**UNIFORM NETWORK CODE (UNC) LEGAL DRAFTING FOR REC/CSS PROJECT**

**EXPLANATORY NOTE**

**1        Proposed Legal Text**

1.1      The legal text changes to the UNC are contained in a series of documents which show changes against the current version of the UNC (and for further detail see paragraph 4).

1.2      The most significant changes are found in TPD Section G which now includes registration rules which are (i) generic and apply to both CSS Supply Points and Non-CSS Supply Points, (ii) relate to CSS Supply Points only (which are entirely new and reflect REC/CSS processes) and (iii) relate to Non-CSS Supply Points only (which largely reflect the existing processes found in current TPD Section G2).

1.3      In addition current TPD Sections G1.19, G5 and G6 have been moved to (respectively) TPD Sections J1.9, TPD Section B, Annex B-3 and TPD Section B8.

1.4      Before making any changes to TPD Section G we re-ordered the current text (i) to put the current rules into a much more logical sequence and (ii) to remove the paragraphs which are being moved out of TPD Section G, in order to create a new 'baseline' version against which we could show the CSS/REC related changes.  Document 8 shows the changes to current TPD Section G to create the new 'baseline' version. Document 7 shows the changes to the re-ordered TPD Section G which are required for the purposes of reflecting CSS/REC processes – and this document is intended to assist readers with understanding the nature and extent of the CSS/REC changes.

1.5      A similar exercise was followed in relation to TPD Section G5.  We re-ordered the current text to create a new 'baseline' version against which we could show the CSS/REC related changes.  Document 4 shows the changes to current TPD Section G5 to create the new 'baseline' version. Document 3 shows the changes to the re-ordered TPD Section G5 (now Annex B-3) which are required for the purposes of reflecting CSS/REC processes.

1.6      Since the Workgroup 0630R meeting on 16 April 2019 the only significant changes made have been to TPD Section G5 and Annex G-1, and these are now incorporated in Documents 5 and 6, and Documents 5A and 6A shows these changes against the clean versions of TPD Section G and Annex G-1 presented at the meeting.

1.7      The documents showing the proposed legal text are listed in the table below; the table identifies the document type (clean or mark up) and includes (where relevant) a brief description of the nature of the changes made to the relevant sections of UNC.

63920009.02

| Document | UNC Section | Document Type | Explanation/Notes |
|---|---|---|---|
| | **TPD Section B (System Use and Capacity)** | | |
| 1 | Revised Section B4: LDZ Supply Point Capacity | Mark-up against current TPD Section B4. | *Description of Changes*<br><br>*Paragraph 4.2 amended to reflect different processes under TPD Section G5 and G6 through which the User is treated as holding (or ceasing to hold) DM or NDM Supply Point Capacity at CSS/Non-CSS Supply Points.* |
| 2 | New Section B8: Interruption | Mark-up against current TPD Section G6. | The interruption rules (in current TPD Section G6) have been moved to a new Section B8.<br><br>*Description of Changes*<br><br>*This is a 'lift and shift' of current TPD Section G6.* |
| 3 | New Annex B-3: DM Supply Point Capacity and Offtake Rate (to show CSS related changes) | Mark-up against new 'baseline' for Annex B-3. | The DM Supply Point Capacity and Supply Point Offtake Rate rules (in current TPD Section G5) have been moved to new Annex B-3.<br><br>*Description of Changes*<br><br>*Amendments generally reflect different processes under TPD Section G5 in relation to setting DM Supply Point Capacity at the time of registration of a CSS Supply Point.*<br><br>*Included is a new rule to allow a Transporter to provide standing instructions to the CDSP to be applied in event the Transporter is required to assess feasibility of making available gas for offtake at a Supply Point (such that the CDSP does not need to refer to the Transporter where the User's application falls within pre-agreed* |

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| | | | *parameters notified to the CDSP by the Transporter).*<br><br>*Paragraph 13 is a 'lift and shift' of current Section G7.3.* |
| 4 | Mark-up (to create new 'baseline') | Mark-up of current TPD Section G5 against new 'baseline' version. | *Prior to making the changes current TPD Section G5 was re-ordered to make the sequence of the rules more logical; and the mark up shows the changes made for the purposes of creating a new 'baseline' version of Annex B-3.* |
| | **TPD Section G (Supply Point Registration)** | | |
| 5 | Revised Section G (incorporating changes made following the Workgroup 0630R meeting on 16 April 2019) | Clean copy. | *Description of Changes*<br><br>*Paragraph 1*<br><br>*G1.2 Introduces a number of new key definitions including CSS Supply Point/Supply Meter Point and Non CSS Supply Point/Supply Meter Point, REC and CSS Provider; and other rules to reflect the REC and new UNC processes for the registration of CSS Supply Points are which are now dependent on CSS/REC processes.*<br><br>*Paragraph 2*<br><br>*All amendments to Supply Point and Supply Meter Point characteristics are consequential changes.*<br><br>*Paragraph 3*<br><br>*Introduces new rules in G3.2 setting out the basis on which User will have access to Registration Details as provided for in Annex G-1 and rules in relation to the first registration of* |

| | | | *new CSS Supply Points.* |
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| | | | *Paragraph 4* |
| | | | *Includes rules which are generic to registration of CSS/Non-CSS Supply Points – and include new defined terms in G4.1 to assist drafting. G4.4 sets out new rules in respect of a Transporter Referral, i.e. where a characteristic of the registration of a CSS Supply Point (as a DM Supply Point) needs to be referred to the Transporter for as response (e.g. optional commodity rate) This is not the same as a referral regarding feasibility to offtake gas under Annex B-3 (formerly TPD Section G5).* |
| | | | *Paragraph 5* |
| | | | *Contains the new rules relating to registration and de-registration of CSS Supply Points and which reflect related CSS processes under the REC.* |
| | | | *Paragraph 6* |
| | | | *Contains the rules (largely based on current TPD Section G2) relating to registration and de-registration of Non-CSS Supply Points.* |
| | | | *Paragraph 7* |
| | | | *Includes generic rules relating to Isolation in relation to both CSS/Non-CSS Supply Points.* |
| | | | *Paragraph 8* |
| | | | *All amendments to Re-establishment are largely consequential changes to reflect the different registration processes for CSS/Non-* |

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| | | | *CSS Supply Points.*<br><br>*Paragraph 9*<br><br>*Contains changes to rules in relation to Shared Supply Meter Points to reflect CSS processes where the SSMP is a CSS Supply Point.*<br><br>*Annex G-1*<br><br>*See Document 6.*<br><br>*Annex G-2*<br><br>*A 'lift and shift' of current TPD Section G4 re Compensation Rules relevant to TPD Section G.*<br><br>*Annex G-3*<br><br>*A 'lift and shift' of current TPD Section G7.4 re Siteworks related definitions.*<br><br>*Annex G-4*<br><br>*A 'lift and shift' of mandatory allocation agent terms from current Annex G-2.* |
| 5A | Updated Section G5 | Mark-up to show incremental changes since 16 April 2019. | *Description of Changes*<br><br>*This shows the changes made to TPD Section G5 following feedback at the Workgroup Meeting on 16 April 2019 and further internal review by Xoserve.* |
| 6 | New Annex G-1 (incorporating changes made following the Workgroup 0630R meeting on 16 April 2019) | Clean copy | *Description of Changes*<br><br>*Annex G-1*<br><br>*A new Annex to replace current Annex G-1.* |

| | | | *Addresses various issues concerning Registration Details (as defined in TPD Section G3.1) including (i) what details make up Registration Details and whether they are relevant to CSS /Non-CSS Supply Points and also whether relevant to CSEP Supply Meter Points, (ii) at what stage in the registration process for both CSS/Non-CSS Supply Points Users will have access to particular Registration Details, (iii) what details need to be included in the new notifications to be given to and by the CDSP for the purposes of the registration of CSS Supply Points and (iv) how Registration Details may be modified and by whom during the life of a Supply Point.* |
|---|---|---|---|
| 6A | Updated Annex G-1 | Mark-up to show incremental changes since 16 April 2019. | *Description of Changes*<br><br>*This shows the changes made to Annex G-1 following feedback at the Workgroup Meeting on 16 April 2019 and further internal review by Xoserve.* |
| 7 | Revised Section G (to show CSS/REC related changes) | Mark-up of new 'baseline' for TPD Section G to show CSS/REC related changes. | *Description of Changes*<br><br>*This document shows the changes to the new 'baseline' version of TPD Section G and shows the changes made to reflect the REC and the new processes for registration for CSS Supply Points and the amended process for registration of Non-CSS Supply Points.* |
| 8 | Revised Section G (to create new 'baseline') | Mark-up of current TPD Section G against new 'baseline' version. | *Description of Changes*<br><br>*Prior to making the changes current TPD Section G was re-ordered to make the sequence of the rules more logical; and the mark up shows the changes made for the purposes of creating a new 'baseline' version of TPD Section G.* |

63920009.02

| | **TPD Section M (Supply Point Metering)** | | |
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| 9 | Revised Section M | Mark-up against current TPD Section M. | *Description of Changes*<br><br>*New paragraph 2.6 is a 'lift and shift' or current paragraph 3.3.*<br><br>*Some consequential changes to paragraph 4.2 reflecting new processes and terminology included in TPD Section G.*<br><br>*New rules relating to requirement for Proposing User to submit Opening Meter Reading for Supply Point Registration Date for all Classes of Supply Point and setting out of circumstances where in absence of submission of Opening Meter Reading (or occurrence of other relevant events) the CDSP will generate an estimate to be used as the Opening Meter Reading and the basis on which such estimate will be generated.* |
| | **UNC Other Sections** | | |
| 10 | Other changes to TPD Sections A, B, C, E, H, J, Q, S and V, IGTAD Sections A and E and GT Sections C and D | Mark up against relevant extract from current versions of relevant Sections of TPD, IGTAD and GT. | *Description of Changes*<br><br>*Amendments are generally consequential changes.*<br><br>*Addition in GT Section D of new term 'GRDA Functions' to reflect functions assigned to the CDSP under the REC (distinct from CSS Functions), to categorise GRDA Functions as Direct Services and to confirm Code Parties will not do anything to hinder Transporter's GT licence obligations in respect of procuring the CDSP to perform GRDA Functions.* |

**2        Outstanding Matters**

2.1      Pending further consideration by Ofgem, no changes have been made to the current rules relating to a Supplier of Last Resort at TPD Section G4.3 (currently TPD Section G2.1.6 to 2.1.14).

2.2      In addition, the following should be noted:

(a)        the legal text does not cover any changes which may be required to any of the documents comprising the Data Services Contract;

(b)        the legal text does not included changes  (e.g. to TPD Section V5) which may be required to reflect the data enquiry service anticipated in the REC;

(c)        further drafting may be required once an agreed approach is confirmed in relation to licence exempt networks;

(d)        further changes may be required once the approach in the REC to Shared Supply Meter Points is confirmed; and

(e)        no transitional rules have been drafted (but see paragraph 3).

**3        Transitional Issues**

*Introduction*

3.1      Transition rules for the UNC will need to be tied to equivalent rules for the REC (which could but need not provide separate inception dates for gas and electricity).

3.2      Transition rules for UNC could cover:

(a)        how the new rules come into effect and the old rules cease to have effect;

(b)        treatment of in-flight processes;

(c)        carry-over or creation of classifications / status / other things under new rules; and

(d)        initial database population.

*Effective Date*

3.3      UNC transition rules would address:

63920009.02

(a)     the Effective Date (i.e. the Gas Flow Day) which can be the first Supply Point Registration Date under the new rules;

(b)     the dates (earlier than the Effective Date) which are the earliest Days on which:

(i)     Users can submit Base Registration Nominations and Referable Registration Nominations;

(ii)    the CDSP will receive notice from the CSS Provider of Relevant CSS Requests;

(c)     the latest dates on which Users can submit Supply Point Enquiries, Supply Point Nominations and Supply Point Confirmations (for CSS Supply Points) under the old rules.

3.4     Linked to these, transition rules may specify 'non-business days' when processes under the old rules are suspended in order to allow the new systems to be commissioned / brought into operation.

*In-flight things*

3.5     Presumably the basic existing processes simply fall away, i.e. Supply Point Enquiries, Supply Point Nominations, Supply Point Offers and Supply Point Confirmations (for CSS Supply Points) lapse if a Supply Point Registration has not gone live by the Effective Date.

3.6     But the position might be different for referrals, isolation requests, the 'shipperless' site processes, re-establishment, and other longer term processes.

*Carry-over/creation*

3.7     The initial versions of the Shipper-User Association Data and the Shipper-Transporter Association Data need to be created.

3.8     There may be a need to address classification or status under the new rules – e.g. by carry-across of an existing classification or status (e.g. a SMP which is Isolated under the old rules remains Isolated); and any actions by the CDSP needed to give effect to this.

*Database population*

3.9     Transition rules could impose obligations on UNC parties to participate in implementation processes to populate / update / clean up data.  But this could be done in other ways.

3.10    This is potentially more relevant to REC/CSS than to the UNC.

**4      UNC – Versions of Code use in preparing Legal Text**

4.1     The changes to the UNC in the documents referred to in paragraph 2 are shown against the following versions of the UNC available from the Joint Office:

| UNC Section | Version |
|---|---|
| TPD A | 5.04  07 June 2017 |
| TPD B | 5.27  30 October 2018 |
| TPD C | 5.04  07 June 2017 |
| TPD E | 5.04  07 June 2017 |
| TPD H | 5.26  25 October 2018 |
| TPD J | 5.03  01 June 2017 |
| TPD M | 5.23  15 June 2018 |
| TPD Q | 5.03  01 June 2017 |
| TPD S | 5.03  01 June 2017 |
| TPD V | 5.31  07 December 2018 |
|  |  |
| IGTAD A | 5.03  01 June 2017 |
| IGTAD E | 5.03  01 June 2017 |
|  |  |
| GT C | 5.03  01 June 2017 |
| GT D | 5.30  30 November 2018 |

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