNC wording below:

## TPD J: EXIT REQUIREMENTS

### 3 OFFTAKE OF GAS FROM THE SYSTEM

#### 3.10 User offtake obligations: NTS Exit Points and Inter-System Offtakes

##### 3.10.1 A:

- (a) Shipper User is not entitled to offtake gas from an NTS Supply Point or NTS Connected System Exit Point;
- (b) DNO User is not entitled to offtake gas from the upstream System at an Inter-System Offtake

at a rate which exceeds the **maximum permitted rate** in accordance with paragraph 3.10.2 or 3.10.3 (as applicable), and shall take all reasonable steps to ensure that gas is not offtaken at such a rate.

##### 3.10.2 The **maximum permitted rate** in respect of:

- (b) an NTS Supply Point or a NTS Connected System Exit Point, is a rate calculated as:

$$(C_{\text{FLAT}} / 24)$$

where  $C_{\text{FLAT}}$  is the Shipper User’s NTS Exit (Flat) Capacity.

##### 3.10.5 In the case of an NTS Exit Point National Gas Transmission will not be obliged under any provision of the Code to make gas available for offtake from the NTS by a User:

- (a) at any time, at a rate which exceeds the **maximum permitted rate** (in accordance with paragraph 3.10.2);
- (d) at any time, at a rate which exceeds the **Maximum NTS Exit Point Offtake Rate**.

## TPD B: SYSTEM USE AND CAPACITY

### 3 NTS EXIT CAPACITY

#### 3.6 Release of Off-Peak Daily NTS Exit (Flat) Capacity

- 3.6.6 In respect of an NTS Exit Point the "**Maximum NTS Exit Point Offtake Rate**" is an amount (where positive) determined as the instantaneous rate of offtake (in kWh/hour) which the Transporter determines to be the maximum instantaneous rate at which it is feasible to make gas available for offtake at the NTS Exit Point.
- 3.6.7 No later than the date from which gas may be first offtaken from a New NTS Exit Point National Gas Transmission will notify the User of the **Maximum NTS Exit Point Offtake Rate**.
- 3.6.8 A User shall take all reasonable steps to ensure that it is made aware of any change to the size or nature of, or the nature of use of, gas facility which uses gas offtaken by the User at an NTS Exit Point and shall notify National Gas Transmission of any such change as soon as reasonably practicable after being so aware.
- 3.6.10 Within five (5) Business Days of becoming aware of such change under paragraph 3.6.8 or of receiving notice under 3.6.9, the User shall provide to National Gas Transmission:
- (a) reasonable details of the change;
  - (b) the date on which the change occurred; and
  - (c) details of the reasons for the change.
- 3.6.11 Where National Gas Transmission determines that it will be feasible to revise the **Maximum NTS Exit Point Offtake Rate** at an NTS Exit Point following receipt by National Gas Transmission of a notice under paragraph 3.6.10, it will notify the User of the revised **Maximum NTS Exit Point Offtake Rate**; and the date from which the revised rate may become effective.
- 3.6.2 For the purposes of Annex B-1, in relation to the capacity invitation pursuant to this paragraph 3.6 in respect of a Day (D):
- (b) the amount of Off-peak Daily NTS Exit (Flat) Capacity subject to such capacity invitation in respect of each NTS Exit Point shall be:
    - (ii) where at 13:30 hours on Day D-1 the prevailing Forecast Total System Demand for Day (D) is less than 80% of the 1-in-20 peak day demand, the **Maximum NTS Exit Point Offtake Rate** multiplied by 24, less the aggregate amount of Firm NTS Exit (Flat) Capacity held by Users