

MODIFICATION 0761

ARRANGEMENTS FOR INTERCONNECTORS WITH ADDITIONAL STORAGE CAPABILITY

Proposed Legal Text

UNIFORM NETWORK CODE

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION A – SYSTEM CLASSIFICATION

Add new paragraph 1.5.3 to read:

- 1.5.3 In relation to a Storage-Enabled Interconnector, pursuant to TPD Section R4, the ISC Point is separately a Storage Connection Point and an Interconnection Point.

SECTION B – SYSTEM CAPACITY

Amend paragraph 2.11.6 to read as follows:

- 2.11.6 The General Non-Transmission Services Charge payable by a User in respect of each Day will be determined for each NTS Entry Point, excluding Storage Connection Points (and in the case of an ISC Point as provided for in accordance with TPD Section R4.7.2), as the User Daily Quantity Input multiplied by the Applicable Commodity Rate for such charge as determined under Section 4 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.

Amend paragraph 3.12.7 to read as follows:

- 3.12.7 The General Non-Transmission Services Charge payable by a User in respect of each Day will be determined:

- (a) for each System Exit Point excluding Storage Connection Points (and in the case of an ISC Point as provided for in accordance with TPD Section R4.7.2), as the User Daily Quantity Output;

- (b) ...

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SECTION E – DAILY QUANTITIES, IMBALANCES AND RECONCILIATION

Add new paragraph 1.15 to read:

1.15 ISC Points

- 1.15.1 Paragraphs 1.9, 2 and 3 are subject to Section R4.6 in relation to a Storage Connection Point which is an ISC Point.

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SECTION R – STORAGE

Amend paragraph 1.2.1 to read:

1.2.1 For the purposes of the Code:

- (a) a "**Storage Facility**" is, subject to paragraph 4.2.1(a), a facility: ...

Add new paragraph 4 as follows:

4 STORAGE-ENABLED INTERCONNECTOR

4.1 Introduction

4.1.1 A **Storage-Enabled Interconnector** is an Interconnector in relation to which the following conditions are met:

- (a) physical flows of gas are permitted in both directions (as provided in EID Section A1.3.1) at the Interconnection Point;
- (b) the Adjacent TSO has determined that (in addition to its function of transporting gas between the NTS and another gas transmission system) the Interconnector can be used for the purposes of storing gas (as described in paragraph 1.2.1(a)(iii)), wishes to offer a service for such storage to its users, and has established (whether as part of the Adjacent TSO Rulebook or separately) Storage Terms for such purpose;
- (c) the Adjacent TSO has confirmed to National Grid that the storage service does not allow injection from or withdrawal to the other gas transmission system (but National Grid NTS is not required to investigate or verify this confirmation);
- (d) terms have been agreed and are in force between National Grid NTS and the Adjacent TSO which provide:
- (i) for the matters which the Code requires to be included in a Storage Connection Agreement;
- (ii) for the matters set out in paragraph 4.3; and
- (e) the Interconnection Agreement has been modified so as to reflect and be consistent with the terms referred to in paragraph (d) and the arrangements under this paragraph 4.

4.1.2 Terms agreed for the purposes of paragraph 4.1.1(d) may be contained in an amendment of the Interconnection Agreement or a separate Storage Connection Agreement.

4.1.3 The System Point at which a Storage-Enabled Interconnector is connected to the NTS is an **Interconnector-Storage Connection Point** or **ISC Point**.

4.1.4 In this paragraph 4, references:

- (a) to **transportation use**, are to use of the NTS at an ISC Point for purposes of delivering or offtaking gas for transportation in the Interconnector;

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- (b) to **storage use**, are to use of the NTS at an ISC Point for purposes of offtaking or delivering gas for injection to or withdrawal from storage in the Interconnector;
- (c) to an IS User, include a user of a Storage-Enabled Interconnector for purposes of storage;
- (d) to the ISC Point, in the context of NTS Entry Capacity, include the IP ASEP in which it is comprised.

4.1.5 In this paragraph 4, terms have the meanings given in the European Interconnection Document or (unless inconsistent therewith) other parts of the Code.

4.2 Application of Code

4.2.1 For the purposes of the Code, as it applies in relation to an ISC Point for the purposes of storage use, except as otherwise provided in this paragraph 4:

- (a) the Storage-Enabled Interconnector is a Storage Facility;
- (b) the ISC Point is a Storage Connection Point and (for the purposes of TPD Section Y) a Storage Site Point;
- (c) the Adjacent TSO is a Storage Operator;
- (d) references to the Storage Connection Agreement include the Interconnection Agreement to the extent that it contains the provisions referred to in paragraph 4.1.1(d).

4.2.2 For the purposes of the Code, as it applies in relation to an ISC Point for the purposes of transportation use, except as otherwise provided in this paragraph 4 and unless the context otherwise requires:

- (a) references to the Storage-Enabled Interconnector exclude such Interconnector as Storage Facility;
- (b) the ISC Point is an Interconnection Point (and further references in this paragraph 4, except for paragraph 4.4.4, to an Interconnection Point are to the ISC Point for transportation use, and do not include the Storage Connection Point);
- (c) references to the Interconnection Agreement exclude its provisions (if any) as they take effect as a Storage Connection Agreement.

4.2.3 Notwithstanding paragraph 4.2.1, EID Section A1.5 (as to reference temperatures) applies in respect of the ISC Point as a whole (including in relation to quantities at the Storage Connection Point).

4.2.4 The terms referred to in paragraph 4.1.1(d):

- (a) are Network Entry Provisions and Network Exit Provisions for the purposes of TPD Sections [I2.1.1, I2.2, J6.1.1 and J6.4]; and
- (b) are also Interconnection Provisions for the purposes of EID Section A4.1, to the extent that their operation affects the operation of any Interconnection Provisions in relation to the Interconnection Point.

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4.3 Storage Connection Terms

4.3.1 The Adjacent TSO is to provide to National Grid NTS, in relation to each Day, a statement setting out:

- (a) in relation to each IS User:
 - (i) each User for which the IS User is Counterparty IS User;
 - (ii) in relation to each such User, the Interconnected System Capacity (separately for each Direction) held or treated as held on the Day (pursuant to the Storage Terms) by the IS User for storage;
- (b) a quantity (the **Storage Measured Quantity**), and its Direction, which represents the aggregate physical quantity treated (pursuant to the Storage Terms) as having flowed on the Day at the ISC Point in respect of storage use (and reflecting the net amount of Users' exit and entry flows at the ISC Point for storage use).

4.3.2 The matters referred to in paragraph 4.3.1(a) and (b) are determined by the Adjacent TSO, and National Grid NTS has no responsibility to investigate or verify any such matter.

4.3.3 If for a Day the Adjacent TSO does not provide (by the time and on the basis specified in the Storage Connection Agreement) to National Grid NTS the details in paragraph 4.3.1(a), the Adjacent TSO shall be deemed to have notified National Grid NTS that no IS User holds Interconnected System Capacity on that Day for storage.

4.4 Interconnection Point Capacity

4.4.1 System Capacity at an ISC Point is:

- (a) allocated to and held by Users as Interconnection Point Capacity, and accordingly:
 - (i) subject to Bundling, Surrender, Withdrawal (subject to paragraph 4.4.5), transfer by System Capacity Transfer, and Conversion in accordance with EID Section B;
 - (ii) subject to Capacity Management in accordance with TPD Section B; and
- (b) otherwise subject to the provisions of the Code, except as expressly provided in this paragraph 4

on an undivided basis, as Interconnection Point Capacity, without separation between transportation use and storage use.

4.4.2 For the purposes of this paragraph 4, the User's Registered Interconnection Point Capacity at an ISC Point on a Day is treated as held (separately as to NTS Entry Capacity and NTS Exit (Flat) Capacity, and notwithstanding EID Section A2.2.2) on the basis of the following allocation:

- (a) first, at the Storage Connection Point, in an amount determined as the least of:
 - (i) the User's Registered System Capacity at the ISC Point, excluding Existing Registered Holding in the case of NTS Entry Capacity;

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- (ii) the Interconnected System Capacity held by the Counterparty IS User for purposes of storage, as notified by the Adjacent TSO as referred to in paragraph 4.3.1(a);
 - (iii) the User's Storage UDQI (for NTS Entry Capacity) or Storage UDQO (for NTS Exit Capacity) in accordance with paragraph 4.6.3;
- (b) then, at the Interconnection Point, as to the balance of the User's Registered Interconnection Point Capacity at the ISC Point after deducting the amount in paragraph (a);

and in applying this rule, Interruptible Interconnection Point Capacity is allocated before Firm Interconnection Point Capacity.

4.4.3 For the purposes of this paragraph 4, the User's Available Interconnection Point Capacity at an ISC Point on a Day is treated as held (separately as to NTS Entry Capacity and NTS Exit (Flat) Capacity):

- (a) at the Storage Connection Point, in an amount determined as the least of:
 - (i) the User's Available Interconnection Point Capacity at the ISC Point, Excluding Existing Available Holding in the case of NTS Entry Capacity;
 - (ii) the Interconnected System Capacity held by the Counterparty IS User for purposes of storage, as notified by the Adjacent TSO as referred to in paragraph 4.3.1(a); and
 - (iii) the User's Storage UDQI or Storage UDQO (as applicable);
- (b) at the Interconnection Point, as to the balance (if any) of the User's Available Interconnection Point Capacity at the ISC Point after deducting the amount in paragraph (a).

4.4.4 Where the IP ASEP comprises two Interconnection Points:

- (a) if both are ISC Points, the quantities in paragraphs 4.4.2(a)(ii) and (iii) and 4.4.3(a)(ii) and (iii) are aggregated over both Storage Connection Points;
- (b) paragraphs 4.4.2(b) and 4.4.3(b) apply to the IP ASEP excluding Storage Connection Point(s).

4.4.5 In relation to an ISC Point, the CMP LTUIOLI Guidance Document determines whether or to what extent EID Section B8 applies in respect of utilisation of Available Interconnection Point Capacity which is treated as held at the Storage Connection Point.

4.5 Nominations

4.5.1 In relation to an ISC Point:

- (a) Users must make separate Nominations in respect of the Storage Connection Point and the Interconnection Point;

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- (b) Nominations in respect of the Storage Connection Point and the Interconnection Point are each to be made in accordance with, and are subject to processing and Matching in accordance with, EID Section C;
- (c) accordingly, Confirmed Nomination Quantities are determined separately for the Storage Connection Point and the Interconnection Point.

4.5.2 For the purposes of EID Sections C3.1 and C3.3:

- (a) adjustments in respect of Processed Nomination Quantities shall be determined (in accordance with those Sections) on the basis of each User's aggregate Nominations (in the relevant Direction) in respect of both the Storage Connection Point and the Interconnection Point;
- (b) for each User a proportionate adjustment (by reference to the adjustment amount and the Confirmed Nomination Quantities) shall be made to each of the User's Nominations.

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4.5.3 EID Section C3.2 applies in respect of Processed Nomination Quantities under Nominations in respect of both the Storage Connection Point and the Interconnection Point.

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<#>then, as to the balance (if any) of the adjustment amount, to its Nomination in respect of the Storage Connection Point.¶

4.6 Allocation

4.6.1 In relation to a ISC Point, the Measured Quantity (MQ) (as defined and determined under EID Section D1.2.1(a), disregarding the reference to TPD Section E1.9.1(a)) for each Day is separated into:

- (a) a quantity at the Storage Connection Point, being the Storage Measured Quantity (SMQ) notified by the Adjacent TSO as referred to in paragraph 4.3.1(b);
- (b) a quantity (the **Transportation Measured Quantity**) at the Interconnection Point, calculated as $(MQ - SMQ)$ (with MQ and SMQ each having sign consistent with Direction).

4.6.2 EID Section D applies for the purposes of determining a User's UDQI and UDQO in respect of the Interconnection Point (respectively, **Transportation UDQI** and **UDQO**) for a Day, on the basis that in that Section:

- (a) references to Nominations are to Nominations in respect of the Interconnection Point; and
- (b) for the purposes of EID Section D3, where it applies, references (other than in Section D1.2.1(a)) to Measured Quantity are to the Transportation Measured Quantity (and Steering Differences are determined accordingly).

4.6.3 A User's UDQI and UDQO in respect of the Storage Connection Point (respectively, **Storage UDQI** and **UDQO**) for a Day are determined in accordance with TPD Section E and the Storage Connection Agreement on the basis that references:

- (a) in TPD Section E1.9 to the measured quantity are to the Storage Measured Quantity;
- (b) in TPD Sections E2 and E3 to Nominations are to Nominations in respect of the Storage Connection Point.

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4.7 Transportation Charges, Overrun Charges and Scheduling Charges

4.7.1 For the purposes of TPD Sections B2.11.3 and B3.12.4, in relation to a ISC Point, the NTS Entry Capacity and NTS Exit (Flat) Capacity for which discounted Capacity Charges are payable is the System Capacity at the Storage Connection Point determined under paragraph [4.4.2(a)] (where discounted Capacity Charges means Capacity Charges at an Applicable Daily Rate calculated applying the Specific Point Discount for Storage Site Points under TPD Section Y2.8.4(a)).

4.7.2 For the purposes of TPD Section B2.11.6 and B3.12.7(a), in relation to a ISC Point, the quantities in respect of which General Non-Transmission Service Charges are not payable by a User at the Storage Connection Point are the Storage UDQO and the Storage UDQI.

4.7.3 For the purposes of TPD Section B2.12, in relation to a ISC Point:

- (a) System Entry Overrun Charges shall be calculated separately on the basis of:
 - (i) an overrun quantity determined on the basis of the aggregate Available NTS Entry Capacity held by the User at the IP ASEP (disregarding paragraphs 4.4.2 and 4.4.3) and the net aggregate of the User's Storage UDQI and Transportation UDQI;
 - (ii) an overrun quantity determined in respect of the Storage Connection Point on the basis of the Available NTS Entry Capacity treated (under paragraph 4.4.3(a)) as held by the User at the Storage Connection Point and the User's Storage UDQI;
- (b) the User shall pay whichever is the higher of the System Entry Overrun Charges calculated under paragraphs (a)(i) and (a)(ii).

4.7.4 For the purposes of TPD Section B3.13, in relation to a ISC Point:

- (a) Chargeable NTS Exit (Flat) Overruns are determined separately:
 - (i) in respect of the Storage Connection Point, on the basis of the User's Available NTS Exit (Flat) Capacity treated (under paragraph [4.4.3(a)]) as held at the Storage Connection Point and the User's Storage UDQO; and
 - (ii) in respect of the Interconnection Point, on the basis of the User's Available NTS Exit (Flat) Capacity treated (under paragraph 4.4.3(b)) as held at the Interconnection Point and the User's Transportation UDQO; and
- (b) separate NTS (Exit) Flat Overrun Charges are payable accordingly.

4.7.5 For the purposes of TPD Section ~~B9~~ and Section Y, Part A-1, paragraph 5, in relation to a ISC Point:

- (a) the Storage Connection Point is not an Eligible Entry Point or Eligible Exit Point;
- (b) in relation to the Interconnection Point (where a User has made a CNCCD Election), references in TPD Section 8.3:
 - (i) to the User's Registered System Capacity, are to such capacity treated (under paragraph 4.4.2(b)) as held at the Interconnection Point;

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- (ii) to the User's Fully Adjusted Available System Capacity, are to such capacity treated (under paragraph 4.4.3(b)) as held at the Interconnection Point;
- (iii) to the User's UDQI or UDQO are to such quantities determined under paragraph 4.6.2.

4.7.6 For the purposes of TPD Section ~~E2.1.1~~, in relation to a ISC Point:

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- (a) the Input Scheduling Quantity is determined on the basis of the aggregate of the User's Confirmed Nomination Quantities in respect of the Storage Connection Point and the Interconnection Point and the aggregate of the User's Storage UDQI and the Transportation UDQI;
- (b) a single Scheduling Charge is payable accordingly.

4.7.7 For the purposes of TPD Section E3.2.1, in relation to a ISC Point:

- (a) Output Scheduling Quantities are determined separately:
 - (i) in respect of the Storage Connection Point, on the basis of the User's Confirmed Nomination Quantity in respect of the Storage Connection Point and the User's Storage UDQI;
 - (ii) in respect of the Interconnection Point, on the basis of the User's Confirmed Nomination Quantity in respect of the Interconnection Point and the User's Transportation UDQI;
- (b) separate Scheduling Charges are payable accordingly.

SECTION Q – EMERGENCIES

Add new paragraph 1.1.6 to read:

1.1.6 In this Section Q:

- (a) references to a Storage Facility do not include a Storage-Enabled Interconnector;
- (b) references to a Storage Connection Point do not include an ISC Point as Storage Connection Point;
- (c) an ICS Point is treated solely as an Interconnection Point.

EUROPEAN INTERCONNECTION DOCUMENT

SECTION A – GENERAL

Add new paragraph 1.1.7 to read:

1.1.7 This Document is subject to TPD Section R4 in relation to an Interconnection Point which is an ISC Point.

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