

UNIFORM NETWORK CODE – OFFTAKE ARRANGEMENTS DOCUMENT

SECTION F

DETERMINATION OF CALORIFIC VALUE

1 General

1.1 Introduction

1.1.1 This Section F sets out:

- (a) provisions for the avoidance or minimisation of CV shrinkage;
- (b) terms for the provision by one Party to another of data for the purposes of determining daily CVs;
- (c) the basis on which DNOs will determine daily CVs for their respective charging areas.

1.2 Daily CVs

1.2.1 The Parties acknowledge that:

- (a) each DNO is required, pursuant to the Regulations, to determine daily CVs for its charging area(s);
- (b) for each DNO, daily CVs for each charging area are to be determined pursuant to regulation 4A of the Regulations or on declaration; and
- (c) as at the date of this Document, each LDZ represents a single charging area.

1.3 Information

1.3.1 All information and other data to be provided by any Party to another pursuant to this Section F shall be provided at the times, in the formats and by the means provided in or pursuant to Section M.

1.4 CDSP Functions

1.4.1 The Agency Functions of the CDSP to support implementation of this Section F are to:

- (a) determine daily CVs on behalf of each DNO for each charging area within the area of the DNO's System.

2 CV Shrinkage

2.1 General

2.1.1 The Parties acknowledge that:

- (a) CV shrinkage arises in circumstances where the daily CV is determined under paragraph 4A(1)(b) of the Regulations (that is, where the average calorific values referred to in that paragraph diverge to such an extent that area calorific value exceeds the lowest of such average calorific values by more than 1MJ/m³); and

- (b) this may, inter alia, occur where apparatus at an input point or output point fails to determine calorific values for a period exceeding 8 hours as provided in paragraph 4A(7) of the Regulations.

2.1.2 By virtue of Section D1.1.4(b), CV shrinkage is treated as arising in the NTS and accordingly is part of NTS Shrinkage for which (pursuant to the TPD Section N) National Gas Transmission is responsible as Shrinkage Provider.

2.2 Minimisation of CV Shrinkage

2.2.1 The Parties acknowledge that (in relation to each LDZ) National Gas Transmission and each DNO have a common interest in avoiding or minimising the amount of CV shrinkage, and the Parties agree to cooperate with a view to avoiding or minimising the amount of CV shrinkage each Day.

2.2.2 In particular, if National Gas Transmission provides guidance to the DNO as to the pattern of gas flows as between NTS/LDZ Offtakes serving an LDZ which may avoid or minimise the amount of CV Shrinkage, the DNO will endeavour subject to commercial and operational considerations to take account of such guidance in its Offtake Profile Notices and revisions thereof.

2.2.3 Nothing in this paragraph 2.2 shall give rise to any liability of any Party to any other Party, but without prejudice to paragraph 2.3.

2.3 Rights in relation to measurement equipment

2.3.1 This paragraph 2.3 applies in order to provide assurance to National Gas Transmission as to the correctness and accuracy of the measured data from time to time used by DNOs in deriving average calorific values (for its input points and output points) for the purposes of determining daily CVs.

2.3.2 In relation to each input point and output point (other than an NTS/LDZ Offtake) on each System, the provisions of Section D (excluding the provisions referred to in paragraph 2.3.4 below) shall apply as between the relevant DNO and National Gas Transmission as if:

- (a) all such input points and output points were NTS/LDZ Offtakes; and
- (b) references to the upstream Party were to National Gas Transmission.

2.3.3 For the purposes of paragraph 2.3.2:

- (a) the DNO has furnished to National Gas Transmission at the date of this Document a statement of the Measurement Equipment installed at each such input point and output point, in the form and containing the details which would be required to be contained in Appendices B and D of the Supplemental Agreement relating to an NTS/LDZ Offtake; and
- (b) such statement shall be deemed to be a Supplemental Agreement for the purposes of the application of Section D.

2.3.4 The provisions of Section D which are excluded for the purposes of paragraph 2.3.2 are provisions:

- (a) relating to measurement of matters (or points of telemetry) other than volume, energy and calorific value; or
- (b) as to the provision of measured data by telemetry.

3 Provision of CV data between Parties

3.1 Application

- 3.1.1 This paragraph 3 applies where at any time the DNO (the "**first**" Party) provides to National Gas Transmission (the "**second**" Party), any data ("**CV data**") (except as per 3.1.2 where National Gas Transmission (the "**second**" Party) provide data to the DNO (the "**first**" Party)) relating to its System or any point on its System (including without limitation daily calorific values adopted by the second Party, average calorific values determined at an alternative place, or other data derived from samples of gas taken at any place or premises).
- 3.1.2 The second Party shall inform the first Party of any changes to the configurations of the NTS, including commissioning and decommissioning of assets, that may impact the list of measured offtakes and the first, second and third alternative sites thereto to be used in the determination of the Calorific Value "**Attribution Map**".
- 3.1.3 If necessary, the second Party shall collaborate with the first Party to ensure suitable changes to the Attribution Map are derived.

3.2 Continuation of data provision

- 3.2.1 Subject to paragraph 3.2.2, and subject to any contrary agreement between such Parties:
- (a) the first Party shall continue to provide the CV data to the second Party and shall keep installed, maintain and operate any apparatus and other facilities for the time being installed for the purposes of the determination and provision of such CV data (but this shall not prevent the first Party from modifying or replacing any such apparatus or facilities, provided that the modification or replacement does not adversely affect the quantity or nature of the CV data provided by the first Party);
 - (b) the second Party shall be permitted to use the CV data for the purposes of discharging relevant obligations under the UNC or its Gas Transporter's Licence.
 - (c) the first Party shall not make any charge to the second Party for the provision of such CV data; and
 - (d) the first Party will determine and provide the CV data as a Reasonable and Prudent Operator, but (provided that it has acted in good faith, and without prejudice to paragraph 2) the first Party shall have no liability to the second Party (or any other Party) for any loss, liability, damage or claim which the second Party may suffer or incur as a result of any act, omission or failure of the first Party in the determination or provision of the CV data.
- 3.2.2 The first Party shall be entitled, upon giving notice of not less than 6 months to the second Party:
- (a) to discontinue the provision of such CV data;
 - (b) to impose on the second party a change to any charge made (or introduce a charge where none is otherwise made) for the provision of CV data to the second party (and in such case the charge imposed shall be reasonable); and
 - (c) to modify or replace the apparatus or other facilities installed by it, irrespective of the effect of such modification or replacement on the CV data provided by it.

4 Arrangements for Determination of Daily CVs

4.1 Processes

- 4.1.1 To enable determinations of daily CVs, each DNO shall:
- (a) provide a full description of the basis on which daily CVs in respect of its LDZ are (from time to time, and in any applicable circumstances, including without limitation pursuant to paragraphs (5)(b) or (c), (6) or (7) of regulation 4A, where applicable) to be determined and the arrangements made by the DNO for such determination; and

- (b) provide each Day the information necessary for the determination (on the applicable basis specified by the DNO under paragraph (a)) of daily CVs, including average calorific value and volume (for the Day) for each input point and output point, and notice of any failure of apparatus as referred to in paragraph 4A(7) of the Regulations.

4.1.2 National Gas Transmission shall provide each Day the relevant information necessary for the determination of daily CV's, to include those points on the NTS impacting the CV such determination as agreed between National Gas Transmission and DNOs.

4.1.3 For the avoidance of doubt, the CDSP shall have no responsibility under this paragraph 4 for the obtaining or determination of average calorific value or volume (or other data) relating to particular input points and output point, or as to the correctness or accuracy of such data.

4.2 Changes

4.2.1 If a DNO proposes to make any change ("**relevant change**") to the basis (as referred to in paragraph 4.1.1(a) on which its daily CVs are determined or arrangements for such determination, including any such change as described in paragraph 4.2.2, the DNO shall give notice (of not less than 6 months, or such other period as the CDSP and the DNO may agree) to allow the CDSP to take such steps as are necessary to implement such change.

4.2.2 A relevant change includes:

- (a) electing under the Regulations to change the definition of a charging area;
- (b) adding or removing any input points or output points for its charging area(s);
- (c) changing any of the processes or arrangements made for the application of paragraphs (5)(b) or (c), (6) or (7) of regulation 4A, where applicable; or
- (d) changing the configuration of any calorific value measurement equipment at any input point or output point.