

Gas SCR – Final Policy Decision – Supplier licence condition

Draft – for consultation (12 February 2014)

Response address: wholesale.markets@ofgem.gov.uk

Response deadline: 9 April 2014

Condition 19C. DSR Payments

Commercially Firm Customers

- 19.1 The licensee must include in each of its Contracts for the supply of gas to premises with a Commercially Firm Customer that it enters into or has entered into, terms which give effect to the matters set out in paragraph 19.2.
- 19.2 The Contracts referred to in paragraph 19.1 must ensure that:
- (a) in the event that gas supplies to a Commercially Firm Customer are curtailed by a Gas Transporter as a result of Firm Load Shedding due to a Gas Deficit Emergency, the licensee will pay to the Commercially Firm Customer, in consideration for the provision of an involuntary demand side response service by that customer, a DSR Payment; and
 - (b) the licensee will make the DSR Payment as soon as reasonably practicable after receiving from the Relevant Gas Shipper a payment of the same amount.
- 19.3 In the event that gas supplies to a Commercially Firm Customer are curtailed by a Gas Transporter as a result of Firm Load Shedding due to a Gas Deficit Emergency, the licensee must take all reasonable steps to notify the Commercially Firm Customer that it will be paid a DSR Payment pursuant to the terms of its Contract.
- 19.4 In the event that gas supplies to a Commercially Firm Customer are curtailed from a NDR System Exit Point by a Gas Transporter as a result of Firm Load Shedding due to a Gas Deficit Emergency, on receipt of evidence from that customer that the offtake of gas from that NDR System Exit Point was reduced or discontinued in compliance with an instruction from that Gas Transporter for Firm Load Shedding due to a Gas Deficit Emergency, the licensee shall provide that same evidence to the Relevant Gas Shipper.
- 19.5 For the purposes of paragraph 19.4 only, the expression Firm Load Shedding shall not include Network Isolation.

Commercially Interruptible Customers

- 19.6 In accordance with Transportation Document Section Q of the Uniform Network Code, the licensee must give evidence to the Relevant Gas Shipper of each Contract for the supply of gas to premises that it enters into or has entered into with a Commercially Interruptible Customer.

19.7 The licensee must include in each of its Contracts for the supply of gas to premises that it enters into or has entered into with a Commercially Interruptible Customer terms which:

- (a) set out the payment that the Commercially Interruptible Customer will receive from the licensee in the event that the licensee instructs the interruption of a volume of gas which is treated as interruptible pursuant to the terms of the Contract; and
- (b) set out the payment that the Commercially Interruptible Customer will receive from the licensee in the event that a Gas Transporter instructs the interruption of a volume of gas, which is treated as interruptible pursuant to the terms of the Contract, as a result of Firm Load Shedding due to a Gas Deficit Emergency; and
- (c) give effect to the matters set out in paragraph 19.8 below.

19.8 The Contracts referred to in paragraph 19.7 must ensure that:

- (a) in the event that, as a result of Firm Load Shedding due to a Gas Deficit Emergency, a Gas Transporter instructs the curtailment of a volume of gas which is not treated as interruptible pursuant to the terms of the Contract, the licensee will pay to the Commercially Interruptible Customer, in consideration for the provision of an involuntary demand side service response by that customer, a DSR Payment; and
- (b) the licensee will make the DSR Payment referred to in paragraph (a) above as soon as reasonably practicable after receiving from the Relevant Gas Shipper a payment of the same amount.

19.9 Before it enters into a Contract with a Commercially Interruptible Customer, the licensee must take all reasonable steps to bring the terms referred to in paragraphs 19.7 and 19.8 above, to the attention of that customer.

19.10 In this condition:

Commercially Firm Customer means a customer connected to a NDR System Exit Point or a DR System Exit Point but does not include a Commercially Interruptible Customer;

Commercially Interruptible Customer means a customer connected, or requiring to be connected, to a Commercially Interruptible System Exit Point;

Commercially Interruptible System Exit Point has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

Daily-Read (DR) System Exit Point has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

DSR Payment means a payment made by the licensee to the Customer:

- (a) for the provision of an involuntary demand side response service provided by that Customer to the licensee; and
- (b) made pursuant to Transportation Principal Document Section Q of the Uniform Network Code;

Firm Load Shedding has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

Gas Deficit Emergency has the meaning given Transportation Principal Document Section Q of the Uniform Network Code;

involuntary demand side response service means the curtailment of gas as a result of Firm Load Shedding due to a Gas Deficit Emergency;

Non Daily-Read (NDR) System Exit Point has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

Network Isolation has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

Uniform Network Code means the document of that title required to be prepared pursuant to Standard Special Condition A11 (Network Code and Uniform Network Code) of licences granted under section 7 of the Act (as from time to time modified pursuant to that condition).