

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION A – SYSTEM CLASSIFICATION

1 INTRODUCTION

1.1 System

1.1.1 In the Code:

- (a) **"System"** means:
 - (i) the National Transmission System; or
 - (ii) a Local Distribution Zone;
- (b) **"Total System"** means all the Systems taken together.

1.1.2 Subject to paragraph 1.7.2, a System does not include any independent system nor any pipeline to which gas can only be conveyed through a pipeline system operated by a gas transporter other than a Transporter.

1.1.3 A System does not include any Storage Facility.

1.1.4 Each System includes System Points of different classes, as described in this Section A.

1.1.5 For the purposes of the Code a reference to a System, 'the System' or 'the relevant System' is a reference to:

- (a) in the context of a System Point, to the System on which that System Point is or is to be located;
- (b) in the context of a Transporter, to a System owned or operated by the Transporter;
- (c) in the context of a particular transportation activity, to the System in relation to which that transportation activity occurs or is to occur or is or is to be undertaken

and otherwise, is a reference to any System.

1.1.6 ~~A For the avoidance of doubt a Transporter may be the owner or operator of (and licensee under a Transporter's Licence in relation to) more than one System.~~

1.2 NTS and LDZs

1.2.1 The **"National Transmission System"** or **"NTS"** is the pipeline system for the time being designated by Transco NTS as such, and described in Transco NTS's Ten Year

Statement.

1.2.2 A "**Local Distribution Zone**" or "**LDZ**" is a pipeline system (other than the NTS), the conveyance of gas in which is authorised by a relevant Gas Transporter's Licence held by the owner or operator (~~"operator"~~) of such pipeline system, and which:

- (a) immediately before the UNC Implementation Date was designated by Transco as an LDZ; or
- (b) is subsequently designated by the owner or operator as an LDZ, after consultation with Transco NTS:
 - (i) consistently with the provisions of the owner or operator's Transporter's Licence; and
 - (ii) such that no part of any pipeline system (other than the NTS), the conveyance of gas in which is authorised by ~~a Transporter's~~ the relevant Gas Transporter's Licence, is not comprised in an LDZ; and
 - (iii) such that the requirements of the Offtake Arrangements Document are satisfied in respect of all Inter-System Offtakes which exist as a result of such designation;

as described in the owner or operator's Ten Year Statement.

1.2.3 For the purposes of paragraph 1.2.2, the relevant Gas Transporter's Licence is a Gas Transporter's Licence in which Special Standard Condition [A11] has effect pursuant to a 'Standard Special Conditions Part A direction' in accordance with Standard Special Condition [A1(2)] of such licence.

1.2.4 Where the context so requires a reference to an LDZ includes the area in which such pipe-line system is located.

1.3 **Exit Zones**

1.3.1 The area in which each LDZ is located is divided into one or more Exit Zones.

1.3.2 Subject to paragraph 1.3.3, an "**Exit Zone**" is an area (within one LDZ only) for the time being designated by Transco NTS (following consultation with each other relevant Transporter) as such, and described in Transco NTS's Transportation Statement.

1.3.3 Transco NTS may from time to time designate the point at which a NTS System Exit Point (in accordance with paragraph 3.2) is located as a separate Exit Zone, provided that in the absence of such designation an NTS System Exit Point shall be in the Exit Zone in which it is located.

1.4 **System Points**

1.4.1 For the purposes of the Code:

- (a) an "**Individual System Point**" is a point on a System which is designed to permit gas to flow through a single pipe into or out of the System;
- (b) a "**System Point**" is an Individual System Point or a composite group of Individual System Points of a class (defined according to provisions of the

Code set out or referred to in this Section A) in respect of or by reference to which particular provisions of the Code apply.

1.4.2 The classes of System Point comprise:

- (a) Individual System Entry Points, System Entry Points and Aggregate System Entry Points (in accordance with paragraph 2);
- (b) Individual System Exit Points and System Exit Points (in accordance with paragraph 3);
- (c) Inter-System Offtakes (in accordance with paragraph 3.5)

and sub-classes thereof in accordance with the further provisions of the Code.

1.4.3 For the avoidance of doubt a point on a System is a System Point whether or not any transportation arrangement pursuant to which gas flows into or out of the System at such point is made on the terms of the Code.

1.5 Storage Connection Point

1.5.1 The Individual System Points at which a Storage Facility is connected to a System shall be a System Point (which is in relation to such Storage Facility the "**Storage Connection Point**").

1.5.2 A Storage Connection Point shall be both a System Entry Point (and an Aggregate System Entry Point) and a Connected System Exit Point.

1.6 NTS and LDZ System Points

1.6.1 A System Point is an "NTS" or an "LDZ" System Point where the Individual System Point(s) comprised in that System Point are point(s) on the NTS or (as the case may be) on an LDZ; and references in the Code to an "NTS" or an "LDZ" System Point of any particular class shall be construed accordingly.

1.6.2 References to a System Exit Point (of any class) in an Exit Zone are to such a System Exit Point:

- (a) on that part of any LDZ which is located in that Exit Zone; or
- (b) in the case of an NTS System Exit Point, located in or at such Exit Zone.

1.6.3 Subject to Section G1.9.9(a)(ii), no System Point may comprise Individual System Points on more than one LDZ or in more than one Exit Zone or on an LDZ and the NTS.

1.7 Scottish Independent Networks

1.7.1 Subject to paragraph 1.7.5, each of the separate pipeline networks located in Scotland at Thurso, Wick, Campbeltown and Oban provisioned with LNG, and at Stranraer

with gas, is a "**Scottish Independent Network**".

- 1.7.2 Except where otherwise provided and where the context otherwise requires, a reference to the Total System includes a reference to the Scottish Independent Networks.
- 1.7.3 A System Exit Point on a Scottish Independent Network is a "**SIN**" System Exit Point.
- 1.7.4 For the purposes of the Code:
- (a) each Scottish Independent Network shall be treated as being a separate LDZ the area of which is one separate Exit Zone;
 - (b) there shall be deemed to be in relation to each such Exit Zone ~~an~~ NTS Exit Point ("**SIN NTS Exit Point**"), being a NTS/LDZ Offtake, at which gas is deemed to flow out of the NTS and into such Scottish Independent Network.
- 1.7.5 Pursuant to an arrangement set out or described in the relevant CSEP Ancillary Agreement, the separate pipeline network located at Stranraer is supplied with gas taken from the Total System at a Connected System Exit Point and conveyed by means of pipes operated other than by a Transporter (and not forming part of the Total System); and accordingly in any provision of the Code referring to LNG Facilities, a reference to a Scottish Independent Network does not include the network at Stranraer.

2 **SYSTEM ENTRY POINTS**

2.1 **Individual System Entry Point**

An "**Individual System Entry Point**" is an Individual System Point (on the NTS or an LDZ) at which gas can flow into the Total System.

2.2 **System Entry Point**

- 2.2.1 A "**System Entry Point**" is a System Point comprising one or more Individual System Entry Points.
- 2.2.2 Section II.4 sets out the basis on which Individual System Entry Point(s) are or are to be comprised in a System Entry Point.

2.3 **Aggregate System Entry Point**

- 2.3.1 An "**Aggregate System Entry Point**" is a System Point comprising one or more System Entry Points.
- 2.3.2 Section II.5 sets out the basis on which System Entry Point(s) are or are to be comprised in an Aggregate System Entry Point.

3 EXIT POINTS

3.1 Individual System Exit Point

An "**Individual System Exit Point**" is an Individual System Point at which gas can flow out of the Total System.

3.2 System Exit Point

3.2.1 A "**System Exit Point**" is a System Point comprising one or more Individual System Exit Points.

3.2.2 The classes of System Exit Point are:

- (a) Supply Meter Points, Supply Point Components and Supply Points in accordance with paragraph 4, and further classes thereof in accordance with that paragraph; and
- (b) Connected System Exit Points.

3.3 Connected System Exit Point

3.3.1 A "**Connected System Exit Point**" (or "**CSEP**") is a System Point comprising one or more Individual System Exit Points which are not Supply Meter Points.

3.3.2 Section ~~J5-11.4.2~~ sets out the basis on which Individual System Exit Point(s) are or are to be comprised in a Connected System Exit Point.

3.3.3 In the case of a Connected System Exit Point, in accordance with Section ~~J5-4.6.1~~, the relevant provisions of the applicable CSEP Network Exit ~~Agreement~~Provisions apply in addition to the provisions of the Code.

3.3.4 A Connected System Exit Point is an "**Unmetered**" Connected System Exit Point where at any Individual System Exit Point comprised in the Connected System Exit Point there is no meter for the purpose of measuring the volume of gas offtaken from the Total System, and otherwise is a "**Metered**" Connected System Exit Point.

3.3.5 Where so provided in the relevant CSEP Network Exit ~~Agreement~~Provisions, a Connected System Exit Point may be treated as comprising separate System Exit Points for such purposes as are specified in such Network Exit Agreement, and references in the Code to Connected System Exit Points shall be construed accordingly.

3.4 NTS Exit Point

3.4.1 An "**NTS Exit Point**" is a System Point comprising one or more Individual System Points at which gas can flow out of the NTS (and either out of the Total System or into an LDZ).

3.4.2 The classes of NTS Exit Point are:

- (a) NTS Supply Points and NTS Connected System Exit Points (which are NTS System Exit Points); and
- (b) NTS/LDZ Offtakes.

3.4.3 In the context of a particular Exit Zone a reference to ~~an~~ NTS Exit Point is a reference to:

- (a) the NTS/LDZ Offtake at which gas flows out of the NTS into the LDZ or that part of an LDZ located in that Exit Zone; and/or
- (b) the NTS Supply Point and/or NTS Connected System Exit Point in that Exit Zone (in accordance with paragraph 1.6.2)

and a reference to an Exit Zone in the context of a particular NTS Exit Point shall be construed accordingly.

3.5 Inter-System Offtakes

3.5.1 An "**Inter-System Offtake**" is a System Point comprising ~~an~~one or more Individual System ~~Point~~Points at which gas can flow out of one System into another System which is not comprised in the same Distribution Network.

3.5.2 Inter-System Offtakes comprise NTS/LDZ Offtakes and LDZ/LDZ Offtakes.

~~3.5.3 An "NTS/LDZ Offtake" is a NTS Exit Point comprising an Individual System Point at which gas flows out of the NTS into an LDZ.~~

~~3.5.4 An "LDZ/LDZ Offtake" is an LDZ System Point comprising an Individual System Point at which gas flows out of one LDZ into another LDZ.~~

~~3.5.5 The Offtake Arrangements Document sets out the basis on which Individual System Points are or are to be comprised in~~For the avoidance of doubt, an Inter-System Offtake is not a System Exit Point except as provided in Section J.

4 SUPPLY POINTS

4.1 Supply Meter Points

4.1.1 Subject to paragraph 4.1.2, a "**Supply Meter Point**" is an Individual System Exit Point at which gas may (in accordance with the Code) be offtaken from the Total System for the purposes of supply directly to particular premises.

4.1.2 Where gas offtaken from the Total System at an Individual System Exit Point is or is to be conveyed through any pipe downstream of such Individual System Exit Point (other than a pipe comprised in a Sub-deduct Arrangement in accordance with Section G1.8) in which gas is conveyed to more than one premises, or to any other pipeline system as well as to any premises, such "**Individual System**" Exit Point is

not a Supply Meter Point.

4.1.3 A "**Smaller**" or a "**Larger**" Supply Meter Point is a Supply Meter Point comprised respectively in a Smaller Supply Point or a Larger Supply Point.

4.1.4 A Supply Meter Point shall be classified as a "**DM Supply Meter Point**" where paragraph G1.5.1 applies and otherwise shall be classified as an "**NDM Supply Meter Point**".

4.2 **Supply Point**

4.2.1 In accordance with Section G1.1.1, a Supply Point is the Supply Meter Point or Supply Meter Points for the time being comprised in a Supply Point Registration.

4.2.2 A "**Larger Supply Point**" is a Supply Point in respect of which the Annual Quantity is greater than 73,200 kWh (*2,500 therms*) and a "**Smaller Supply Point**" is a Supply Point in respect of which the Annual Quantity is not greater than 73,200 kWh (*2,500 therms*).

4.3 **Supply Point Components**

4.3.1 A Supply Point may comprise a DM Supply Point Component or an NDM Supply Point Component or both.

4.3.2 A "**Supply Point Component**" is either:

- (a) all (if any) of the Supply Meter Points comprised in one Supply Point which are DM Supply Meter Points (a "**DM Supply Point Component**");
- (b) all (if any) of the Supply Meter Points comprised in one Supply Point which are NDM Supply Meter Points (an "**NDM Supply Point Component**").

4.4 **Firm and Interruptible Supply Points**

4.4.1 In accordance with Section G6.1 a Supply Point may be a "**Firm Supply Point**" or an "**Interruptible Supply Point**".

4.4.2 An "**Interruptible**" Supply Point Component is a Supply Point Component of an Interruptible Supply Point, and a "**Firm**" Supply Point Component is a Supply Point Component of a Firm Supply Point.

4.5 **Further classification of DM Supply Point Components**

4.5.1 A DM Supply Point Component may be a DMC Supply Point Component (including a VLDMC Supply Point Component) or a DMA Supply Point Component.

4.5.2 A Supply Point Component shall be classified as a "**DMC**" Supply Point Component where it is:

- (a) a Firm or Interruptible DM Supply Point Component whose Annual Quantity is greater than 58,600,000 kWh (*2,000,000 therms*); or
 - (b) an SDMC(I) Supply Point Component in accordance with paragraph 4.5.3.
- 4.5.3 A Supply Point Component can be classified as a "**SDMC(I)**" Supply Point Component where it is an Interruptible DM Supply Point Component whose Annual Quantity is not greater than 58,600,000 kWh (*2,000,000 therms*), which is for the time being designated as requiring individual Output Nominations in accordance with Section G6.4.
- 4.5.4 A Supply Point Component shall be classified as a "**DMA**" Supply Point Component where it is:
- (a) a Firm DM Supply Point Component whose Annual Quantity is not greater than 58,600,000 kWh (*2,000,000 therms*); or
 - (b) an Interruptible DM Supply Point Component whose Annual Quantity is not greater than 58,600,000 kWh (*2,000,000 therms*), which is not a SDMC(I) Supply Point Component.
- 4.5.5 A Supply Point Component shall be classified as a "**VLDMC**" Supply Point Component where it is a DMC Supply Point Component whose Annual Quantity is greater than 1,465,000,000 kWh (*50,000,000 therms*).