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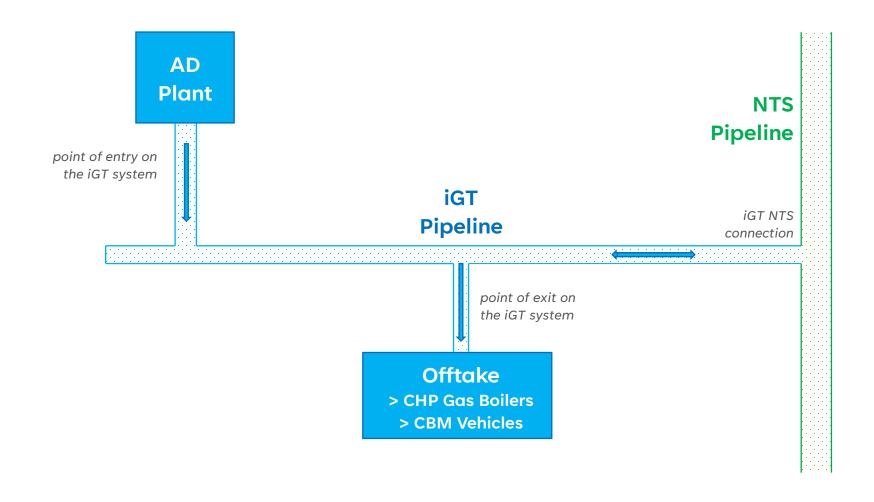
Potential Regime Rules to Facilitate Physical Arrangement: Initial Thoughts

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Physical Overview



Business Rules 1

Element	High Level Rules
Daily Flow Nominations	Shipper/s provide daily entry and exit nominations to reflect expected commercial volumes to be delivered/offtaken at each of the points of entry / exit on the iGT system
Energy Balancing (Gas Allocations)	If one shipper at each point of entry / exit on the iGT system: each Shipper's allocation is equal to the measurement at the relevant point of entry / exit on the iGT system If more than one shipper at a point of entry / exit on the iGT system: Shipper allocations (provided by an allocation agent) in aggregate equal to the measurement at the relevant point of entry / exit on the iGT system Such volumes deemed to have entered/exited the Total System at the iGT / NTS connection (each Shipper/s allocated an entry (UDQI) and / or exit volume (UDQO) at the iGT / NTS connection) and counted only once for the purposes of energy balancing
Scheduling Charges	Assessment of Shipper liability for scheduling charges (i.e. its nomination at point of entry / exit on the iGT system vs allocation at point of entry / exit on the iGT system)

Business Rules 2

Element	High Level Rules
Incentive to procure Capacity	iGT (for this purpose a User of the NTS) incentivised to procure entry or exit capacity at the iGT / NTS connection to cover the physical net flow volume and direction on that day. [as per DNs at NTS Offtakes] Shippers not incentivised to procure such capacity
Capacity Overruns	Assessment of iGT (for this purpose a User of the NTS) liability for overrun charges (i.e. its allocation at iGT / NTS connection vs capacity at the iGT /NTS connection)
Physical Measurement	No metering at iGT / NTS connection Metering at points of entry (AD) and exit (CHP gas boilers/CBM vehicles) on iGT system. All such points to be Daily Metred
Flow Notifications	iGT obliged to provide NGT with flow notifications for net flows (DFN for net entry to NTS, OPN for net exit from NTS) at the iGT / NTS connection

Business Rules 3

Element	High Level Rules
Gas Entry Conditions	iGT obliged to ensure that gas deliveries to NTS at the iGT / NTS connection meet the Gas Entry Conditions (pressure, composition, de-odourised etc)
Capacity Charges	iGT liable for Transmission Services Entry and / or Exit capacity charges at the iGT / NTS connection
Commodity (flow) Charges	Each Shipper liable for Entry and / or Exit General Non-Transmission Services charges based on gas deemed to have flowed at the iGT / NTS connection (i.e. allocations based on measurement at points of entry / exit on the iGT system)
Shrinkage	Meter errors leaks etc within the IGT system would manifest as NTS shrinkage

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Potential UNC Change Required

High Level Change

Recognise new point type (bi-directional)

Requirement for agreement of entry and exit provisions at new point type

Include iGT as a User (for use of the NTS)

Ability of NGT to apply charges to iGT at these points

Deeming principle

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Thank you

