

## UNC Consultation Response – Respondent Name: Scottish and Southern Energy plc

### UNC Document

| Section                                 | Section Reference  | Response  |
|---|--------------------|---|
| Introduction                            |                    |   |
| TPD Section A – System Classification   | 1.2.2(b)(ii)       | Transporters should be Transporter’s  |
|   | 3.3.2              | Reference should be to J.6.1  |
|   | 3.5.1              | Could Transco confirm that for RbD purposes gas will be allocated between LDZs?   |
| TPD Section B – System Use and Capacity | 1.2.3(c)           | spelling of “utilizing” inconsistent with elsewhere   |
|   | 1.2.3(d)(i)        | line three capitalise “quantity”<br>We note the provision “releasing from utilisation” – Section B.6. will need to be amended to accommodate this. (See later comment).   |
|   | 1.2.5              | replace “in” line 1 with “as  |
|   | 1.2.9(c)           | line 2 insert “)” after 3”.5”   |
|   | 2.1.7(a) and 2.1.8 | This clause refers to Transco NTS determining System Entry Capability. At an embedded entry point the DN will be determining this in accordance with OAD Section K.3.1.3 and passing the information on to Transco NTS. Would it therefore be more appropriate for the TPD reference to be to the Transporter, rather than Transco NTS?   |
|   | 2.3                | Change heading “System” should read “NTS”   |
|   | 6.2                | We have some comments on the draft Offtake Capacity Statement.<br><br>In the draft Scottish Offtake Capacity Statement there would appear to be an inconsistency in the interaction between energy values (assumed CV) and the calculation of the NTS Offtake capacity volumes. We believe that the energy for 2005/06 has been incorrectly stated and that the calculations should be amended.<br><br>The 2200 hours pressure at Glenmavis from 2008/09 is shown as 45 bar. However we understand that NTS has agreed in writing with the Scottish DN that the pressure would be 49 bar. |

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|                             |                 | There are some discrepancies with the flexibility capacities and pressures for the Southern DN compared with the ORA. Please could Transco double-check the numbers?   |
|                             | 6.3             | This describes the process by which the DN may apply for increases to its NTS Offtake Flat or Flexibility Capacity or the Assured Offtake Pressure. We note that other NTS Exit Points may apply for increases to NTS Exit Capacity at any time.   |
|                             | 6.3             | During the existing annual planning process NTS provides forecast demand and CV data to the DNs and then the DN analyses this data before submitting offtake requirements to NTS. How will NTS provide timely CV data to the DN in advance of the Application Window?  |
|                             |                 | We note that the legal drafting now seems only to provide for the DN to request ad-hoc/exceptional amendments to the Offtake Capacity Statement within the Gas Year. The legal drafting appears to restrict the DN so that it is only able to make requests during the “Application Window” in respect of any future Gas Year. E.g. if the DN wanted to apply to increase flat capacity at an offtake for the Gas Year 2006/07 it would need to wait until the Application Window in Gas Year Y-1 i.e. not until 1 June-31 July 2006. This doesn’t seem to be in either Transco NTS or the DN’s interests. |
|                             | 6.3             | We believe that it would be more efficient if this process also provided for requests for downward revisions of Offtake Capacity Statement figures.  |
|                             | 6.3.8           | Whilst in principle we agree with publication of information, careful consideration should be given to the implications from a security point of view.   |
| TPD Section C – Nominations | 1.1.7           | We note this provision for Transco to notify each other transporter of the nominations made by shippers on its system. However we do not believe that this is referenced in the OAD. The corresponding obligation should therefore be included in the OAD.   |
|                             | 1.7.3           | reference should be to 1.7.1(a).   |
|                             | 1.7.4           | reference should be to 1.7.3 not 1.6.3.  |
|                             | 1.7.5           | references should be to 1.7.2 and 1.7.4 and 1.7.3.   |
|                             | 1.10.2          | Reference should be to 1.10.1  |
|                             | 1.12            | renumber 1.12 as 1.11  |
|                             | 1.13            | renumber 1.13 as 1.12.   |
|                             | 2.5.1 and 2.5.2 | reference should be to 1.6   |
|                             | 3.2.4           | Replace NTS with Total System to reflect that input nominations are made at LDZ Entry Points   |
|                             | 4.1.10          | reference should be to 1.10.2  |
|                             | 4.2.1           | Reference should be to 1.6   |

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| TPD Section D – Operational Balancing. | 1.1.1 and 1.2.1(a) | Why does this still refer to LDZ stock when OPNs from DN should reflect LDZ stock?  |
|  | 1.3.1(b)           | line 5 reference should be to J.4 not J44 and to Provisions not Agreement   |
| TPD Section E – Daily Quantities...    | 1.5.1(b)           | seems not be consistent with H.1.7.2(b) and 2.5(b)  |
|  | 1.9.1(b)           | Users should be Users’.   |
|  | 1.9.6(b)           | Should reference be to Provisions not Agreement   |
|  | 1.11.2             | This states that quantity of gas offtaken at an Inter-System Offtake by DNO in capacity of Shrinkage Provider will be determined in accordance with the OAD. Please could Transco clarify where this is referenced.   |
|  | 3.4                | these definitions have been deleted but believe that they are used elsewhere in TPD, e.g. J.1.3.3(d)  |
|  | 7.4.2              | line 1 – remove “the”   |
| TPD Section F – Balancing Charges etc  |                    | 1.2.5 insert “Uniform” before Network Code Committee<br>6.2.3 line 2 - insert “relevant” before User  |
| TPD Section G – Supply Points          |                    | We note that a general clause has been included under GT.B.2.1.3 to clarify that the Transporter in context of a Supply Point means in relation to network supply point is located on.<br><br>1.8.6 line 8 – delete “Total”<br><br>1.9.1 Need to qualify that obligation to maintain Supply Point Register relates only to the DN’s system(s)<br><br>2.1.10(a) move opening bracket in line 2 to after “and”<br><br>3.7.5 line 3 should read “a System”<br><br>3.8.1 line 1 should this read “a System”?<br><br>6.10.5(c) line 2 – big space before (<br><br>7.3.6(a)(i) Line 2 – insert “Total” before System<br><br>Annex G2 last paragraph of 1 – Reference should be to the “Transportation” Principal Document (three insertions required) |

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| TPD Section H – Demand Estimation... |                 | 1.4.2 insert “Uniform” before Network Code Committee<br><br>1.8.1 insert “Uniform” before Network Code Committee<br><br>2.2. In the previous legal drafting meeting Transco was to verify the definitions.  |
| TPD Section I – Entry Requirements   |                 | There is not consistent use of Transco/Transporter in this Section.   |
|                                      | 1.2.4           | reference should be to J.6.3  |
|                                      | 3.7.1           | As gas is tendered for delivery via nominations DN’s need to have access to relevant information pertaining to shippers’ intended gas flows onto their systems. We believe that this should be covered under TPD Section C.1.1.7.<br><br>We understand that there are provisions in the OAD to allow Transco to inform the DN of the aggregate available firm NTS entry capacity held by shippers at relevant entry points ahead of/on the day in order for the DN to be able to comply with this clause.<br><br>Last line – should read “Adjusted pursuant to Section B.2.10.8”. |
| TPD Section J – Exit Requirements    | 1.2.2           | Line 2 should reference to “a System” be the same as in 1.2.1 “Total System or a part of the Total System”?   |
|                                      | 1.2.3           | line 1 - comma required after 4.  |
|                                      | 1.3.3(d)        | where is User Daily NTS Offtake Quantities defined – seems to have gone from Section E.3.4.1  |
|                                      | 1.5             | Line 2 delete “to or”<br>Line 2 Should “a System” be “the Total System”?  |
|                                      | 1.5.4(c)        | replace “Entry” with “Exit”   |
|                                      | 1.5.7           | reference should be to paragraph 5  |
|                                      | 2.1.5           | [Individual]?   |
|                                      | 2.1.6           | line 2 should “a System” be “the Total System”?   |
|                                      | 2.2.4 and 2.2.5 | 2.2.4 line 3 and 2.2.5 line 2 - delete “Network”?   |
|                                      | 2.2.1           | line 3 – Should “a System” be “the Total System”?   |
|                                      | 2.4.2           | line 4 - delete “Network”?  |
|                                      | <b>2.5.2</b>    | The Offtake Capacity Statement for Scotland seems to be inconsistent with this clause which provides that 0600 and 2200 pressures should be the same as those specified in previous year’s OCS.   |

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|  | 2.5.2         | line 4 – should “year” be “Year”?  |
|  | 2.5.3         | last line suggest insertion of comma after Year  |
|  | 2.5.4         | We note that the DNO may apply to increase Assured Offtake Pressures at an Offtake for a relevant Gas Year.  |
|  | 3.3.5         | Could Transco clarify how the DN gets notice of non-compliant gas being made available?  |
|  | <b>3.3.7</b>  | Please could Transco clarify the status of this clause which is currently in square brackets   |
|  | 3.4.1(c)      | Line 4 – delete second “of”  |
|  | 3.4.2(a)(iii) | This clause was to be redrafted following the legal drafting in February to recognise that more than one System could be supplied via an Inter-System Offtake.   |
|  |               | 3.4.3 line 4 – insert “Total” before System.   |
|  |               | line 2 reference should be to 3.4.5(a)(i) or (ii)  |
|  | 3.4.6         |  |
|  | 3.5.1(a)      | line 2 – insert “Total” before System  |
|  | 3.5.1(b)      | line 1 should read “a System” or “the Total System”  |
|  | 3.5.3         | definition of X – line 2 - insert “Total” before System  |
|  | 3.5.8         | should reference to Transco NTS be to upstream Transporter? Couldn’t a DN be the upstream Transporter?   |
|  | 3.8.2(b).     | Should references be to “Total System” rather than “relevant System”?  |
|  | 3.10          | <p>Please could Transco confirm that the DNO will not be in breach of any of the provisions of 3.10 when Transco NTS has accepted a revised OPN under 4.5.5(b) or where the DN has responded to a request from Transco NTS under OAD Section I to modify its OPN. We believe that this is easily clarified via a cross-reference to the relevant provisions of J.7. We have proposed an additional clause 7.4.3. which we believe addresses this point.</p> <p>Renumber paragraph 3.10.7 as 3.10.3<br/> Renumber paragraph 3.10.8 as 3.10.4<br/> Renumber paragraph 3.10.9 as 3.10.5</p> |

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|  | 3.10.5(a)(ii)  | should “or” be “and”?  |
|  | 3.10.5(s)(iii) | Reference to B6.4 should be to 6.5.4 and 6.5.5   |
|  | 3.11.1         | reference should be to 3.11 not 3.10   |
|  | 3.11.7         | reference should be to 3.11 not 3.10 (appears twice)<br>reference to Transco should be to “the Transporter”.   |
|  | 4.1.1          | line 3 - should “relevant System” be “Total System”?   |
|  | 4.3            | We suggest a “sense-check” of this clause to ensure that it is consistent with provisions in the OAD.  |
|  | 4.3.1(f)       | Under A.3.4 an Inter-System Offtake is a NTS Exit Point which would suggest that they are captured under Section L, however Section L4.3.2(a) doesn’t seem to apply to DNO Users?  |
|  | 4.3.2(a)       | line 4 replace Agreement with relevant Provisions  |
|  | 4.3.2(c)       | insert Total before System line 2  |
|  | 4.3.3 (c)      | incorrect references to 5.8.1(a) and (b) – should be ?   |
|  | 4.5.2          | insert “relevant” before System on line 2?   |
|  | 4.5.5(b)       | If more than one User has made a request under this clause then Transco will use the gate closure allocation methodology (J.7.3.2) to decide who gets to increase offtake. We look forward to seeing this methodology. It would seem appropriate to consider access to the short run system flexibility product to ensure that the DN can access within-day flow rates consistent with continued safe and efficient operation of the system.<br><br>Reference should be to 7.3.1 |
|  | 4.6.2          | line 2 insert “Total” before System  |
|  | 4.6.3          | delete (c) so clause runs together   |

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|                                      | 5.8<br><br>5.8.2 (a)<br>and (b)<br><br>5.8.2(f)                          | This clause will require updating to accommodate BETTA.<br><br>replace "Exit" with "Point"<br><br>delete Exit  |
|                                      | 7.1.1  | - line 2 replace "the" with "its". Line 3 replace "its" with "the".  |
|                                      | 7.1.2  | line 2 – replace "the" with "its" and replace "its" with "the"   |
|                                      | 7.3.1(a)<br><br>7.3.1(b)(ii)   | typo "paragrah" should be "paragraph"<br><br>"anyu" should read "any"  |
|                                      |  | 7.3.2 Typo "Tranco" should be "Transco"<br><br>7.3.2 we are still waiting to see this allocation principles  |
|                                      | Amend J<br>7.4.1(a) to<br>read<br><br>7.4.1(d)<br><br>7.4.2<br><br>7.4.2 | In light of comments above in respect of 4.5.5 we believe that this clause should be reworded as follows:<br>"the downstream DN Operator does not comply with any of the requirements of paragraph 7.2 in relation to an Inter-System Offtake;"<br><br>typo "othe" should be "other"<br><br>- typo - should read "DN Operator"<br><br>should the cross reference 7.3.1 be 7.4.1? |
|                                      |  | Add a new paragraph 7.4.3 as follows:<br><br>"The downstream DN operator shall not be in breach of the requirements of paragraph 7.2 where it has exercised a right or entitlement pursuant to or complied with an obligation under the Code or the Offtake Arrangements Document or has acted in accordance with a request of the upstream Transporter."                        |
| TPD Section K –<br>Operating Margins | 3.2.6  | Given the footnote, why does 3.2.8 refer to Managers?  |

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| TPD Section L – Maintenance etc...    |           | We believe that the current drafting focuses on NTS requirements and we would expect the OAD provisions to ensure that both Transco NTS and DNOs cooperate to ensure that as far as possible maintenance programmes are coordinated and reflect both parties' requirements. |
|                                       |           | Why do 1.1.1 and 1.3 only refer to NTS when System should be replaced by Total System?  |
|                                       | 2.1.3     | 2.1.3 reference should be to “Uniform Network Code Committee”   |
|                                       | 3.3       | How is DN involved in this process?   |
|                                       | 3.4       | How is DN covered by this paragraph?  |
|                                       | 4.1.1     | appears to apply to Inter-System Points as included in definition of NTS Exit Point in A.3.4.2  |
|                                       | 4.3.4     | line one should read “Section”  |
|                                       | 4.4.1     | line 1 – Agreement should read “Provisions”   |
| TPD Section M – Supply Point Metering | 3.8.10(a) | line 5 – delete superfluous “the”   |
| TPD Section N – Shrinkage             | 1.1.1     | should references on line 3 be to “a System”?   |
|                                       | 1.3.2(b)  | “a System”  |
|                                       | 3.2.2(b)  | 3.2.2.(b) line 3 – delete “the” before “each”   |
|                                       | 4.1.2(c)  | 4.1.2(c) delete additional “the”  |
|                                       | 4.3       | We are unsure where Daily Shrinkage Quantities is defined.  |
|                                       | 4.4.3     | Could Transco confirm that this is consistent with Sections E1.11.2 and H calculations?   |
| TPD Section O – System Planning       | 2.4       | Change “Agreements” penultimate line to “Provisions”  |
|                                       | 4.1(b)    | last line insert “and” after “0”  |

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| TPD Section Q – Emergencies         | 1.2.2                            | line 2 should reference to “a System” be the same as in 1.2.1 “Total System or a part of the Total System”  |
|                                     | 3.3                              | If only NTS should not be Total System and should refer to NTS System Entry Points. If reference is being made to Total System should be the Transporter giving instructions, not Transco NTS?  |
| TPD Section R – Storage             | 1.3.1                            | Replace Agreement line three with “Provisions”?   |
|                                     | 1.9.1 and 1.9.2                  | Weren’t these clauses to provide for circumstances where the DN is party to the SCA or NEA? We understood that references to Transco NTS would be amended.  |
| TPD Section S – Invoicing & Payment | 1.4.2                            | Timing of invoices to be the same for all transporters and same Invoice Type  |
|                                     | 1.11                             | If DNO Users excluded, how will DNO be billed for any energy imbalance arising from Shrinkage Provider activities?  |
| TPD Section U – UK Link             | 4.6.3                            | Replace “are” line 2 with “is”  |
|                                     | 1.12                             | DNO Users are excluded, but will need UK Link User status to carry out Shrinkage Provider Activities – paragraph 5?   |
|                                     | 5                                | DNO needs to be a User for purposes of this paragraph Trading Between Users to carry out its activities as Shrinkage Provider   |
|                                     | 8.4.5(c), 8.4.6, 8.4.7, 8.4.9(a) | Insert “Uniform” before Network Code Committee  |
|                                     | 8.4.6                            | Capitalise “panel majority”?  |
|                                     | Annex U-1 1.1                    | Replace “Network Code” with “Transportation”  |
| TPD Section V – General             | 1.3                              | Amend references to “Network Code”  |
|                                     | 1.3.7                            | How does this cover Scottish DN as party to the Moffat Ancillary Agreement/s?   |
|                                     | 2.1.2(a)(v)                      | Is this how the DNO would set up its Shrinkage Provider User accounts?  |
|                                     | 2.1.2(b)                         | Does this include the DNO acting under shipper licence exemption?   |
|                                     | 2.1.2(d) and 2.1.5               | Is this OK for DN in capacity as Shrinkage Provider?  |
|                                     | 2.4                              | Please could Transco clarify whether this permits establishment of multiple accounts under the same shipper’s licence? Does this prevent the DN from appointing another party that is already a User as Shrinkage Provider? Section N |
|                                     | 4.2.2(g)                         | Insert “by” after “bound”   |
|                                     | 5.5.3(i)                         | Note this new clause in square brackets re disclosure to a contractor of the Transporter where the contractor has entered into a confidentiality agreement no less onerous than terms of this para 5                                  |

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|   | 6.1.5                                 | Don't understand why 6.4 doesn't apply to DNO User appointing User Agent. Could Transco please clarify?   |
|   | 6.5.2                                 | Line 3 – thought “on behalf of the Transporters” was to be deleted?<br>Line 4 Transporters’   |
|   | 6.5.3                                 | This was taken out in previous version of legal draft and has been put back in?   |
|   | 6.5.5                                 | We note new clause relating to the Transporter Agency dealing with computer equipment etc.  |
|   | 7.2.1(b)                              | Remove “the “ in last line  |
|   | 7.1.2 (a)(iii)<br>and 7.2.1,<br>7.2.2 | Could Transco confirm that this seems to permit multiple Transporter User accounts for Shrinkage Providers? Could an Agent access these accounts? |
|   | 8.2.6                                 | Could Transco please clarify why this clause has been inserted?   |
|   | 12.2.1                                | Last line: insert “Uniform”   |
|   | 12.4.                                 | Check references to Network Code Operations Reporting Manual  |
|   | 13.3.1                                | Last line: insert “are” before “payable”  |
| TPD Section X – EB<br>Credit Management   | 1.2.2                                 | 3 <sup>rd</sup> last line: insert “Uniform”   |
| TPD Section Z – LNG                       | 2.6.5                                 | typo line 1 “accordance”  |
|   | 5.10.2(b)(I)                          | capital ‘U’ for “user”  |
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| OAD Section A –<br>Scope & Classification |                                       |   |
| OAD Section B –<br>Connection Facilities  |                                       |   |
| OAD Section C –<br>Safety & Emergency     |                                       |   |
| OAD Section D –<br>Measurements           |                                       |   |
| OAD Section E –<br>Telemetry etc          |                                       |   |
| OAD Section F –<br>Determination of CV    |                                       |   |
| OAD Section G –<br>Maintenance            |                                       |   |
| OAD Section H – Long<br>Term Planning     |                                       |   |
| OAD Section I –<br>Operational Flows      |                                       |   |
| OAD Section J –<br>LDZ/LDZ Offtakes       |                                       |   |

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| OAD Section K – LDZ System Entry Points |                   |   |
| OAD Section L – Cost Recovery..         |                   |   |
| OAD Section M – Information Flows       |                   |   |
| OAD Section N – General                 |                   |   |
|   |                   |   |
| Modification Rules (Former Section Y)   | 1.1(c) and 1.1(e) | remove square brackets.   |
|   | 1.2               | should be 'does' rather than 'do'.  |
|   | 2.1               | "Condition" delete words 'the licence conditions of ' at end of the first line.   |
|   |                   | "Non Code Party" - add an 'a' after the second 'Modification Proposal'.   |
|   |                   | "Subject Matter Expert" - add 'of a given Modification Proposal' at the end.  |
|   |                   | "Urgent Modification Proposal" - remove square brackets around '9'.   |
|   | 7.7.1(b)          | the formatting does not work.   |
|   | 9.2.1             | - the 1 business day timescale is very tight - an appointment of an SME may coincide with that SME being on leave etc.  |
|   | 9.4.1 and 8.6     | The provision of a report by the Agency for UK Link impacts. Is this specifically mentioned in the ASA. It may come under the general provisions relating to the provision of reports and information under Schedule 6, but it is not detailed. |
|   | 9.6.1(e)          | this must include the 'relevant Transporter' (and therefore by definition DN Users).  |
|   | 10.1.1            | should it be 'Transporters' in the first line?  |
|   | 12.6.1            | This must include the 'relevant Transporter' (and therefore by definition DNO Users)  |
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| Transition Document                     | PART I<br>2.1     | Definition of Relevant Transporter – could Transco please confirm that RDNs are not included here?  |

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|  | PART IIA<br>2     | Numbering of paragraph needs to be rectified currently refers to 3.1 and 3.2<br>Should it be Transco plc?   |
|  | 2.1               | [UNC Modification] this is current Network Code Urgent Modification Proposal 0745 – might need to be defined?   |
|  | 3.2               | Should this specifically exclude DNO Users?   |
|  | 4.3               | We note that invoice disputes in respect of Existing Transportation Charges will be between Transco and relevant User(s)  |
|  | PART IIB<br>1.2   | Should this specifically exclude DNO Users?<br>Typo line 3 – second “be” should be “been”   |
|  | 4                 | Will there, post sale, be any confidentiality/technical issues about accessing Code Communications generated before the sale?   |
|  | 6 and 9           | All rights, obligations and disputes are to transfer to DNO. How does this fit with rights, obligations or disputes relating to Existing Transportation Charges under Part IIA 4? For completeness, these should be subject to carve out of these provisions. |
|  | 8.1               | Are there any copyright issues here, if Transco has published a document, IPR in it will need to be transferred to DNO.   |
|  | PART IIC<br>1.3.1 | Check reference to TPD Section M.2.2.2 – does not exist   |
|  | 1.3.1(b)(i)       | Reference to TPD Section M2.2 seems wrong – that section is not readily applicable  |
|  | 1.3.1.(b)(iii)    | Check reference to TPD Section M.2.7 – doesn’t exist  |
|  | 1.3.1(f)          | Third line - should Transco read Transporter?   |
|  | 1.3.4(c)          | Reference missing from empty square brackets.   |
|  | 1.4.1(d)          | TPD R4.6.3 should read TPD R4.4.3.  |
|  | 5.13.3(b)         | TPD V11.1.5 is now GT B 11.1.5.   |
|  |                   | Should this include transitional rule regarding Opening Storage balance for Glenmavis for Z.1.3.5?  |
|  | PART III          | 1.2 to be completed – further provisions eg allocation of LDZ interruption to date OAD Section I5   |

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|  | PART IV<br>3 and 3.3      | Should the reference be to the Modification Rules rather than the Modification Procedures?  |
|  |                           | Where are UK Link Modifications in progress captured? Were in Transition Doc 18.02.05   |
| General Terms Section<br>A – Dispute Resolution<br>(formerly Section T)  | 1.1.2                     | Remove square brackets around 'or any Supplemental Agreement'   |
|  | 1.5.1                     | Why is User explicitly included, but Transporter included only by implication (via the defined term Party)  |
|  | 1.6.1                     | the appointment of a disputes secretary is not covered in the JGAA. How will this be done?  |
|  | 2.10                      | How will experts be appointed for First Day of UNC? Will the Network Code ones be deemed to have been appointed? Suggest use similar approach in Transition Document to Part IV 1.3.                                |
| General Terms Section<br>B – General<br>(parts of original Section<br>V) | 1.2.3                     | empty square brackets<br>Transco to have a single network code in capacity as NTS and DNO. Does this sit OK with 2.1.2(b) which says that Transco NTS and Transco as DNO shall be considered separate Transporters? |
|  | 1.3                       | needs to make clear how DN Users will become Users of NTS code - presumably via the Transporters' Framework Agreement.  |
|  | 1.3.1(a),<br>2.3.3(a)(i)  | Shippers' Framework Agreement   |
|  | 1.3.1(b),<br>2.3.3(a)(ii) | Transporters' Framework Agreement   |
|  | 2.1.3                     | Should address concerns regarding clarification required for Sections G and M with regard to Transporter and Supply Point activities  |
|  | 2.2.2                     | this conflicts with the Mod Rules, where a DNO User is included in the definition of a Transporter. Should say 'Without prejudice to the Modification Rules' or some such.  |
|  | 2.1.1(b)                  | Does the clause need to refer to DNO as "owner or operator"?  |
|  | 2.4.1                     | Reference after (c) should be to 'this paragraph 2.4.1'.  |
|  | 11.1.1                    | Note Offtake Code Communications Document referenced here   |

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|   | 11.1.1(b)     | - delete the words 'by the' at the end of the sentence; delete the comma and insert a semi-colon.   |
|   | 11 throughout | Check use of “Communications” in Offtake Communications Document  |
|   | 11.1.6(b)     | delete the square brackets. Which Offtake Communications are exempt from 11.1.5?  |
|   | 11.3.6        | Note new clause   |
|   | 14.7.         | Are we happy with this clause? Link to TPD V.8.2.5  |
|   | 14.9.1        | delete the square brackets from first line.   |
| General Terms Section C – Interpretation (formerly Section W) |               | <p>There are many redundant square brackets in this section. Not all are listed below and the section should be checked generally.</p> <p>1.1 "Condition 4B" - square brackets<br/> "Distribution Network" - 2 pairs of square brackets – definition OK?</p> <p>"Gas Transporter's Licence" - is this definition needed in light of the definition of "Transporter's Licence"<br/> "Standard Condition" &amp; "Standard Special Condition" - require definitions.</p> <p>Definition required of Incremental Exit Capacity Release Statement?</p> <p>UNC Modification – does this need to be defined for Transition Document Part I?</p> |
|   | 2.4.5         | Could Transco confirm that the intent of this clause is that OPNs submitted to NTS via OAD by DNs reflect anticipated flows of gas at LDZ System Points and will be taken account of by NTS when determining whether or not a Transportation Constraint exists.   |
|   | 2.6.3         | Check against TPD H.1.1.3   |
|   | 2.8           | remove square brackets  |
|   | 2.9.1         | remove reference to TPD section T. Replace with GT section A.   |
|   | 2.9.6         | Latest position on review in context of interim exit arrangements?  |

## Associate Documents

| Section                          | Section Reference | Response |
|----------------------------------|-------------------|----------|
| Agency Services Agreement (ASA)  |                   |          |
| Joint Governance Agreement (JGA) |                   |          |

|   |        |   |
|---|--------|---|
| <p><b>Interim Incremental Exit Capacity Release (IExCR) Statement</b></p> |        | <p>We welcome this first draft IExCR, although we believe that it requires further redrafting and detail to clarify a number of points. We note that it will be subject to the outcome of Ofgem consultation into the interim exit incentive arrangements, which should provide clarity on the treatment of any costs/revenues associated with the release of incremental capacity, as well as confirmation of the incremental release process.</p> <p>Incremental exit capacity release would appear to be an ongoing process during the interim period. We understood that capacity release to DNs and NTS Direct Connects would be in accordance with the IExCR, yet there is no reference in this statement to TPD Section B.3.8, B3.9 or B6.3 which specifically provide for this process.</p> <p>There are inconsistencies with the drafting of TPD Section B.6.3, which only provides for the DNO to make applications for NTS Offtake Capacity for future Gas Years within the Application Window, whereas this document suggests that an application can be made at any time. It was our understanding that the latter is what was intended.</p> |
|   | 2      | <p>The Statement makes reference to defined UNC terms throughout which is appropriate. We suggest that the Statement specifically acknowledges this. However some of the references used are inconsistent with defined UNC terms, for example Exit Capacity should be “NTS Exit Capacity”, Offtake Capacity and Flow Flexibility should be as defined in TPD Section B.1.2.3.</p>   |
|   | 3      | <p>As drafted the Statement applies only to the release of all NTS Exit Capacity and not NTS Offtake Capacity. It is our understanding that if successful applications are made by the DN under Section B.6. its NTS Offtake Capacity holdings would be increased accordingly. Please could Transco clarify?</p>  |
|   | 3      | <p>We are unclear how additional NTS Exit/Offtake Capacity released by Transco NTS would be incorporated into the baselines under the enduring arrangements.</p>  |
|   | 4      | <p>See comments regarding use of defined terms under 2.</p>   |
|   | 5      | <p>For clarity, should refer to Shipper Users.</p>  |
|   | 6      | <p>Capitalise exit capacity<br/>Should read “Standard Special” Condition – 4 times</p>  |
|   | Page 2 | <p>Page 2 is entitled Procedure for allocating Capacity and Flow Flexibility in the Interim Period. Is this IExCR Statement therefore also covering provisions in J.7.3.2?</p>  |
|   | 8      | <p>This is not a defined term. Needs to cover NTS Direct Connects and Inter-System Offtakes.</p>  |

|  |          |  |
|--|----------|--|
|  | 9-11, 13 | There is no mention of the economic test that might be applied.  |
|  | 10       | This needs to distinguish between the different types of capacity at Inter-System Offtakes.  |
|  | 11       | This doesn't seem to allow for Transco to allocate a lower volume of capacity to that originally requested by the User.<br>It also doesn't seem to incorporate evaluation of the costs vs revenues associated with releasing the incremental capacity. |
|  | 12       | Further detail is required of the "storage options".   |