

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION O – SYSTEM PLANNING

1 GENERAL

1.1 Introduction

1.1.1 Each year:

- (a) Transco NTS will publish assumptions and information in respect of supply and demand for gas, and in respect of the Total System and its use, in accordance with the requirements of Transco NTS's Transporter's Licence; and
- (b) each Transporter will publish information in respect of supply and demand for gas, and in respect of relevant System(s) and its use, in accordance with the requirements of its Transporter's Licence.

1.1.2 The Transporter needs Users to provide (and cooperate in the provision of) information to the Transporter for the purposes of enabling the Transporter:

- (a) to comply with its obligations pursuant to the Act and the Transporter's Licence in relation to the development of the relevant System(s); and
- (b) to prepare and publish the assumptions and/or information referred to in paragraph 1.1.1 and otherwise contemplated under this Section O.

1.1.3 The information to be provided by Users pursuant to this Section O shall be treated as having been requested by the Transporter for the purposes of Standard Condition [9(1)] of the Shipper's Licence.

1.1.4 Pursuant to paragraph 1.1.3, to the extent that a User is required by virtue of Standard Condition [9(1)] of the Shipper's Licence to comply with any requirement for information to be provided to the Transporter under this Section O, this Section O does not create an additional obligation for the User to provide such information.

1.2 Base Plan Assumptions and Ten Year Statement

1.2.1 Each year Transco NTS will publish Base Plan Assumptions and subsequently a Ten Year Statement in accordance with paragraphs 3 and 4.

1.2.2 "**Base Plan Assumptions**" is a document setting out initial assumptions as to supply and demand in Gas Years and requesting information from Users and other persons.

1.2.3 A "**Ten Year Statement**" is a document containing:

- (a) in the case of Transco NTS, the statement (or revised statement) required to be prepared pursuant to Standard Special Condition [C2] of Transco NTS's Transporter's Licence and any direction of the Authority pursuant thereto;
- (b) in the case of a DN Operator, the statement (or revised statement) required to be prepared pursuant to Special Condition [D3] of its Transporter's Licence and

any direction of the Authority pursuant thereto

and such further information which may be required for the purposes of the Code (in particular, Section Q) or which the Transporter may decide to include in such document.

- 1.2.4 Where the context admits, any reference in the Code to a Ten Year Statement is a reference to the most recently published such statement at any time, and a reference to a Ten Year Statement applicable to a particular Gas Year is to the statement for which (in accordance with paragraph 1.4) such year is year 0.

1.3 Status of planning documents

No Transporter will be liable pursuant to the Code to any User in relation to any estimate, forecast or other information contained in or omitted from the Base Plan Assumptions or Ten Year Statement, and nothing contained therein will bind a Transporter to undertake any reinforcement of any relevant System(s).

1.4 Planning years

For the purposes of this Section O, in relation to the planning activities undertaken in accordance with this Section O in any year, year 0 is the Gas Year in which such activities are being undertaken, year 1 is the immediately following Gas Year and years 2 to 9 are the following 8 Gas Years, and years - 3 to - 1 are the three Gas Years preceding year 0.

1.5 DNO Users

In this Section O references to Users exclude DNO Users.

2 SUPPLY AND DEMAND

2.1 Demand

- 2.1.1 For the purposes of this Section O references to demand exclude demand for gas offtaken to Storage Facilities, but include demand for gas offtaken to Connected Offtake Systems other than Storage Facilities.
- 2.1.2 Except in paragraph 3.2, references in this Section O to demand are inclusive of shrinkage.
- 2.1.3 For the purposes of this Section O:
- (a) demand may be estimated on different assumptions as to the inclusion or exclusion of and the nature of interruptible demand (for these purposes being demand under contracts of sale or supply which permit the interruption of the supply of gas); and
 - (b) where the Transporter publishes or requests information as to estimated demand it may specify the assumptions (or alternative assumptions) as to interruptible demand on which such estimates are made or to be made.
- 2.1.4 For the purposes of determining Total System 1-in-20 peak day demand, Total System

1-in-50 Severe Annual Demand, System 1-in-20 peak day demand or System 1-in-50 Severe Annual Demand, peak day demand excludes interruptible demand, and annual demand excludes interruptible demand on Days of permitted Interruption (within the Interruption Allowance) in the period from 1 October to 31 March.

2.2 Supply

2.2.1 For the purposes of this Section O, in respect of any Gas Year, in relation to the Total System or any System Entry Point "**maximum daily supply**" is the maximum availability of gas for supply on one Day in that year; where availability of gas for supply is the quantity of gas that can be delivered on a Day to the Total System at a System Entry Point or System Entry Points, other than from Storage Facilities.

2.2.2 For the purposes of paragraph 2.2.1:

- (a) availability of gas for supply in any year may be estimated on assumptions which include, in addition to contractual commitments as to the supply of gas, assumptions as to such commitments expected to be made before or during the year, and/or supplies of gas expected to be available on a spot basis during such year, and/or sources of gas expected to be developed before or during such year; and
- (b) where the Transporter publishes or requests information as to estimated availability of gas for supply it may specify the assumptions (or alternative assumptions) on which such estimates are made or to be made.

2.3 Sources of information

Except as provided in the Code, no Transporter is party to any agreement for the sale of gas offtaken from the Total System, or the purchase of gas delivered to the Total System; and accordingly each Transporter depends on the information provided by persons who are party to such agreements, and on other sources of information (including any information requirements under Network Entry Agreements and Network Exit Provisions, and the Transporter's historic records), in estimating under this Section O demand and availability of gas for supply.

3 BASE PLAN ASSUMPTIONS

3.1 Publication and content

3.1.1 In October of each year (year 0), Transco NTS will publish for consultation the Base Plan Assumptions, and invite comments from Users and others thereon in accordance with paragraph 3.2.

3.1.2 The Base Plan Assumptions will typically include:

- (a) details for each of years - 3 to - 1 of actual peak day demand:
 - (i) for the Total System; and
 - (ii) for System Exit Points (other than Unmetered Connected System Exit Points) in accordance with paragraph 3.1.3;

- (b) estimates for each of years 0 to 9 (or for certain of such years) of:
 - (i) Total System 1-in-20 peak day demand and the Total System seasonal normal annual demand, upon each of the demand growth assumptions under paragraph (e) below; and
 - (ii) 1-in-20 peak day demand for System Exit Points in accordance with paragraph 3.1.3;
 - (c) estimates for each of years 0 to 9 (or for certain of such years) of maximum daily supply for the Total System, by System Entry Point, and the assumptions (in accordance with paragraph 2.2.1) on which such estimates were made;
 - (d) an estimate for year 1 of the amounts by which maximum daily supply falls short of Total System 1-in-20 peak day demand;
 - (e) different assumptions (high, low and central) as to overall growth in demand for gas in years 0 to 9 or certain of such years;
 - (f) the principal economic and other assumptions made by Transco NTS in preparing such estimates; and
 - (g) a reference date for the making of estimations of demand.
- 3.1.3 The details or estimates in respect of System Exit Points under paragraphs 3.1.2(a)(ii) and (b)(ii) will be given:
- (a) in respect of LDZ Supply Points, on an aggregated basis by LDZ;
 - (b) in respect of NTS Supply Points, on an aggregated basis for the Total System as a whole; and
 - (c) in respect of each LDZ Connected System Exit Point on an aggregated basis by LDZ (but not for Storage Connection Points).

3.2 User information requirements

- 3.2.1 Each User shall provide to the Transporter, by the date (not less than one month after the Base Plan Assumptions were published) and in the format specified in the Base Plan Assumptions:
- (a) estimates for years 1 to 3 of 1-in-20 peak day demand and seasonal normal annual demand at Supply Points of which it is the Registered User and (as respects demand for gas attributable to it) at Connected System Exit Points other than Storage Connection Points;
 - (b) such estimates for years 1 to 3 of availability of gas for supply (in accordance with paragraph 2.2.1) to such User, upon such assumptions (as referred to in paragraph 2.2.2), as may be required pursuant to the Base Plan Assumptions; and
 - (c) in the case of Transco NTS, such further information as may reasonably be requested by Transco NTS under the Base Plan Assumptions.

- 3.2.2 The information required under paragraph 3.2.1 is to be provided:
- (a) as respects LDZ Supply Points, for each LDZ, on an aggregated basis by reference to bands of demand (specified by the Transporter) at Firm Supply Points, and on an aggregated basis for Interruptible Supply Points;
 - (b) as respects NTS Supply Points and Connected System Exit Points, by System Point; and
 - (c) as respects availability of gas for supply, by Aggregate System Entry Point
- and on such basis of estimation or otherwise as may be specified in the Base Plan Assumptions.
- 3.2.3 Subject to paragraph 3.2.4, in order to ensure consistency of information provided to the Transporter and to avoid duplication in estimation of demand, a User's estimates of demand are to be in relation to Supply Points in respect of which the User is Registered User and other sources of demand as at the reference date specified (pursuant to paragraph 3.1.2(g)) in the Base Plan Assumptions, and Users should not take into account anticipated changes in their portfolios of Supply Points or in market share, other than as respects new loads in accordance with paragraph 3.2.4.
- 3.2.4 In providing estimates and information under paragraph 3.2.1(a) each User will be required in particular to provide information in relation to the new sources of demand of the User such as new residential, commercial or industrial developments, and to indicate the extent to which the User has secured or expects to secure contractual commitments for the sale of gas in connection with such developments.
- 3.2.5 References to demand in this paragraph 3.2 are exclusive of shrinkage.

3.3 Confidential information

- 3.3.1 The Transporter and Users acknowledge that Users will be required under paragraph 3.2.1 to provide information which may be commercially sensitive vis-à-vis other Users.
- 3.3.2 Where the Base Plan Assumptions specify the form in which information provided to Transco NTS pursuant thereto is to be published, a person providing information to the Transporter for the purposes of this Section O will be deemed to have consented to:
- (a) the disclosure of such information by a Transporter to Transco NTS; and
 - (b) the publication by the Transporter of such information in such form unless such person expressly notifies the Transporter otherwise.
- 3.3.3 Subject to paragraph 3.3.2 and to the Transporter's duties under the Transporter's Licence and the Act, and except where any such person consents thereto, the Transporter agrees that the Ten Year Statement, and in the case of Transco NTS only the Base Plan Assumptions, will not identify by name any particular Users nor (insofar as any User shall have provided information to the Transporter relating to such person) any supplier, consumer or person producing or selling gas before its delivery to the Total System.

3.4 Information requested under Licence

If a User intends, pursuant to Standard Condition 8(2) of the Shipper's Licence, to refuse to provide any item of information requested by the Transporter, the User undertakes promptly:

- (a) to inform the Transporter of such intention;
- (b) if requested by the Transporter, to discuss with the Transporter whether there is a form in which the information can be provided or alternative information which can be provided; and
- (c) if requested by the Transporter, to refer or cooperate with the Transporter in referring its refusal to the Authority for determination under that condition.

3.5 Information from other persons

3.5.1 Subject to paragraph 3.5.2, each User will, in so far as lies within its power, cooperate with and provide reasonable assistance to the Transporter in obtaining information requested under the Base Plan Assumptions from persons not bound by the Code, including Delivery Facility Operators in respect of Connected Delivery Facilities at Aggregate System Entry Points and Offtake System Operators in respect of Connected Offtake Systems at Connected System Exit Points at which the User holds capacity, persons from whom the User has contracted to purchase gas, suppliers to whom the User has contracted to sell gas and consumers who are customers of such suppliers or of the User directly.

3.5.2 Users will not be required pursuant to paragraph 3.5.1 to incur significant expenditure or to infringe any obligation of confidentiality or other obligation, and will not (by virtue of anything done pursuant to that paragraph) be responsible for any information provided by any person (other than a User) referred to in that paragraph.

4 TEN YEAR STATEMENT AND GS(M)R SAFETY CASE STORAGE VOLUME

4.1 Publication and content of Ten Year Statement

On the basis of the information provided:

- (a) to Transco NTS by Users, other responses to the Base Plan Assumptions and other information available to it, Transco NTS will;
- (b) to the Transporter by Users and other information available to it, the Transporter will

prepare by such date as may be required pursuant to its Transporter's Licence in year 0, and publish a Ten Year Statement.

4.2 GS(M)R Safety Case Storage Volume details

4.2.1 Transco NTS will prepare and publish as GS(M)R Safety Case Storage Volume, by the time such estimates are required for the purposes of Section Q (and accordingly before preparing the Ten Year Statement) estimates for year 1 of:

- (a) Total System 1-in-20 peak day demand and Total System 1-in-50 Severe Annual Demand; and
- (b) maximum daily supply for the Total System

which will, subject to paragraph 4.2.5, be the values thereof used for the purposes of the Code (including those of Section Q).

- 4.2.2 The Estimated GS(M)R Safety Case Storage Volume will state the assumptions as to interruptible demand (in accordance with paragraph 2.1.3) and availability of gas for supply (in accordance with paragraph 2.2.2) made for the purposes of the estimates made pursuant to paragraph 4.2.1.
- 4.2.3 Without prejudice to the generality of paragraph 4.2.2, the GS(M)R Safety Case Storage Volume will include assumptions as respects demand and supply at any System Point at which an interconnector (connecting the Total System with a pipeline system in another country) is connected to the Total System.
- 4.2.4 The Ten Year Statement may contain up-dated details of the matters of which details for year 1 are contained in the GS(M)R Safety Case Storage Volume, notwithstanding which the details in the GS(M)R Safety Case Storage Volume will prevail for the purposes of the Code.
- 4.2.5 Transco NTS may (but shall not be obliged to) revise estimates under paragraph 4.2.1, on any date from 1 May up to and including 1 October in year 1, for the purposes of Section Q.