

MODIFICATION 0862

AMENDMENT TO THE CURRENT UNIDENTIFIED GAS RECONCILIATION PERIOD ARRANGEMENTS

[Proposed] legal text

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION E – DAILY QUANTITIES, IMBALANCES AND RECONCILIATION

Amend paragraph 7 to read as shown below:

7 UNIDENTIFIED GAS RECONCILIATION

7.1 Introduction

7.1.1 The Parties agree and acknowledge that:

- (a) the quantity of gas determined pursuant to Section H2.6 as Unidentified Gas in a LDZ for a Day (D) will depend on the estimation of demand (for Class 3 and 4 Supply Meter Points) pursuant to the provisions of Section H2.2 (as well as the quantities determined as offtaken at Class 1 and 2 Supply Meter Points);
- (b) each Offtake Reconciliation for which the Reconciliation Metered Period includes Day D therefore implies an adjustment in the Unidentified Gas for the relevant LDZ for that Day (and accordingly in the quantity of gas allocated to each User as User LDZ Unidentified Gas), as does any LDZ Reconciliation in accordance with paragraph 7;
- (c) in accordance with paragraph 1.8.2, no change is to be made in respect of User LDZ Unidentified Gas after the Exit Close-Out Date;
- (d) accordingly, Unidentified Gas Reconciliation shall be carried out as a reconciliation and adjustment in respect of the adjustments in Unidentified Gas referred to in paragraph (b);
- (e) the quantities subject to Unidentified Gas Reconciliation are quantities equal in aggregate and opposite to the net aggregate quantities subject to Offtake Reconciliation in an LDZ over the Reconciliation Billing Period.

7.1.2 ~~Subject to paragraph 7.5, for For~~ each Reconciliation Billing Period and for each LDZ:

- (a) ~~the an "Unidentified Gas Reconciliation PeriodMonth" is the period of 12 months of 12 months ending with (and including) the Reconciliation Billing Period a month in respect of which:~~
 - (i) ~~for Offtake Reconciliation undertaken in the Reconciliation Billing Period in relation to System Exit Points in that LDZ, a Day in any Reconciliation Metered Period falls;~~

(ii) for LDZ Reconciliation undertaken in the Reconciliation Billing Period for that LDZ, a relevant Day falls (being the Day for which an adjustment is made in accordance with paragraph 7.3.1);

Formatted: Indent: Left: 2.54 cm, Hanging: 1.27 cm

(b) in relation to an Unidentified Gas Reconciliation Month the "**Aggregate Reconciliation Quantity**" and "**Aggregate Reconciliation Clearing Value**" are the net aggregate respectively of the Reconciliation Quantities and of the Reconciliation Clearing Values:

(i) for System Exit Points in that LDZ for which Offtake Reconciliation was undertaken (as referred to in Section S1.1.3(f)); and/or

(ii) in respect of LDZ Reconciliation in respect of that LDZ which was undertaken

Formatted: Indent: Left: 2.54 cm, Hanging: 1.27 cm

in that Reconciliation Billing Period insofar as such quantities and values (determined in accordance with paragraphs 6.2.2 and 6.2.5) are attributable to a Day in the Unidentified Gas Reconciliation Month;

Formatted: Indent: Left: 2.54 cm, First line: 0 cm

(c) for the purposes of paragraph (b), Reconciliation Quantities and Reconciliation Clearing Values include adjustments to Reconciliation Values made in a Reconciliation Billing Period pursuant to paragraph 6.5.2(c);

(d) for each User the "**User Aggregate LDZ Quantity**" is, for an Unidentified Gas Reconciliation Month, the amount determined as:

Sd Sr AUPRDQOrd

where:

Sd is the sum over all Days (d) in the Unidentified Gas Reconciliation PeriodMonth;

Sr is the sum over all Supply Meter Points (other than Isolated Supply Meter Points) in the relevant LDZ of which the User is Registered User on Day 'd' and all Metered Connected System Exit Points in the relevant LDZ in relation to which the User is a CSEP User on Day 'd';

and where, for each System Exit Point 'r' and each Day 'd' AUPRDQOrd is the Prevailing Reconciled Daily Quantity Offtaken as determined as at the 10th Day of the month following the Reconciliation Billing Period, or (in the case of a Shared Supply Meter Point) the amount of the Prevailing Reconciled Daily Quantity Offtaken allocated to the User, adjusted by the allocation factor specified in Annex E-1 in respect of the category (as set out in Annex E-1) to which that System Exit Point belongs on Day 'd';

(e) the "**Aggregate LDZ Quantity**" is, for an Unidentified Gas Reconciliation Month, the sum for all Users of the User Aggregate LDZ Quantities.

7.1.3 For each User, Reconciliation Billing Period and LDZ and Unidentified Gas Reconciliation Month:

(a) the "**User UGR Quantity**" (UUGRQ) is the quantity determined as:

$$UUGRQ = - ARQ * UALQ / ALQ$$

(b) the "**User UGR Clearing Value**" (UUGRCV) is the amount determined as:

$$\text{UUGRCV} = - \text{ARCV} * \text{UALQ} / \text{ALQ}$$

where:

ARQ is the Aggregate Reconciliation Quantity

ARCV is the Aggregate Reconciliation Clearing Value

UALQ is the User Aggregate LDZ Quantity

ALQ is the Aggregate LDZ Quantity.

7.1.4 Where a User that was a User at any time during the Unidentified Gas Reconciliation Month becomes a Discontinuing User on or before the date of submission of the relevant Ancillary Invoice, then to the extent that the amounts determined in accordance or paid to the Discontinuing User (or from or to any other User that is responsible for the payment of, or entitled to receive, such amounts), such amounts shall be payable by or to all other Users in the proportions that would be determined in accordance with paragraph 7.1.3 for the Unidentified Gas Reconciliation Month as if User Aggregate LDZ Quantity for the Discontinuing User were zero.

7.2 Unidentified Gas Reconciliation

- 7.2.1 In each Reconciliation Billing Period Unidentified Gas Reconciliation shall be carried out for each LDZ in respect of each ~~Reconciliation Billing Period~~ Unidentified Gas Reconciliation Month in respect of that LDZ.
- 7.2.2 Upon each Unidentified Gas Reconciliation, the User UGR Quantity (irrespective of amount and sign) shall be extinguished by a System Clearing Contract in accordance with Section F5.
- 7.2.3 For the purposes of Section F5, the Reconciliation Clearing Charge in respect of a System Clearing Contract under paragraph 7.2.2 shall be the User UGR Clearing Value.
- 7.2.4 Unidentified Gas Reconciliation shall not give rise to any adjustment in respect of Transportation Charges.

7.3 LDZ Reconciliation

- 7.3.1 A reconciliation shall be carried out between the Transporter and the NTS Shrinkage Provider in respect of the relevant quantity of gas, where:
- (a) after the Exit Close-out Date in relation to any Day, an adjustment is made in respect of the LDZ Daily Quantity Input for an LDZ, in respect of an amount calculated by multiplying such adjustment quantity of gas by the System Average Price for the Day on which such adjustment was deemed by the Transporter to relate; or
 - (b) pursuant to Section N3.4, an adjustment is made in respect of the aggregate amount of LDZ Shrinkage for any LDZ in any Gas Year, in respect of an amount as provided in the LDZ Shrinkage Adjustments Methodology.
- 7.3.2 For the purposes of this paragraph 7:
- (a) "**LDZ Reconciliation**" means a reconciliation pursuant to paragraph 7.3.1;
 - (b) in relation to any LDZ Reconciliation, for the purposes of Unidentified Gas Reconciliation:

- (i) the quantities and amounts referred to in paragraph 7.3.1 shall be treated as being respectively a Reconciliation Quantity and a Reconciliation Clearing Value for the purposes of paragraph 7.1.2(b);
- (ii) such quantity and amount shall be negative where the LDZ Daily Quantity Input is increased by such adjustment, and positive where the LDZ Daily Quantity Input is reduced by such adjustment.

7.3.3 Except pursuant to this paragraph 7, any such adjustment as is referred to in paragraph 7.3.1 shall have no effect for the purposes of the Code.

7.4 No retrospective adjustments

7.4.1 For the avoidance of doubt, each Unidentified Gas Reconciliation shall be carried out on the basis of User Aggregate LDZ Quantities calculated by reference to Prevailing Reconciled Daily Quantity Offtaken determined (in accordance with paragraph 7.1.2(d)) as at 10th Day of the month following the Reconciliation Billing Period; and no adjustment shall be made in respect of such Unidentified Gas Reconciliation by reason of any subsequent adjustments (pursuant to paragraph 6.2.4) to the Prevailing Reconciled Daily Quantity Offtaken for any Day in the Unidentified Gas Reconciliation Period.

7.5 Qualifying LDZ Reconciliation

7.5.1 For the purposes of this paragraph 7.5:

(a) ~~"particular" LDZ Reconciliation is LDZ Reconciliation under paragraph 7.3.1(a) in respect of adjustments (as referred to in that paragraph) made as a result of a particular failure or error in measurement equipment or other particular cause;~~

Formatted: Indent: Left: 0 cm, First line: 0 cm

(b) ~~in relation to particular LDZ Reconciliation:~~

Formatted: Indent: First line: 0 cm

(i) ~~the "relevant period" is the continuous period of Days (as referred to in paragraph 7.3.1(a) in respect of which such adjustments were made;~~

Formatted: Indent: Left: 0 cm, First line: 0 cm

(ii) ~~the "relevant quantity" is the aggregate quantity which is subject to such adjustment over the whole of the relevant period;~~

(c) ~~"Qualifying" LDZ Reconciliation is particular LDZ Reconciliation for which the relevant quantity is not less than 50 GWh;~~

(d) ~~in relation to Qualifying LDZ Reconciliation, an "LDZ Reconciliation Month" is a calendar month which commences and/or ends in the relevant period.~~

7.5.2 ~~In relation to Qualifying LDZ Reconciliation, Unidentified Gas Reconciliation shall be carried out separately (and the Qualifying LDZ Reconciliation shall be excluded from the ordinary Unidentified Gas Reconciliation carried out in respect of each Reconciliation Billing Period) by reference to quantities, values and proportions determined separately for each LDZ Reconciliation Month; and accordingly, for the purposes of paragraphs 7.1.2 and 7.1.3:~~

(a) ~~references in those paragraphs:~~

Formatted: Indent: First line: 0 cm

(i) ~~to Reconciliation Billing Period are to each LDZ Reconciliation Month;~~

Formatted: Indent: Left: 0 cm, First line: 0 cm

(ii) ~~to LDZ Reconciliation carried out in a Reconciliation Billing Period are to LDZ Reconciliation carried out in respect of each LDZ Reconciliation Month;~~

~~(iii) — to Aggregate Reconciliation Quantity and Aggregate Reconciliation Clearing Value are to the sum, for all Days in each LDZ Reconciliation Month, of the Reconciliation Quantity and Reconciliation Clearing Value determined for each such Day in accordance with paragraph 7.3.2(b) and~~

~~(b) — the Unidentified Gas Reconciliation Period is the LDZ Reconciliation Month.~~

~~7.5.3 Unidentified Gas Reconciliation in relation to Qualifying LDZ Reconciliation shall be invoiced in accordance with Section S, issued as soon as reasonably practicable after the carrying out of such LDZ Reconciliation.~~

~~7.5.4 Where a User that was a User at any time during the Unidentified Gas Reconciliation Period determined pursuant to paragraph 7.5.2(a)(i) becomes a Discontinuing User on or before the date of submission of the relevant Ancillary Invoice, then to the extent that the amounts determined in accordance or paid to the Discontinuing User (or from or to any other User that is responsible for the payment of, or entitled to receive, such amounts), such amounts shall be payable by or to all other Users in the proportions that would be determined in accordance with paragraph 7.1.3 (as modified by paragraph 7.5.2) as if User Aggregate LDZ Quantity for the Discontinuing User were zero.~~

Formatted: Indent: First line: 0 cm

Formatted: Indent: Left: 0 cm, First line: 0 cm