

IGT-UNC 172 – proposer’s explanatory table - draft legal text to replicate TPD Section I in a new IGT UNC Part Q

Introduction

This document should be considered alongside the mark up of UNC TPD Section I ‘Entry Requirements’, which the proposed IGT UNC Part Q replication follows. s.

Blue highlight indicates linkage with existing IGT UNC concepts and defined terms. Green highlight indicates that further analysis is required.

'ENTRY REQUIREMENTS'	Notes for material changes
1 GENERAL 1.1 1.1.1 to 1.1.3	The UNC defined umbrella term ‘ System Entry Point ’ is to be replaced by a proposed equivalent IGT-UNC term ‘ Pipeline Entry Point ’ to be introduced in paragraph 1.4.1. A full explanation is included in the notes to 1.4.1. Ref. IGT UNC 172 BR 1. a. i.
1.1.4	The UNC provision relates to NTS to DN Inter-System Offtakes so is not relevant. The IGT UNC equivalent term (DNO to IGT, or IGT to IGT) is ‘ Connection Point ’, so this has been substituted.
1.2 1.2.1 and 1.2.2	1.2.1 introduces a new key term. Ref. IGT UNC 172 BR 1. a. ii. 1.2.2 Notes on proposed changes to limbs: ‘(c)’ is now subject to amended paragraph 1.1.4 which recognises that existing IGT UNC term ‘ Connection Point ’ and the associated provisions in that code and IGTAD already cover unmetered flows from DNO to IGT at such points and are therefore outside this proposed new Part. ‘(g)’ relates to a Scottish Independent Undertaking, which is a Large Transporter Network, not a Pipeline. Any gas from an IGT to a SIU would leave the IGT Pipeline at a Downstream System Exit Point and enter the Large Transporter (SIU) system at an IGT LDZ System Entry Point (the new term as proposed in UNC mod 0842). Therefore this limb is not relevant so will not be replicated. ‘(h)’ is a new provision to be added: <i>a facility for processing gas produced (and transported to such facility) from biomethane and/or bio-synthetic natural gas from renewable gas sources;</i>
1.2.3	Introduces a new key term. Ref. IGT UNC 172 BR 1. a. ii.
1.2.4	If any Pipeline Delivery Facility is to deliver gas and offtake gas, the flow at the interface will be bi-directional, as at System Entry Points under UNC. Ref. IGT UNC 172 BR 2. Note: consider putting an equivalent provision in IGT UNC against Downstream System Exit Point

<p>1.3</p> <p>1.3.1</p>	<p>This is a key provision as it has the ‘marry’ that UNC mod 0842 requires i.e. ‘an agreement’. Ref. IGT UNC 172 BR 1. a. iii. 1.</p> <p>TPD I 3.11.1 (c), added by UNC mod 154 over-rides I 1.3.1 so has been adopted and amended and put in its place. The provisions mentioned are:</p> <p><i>3.11.1 (c) an "LDZ System Network Entry Agreement" is a Network Entry Agreement between a DNO and a Delivery Facility Operator of a Connected Delivery Facility at an LDZ System Entry Point containing Network Entry Provisions, including those to determine the quantities of gas which may be delivered and operation of gas flows to an LDZ System Entry Point.</i></p> <p><i>1.3.1 Subject to paragraphs 1.3.7 and 1.6, a User may not deliver gas to the Total System at any System Entry Point unless there is in force an Agreement ("Network Entry Agreement") to which the parties include both the Transporter and the Delivery Facility Operator, containing Network Entry Provisions and (if not incorporated into the Network Entry Provisions) Local Operating Procedures applicable in respect of the System Entry Point.</i></p> <p>References to irrelevant provisions 1.3.7 and 1.6 that are not marked for replication have been removed.</p>
<p>1.3.2</p>	<p>This is a key provision for UNC 0842 ‘marry’ i.e. it creates ‘provisions equivalent’. Ref. IGT UNC 172 BR 1. a. iii. 1.</p>
<p>1.3.3</p>	<p>In UNC, TPD I 1.3.3 addresses pre-UNC legacy and complicated beach gas facilities. IGT UNC does not need this.</p>
<p>1.3.4</p>	<p>This provision enables provisions between the DFO and Transporter(s) that are outside code governance. Ref. IGT UNC 172 BR 1. a. iii. 4.</p>
<p>1.3.5</p>	<p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO’s interests have been included alongside the IGT operator’s. Ref. IGT UNC 172 BR 1. a. iii. 3.</p>
<p>1.3.6</p>	<p>This provision, replicated, enables the Large Transporter/DNO to be an additional party to what would otherwise be a bilateral agreement. Ref. IGT UNC 172 BR 1. a. iii.</p>
<p>1.3.7</p>	<p>I 1.3.7 concerns pre 1996 UNC legacies and is not relevant so will not be replicated.</p>
<p>1.4 1.4.1</p>	<p>I 3.11.1 (a), added by UNC mod 154 over-rides TPD I I 1.4.1 so has been adopted and amended and put in place of the old 1.4.1:</p> <p><i>3.11.1 (a) an "LDZ System Entry Point" is a System Entry Point on a DNO’s System and that is not listed as an Entry Point in Appendix 1 of Special Condition 9.13 of National Gas Transmission’s Gas Transporter’s Licence;</i></p> <p><i>1.4.1 Subject to paragraph 1.4.2, a System Entry Point is the Individual System Entry Point or Individual System Entry Points at which a Connected Delivery Facility is connected to the Total System.</i></p> <p>Note that IGT UNC does not require an equivalent of the UNC concept of a ‘System Entry Point’ (A 2.2) comprising ‘Individual System Points’ (A 2.2) as there will be a 1:1 relationship between physical connection interface and commercial delivery point.</p>

	<p>Similarly, IGT UNC does not require the umbrella term 'Aggregate System Entry Point' (A 2.3), which is used exclusively for NTS connections and 'old' LDZ connections, or the more recent term 'LDZ System Entry Point' (I 3.11.3 (a)) which applies simpler provisions as introduced by UNC mod 154, the legal text for such being self-contained in a new TPD Section I 3.11.</p> <p>There is therefore no requirement to replicate the above in a 'pointed to' TPD section A, or to retain TPD Section I 3.11 as a separate over-ride to I 3.1 – I 3.10 inclusive.</p> <p>Instead, a single IGT UNC term 'Pipeline Entry Point', is to be introduced to replace TPD A 2.2 'Individual System Entry Point', A 2.3 'System Entry Point' and I 11.3.1 (a) 'LDZ System Entry Point'. The word 'Individual' is no longer needed, nor LDZ. Ref. IGT UNC 172 BR 1. a. i.</p> <p>The original UNC TPD Section I 3.11.1 (a) if retained would duplicate this new paragraph 1.4.1 so has been deleted.</p>
1.4.2	As described in the note to 1.4.1 above, the UNC concept of Individual System Entry Point is not used in IGT UNC, so this provision will not be replicated.
1.4.3	I 1.4.3 has been adapted to remove 'Individual'.
1.4.4	I 1.4.4 concerns pre 1996 UNC legacies and is not relevant so will not be replicated.
1.5	<p>The UNC concept of Aggregate System Entry Point is not used in IGT UNC, so will not be replicated.</p> <p>See the note for paragraph 1.4.1.</p>
1.6	IGTs do not have points at which gas was delivered to the UNC Total System before 1 March 1996 so the below will not be replicated.
1.7 and 1.8	The UNC concepts of DNO User and Trader User are not used in IGT UNC so the below will not be replicated.
2 PIPELINE ENTRY PROVISIONS	The TPD text has been simplified as the only type of connection is the Pipeline Entry Point (based on TPD LDZ System Entry Point). Provisions relevant to NTS and 'old' LDZ entry have been deleted e.g. 'Section B' and 'Aggregate'. Ref. IGT UNC 172 BR 1. a. iii. 1.
2.1 2.1.1 to 2.1.3	Note that 2.1.2 and 3.11.4 are similar.
2.2 2.2.1	<p>Provisions relevant to NTS and 'old' LDZ entry have been deleted i.e. 'NTS Entry Capacity', 'NTS' and 'Aggregate'.</p> <p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO's interests have been included alongside the IGT operator's Ref. IGT UNC 172 BR 1. a. iii.</p>
2.2.3	<p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO's interests have been included alongside the IGT operator's. Ref. IGT UNC 172 BR 1. a. iii.</p> <p>Provisions relevant to NTS and 'old' LDZ entry have been deleted i.e. 'Individual'.</p>

<p>2.3</p>	<p>2.3.1 delivers the key ‘marry’, as required by UNC mod 0842:, ...provisions.... Ref. IGT UNC 172 BR 1. a. iii.</p> <p>UNC mod 0842 proposed legal text 3.12.5 (b) (i):</p> <p><i>“equivalent to Network Entry Provisions (including provisions which identify and specify each of the matters referred to in paragraph 2.3.1) ... (as if gas was being delivered to the Total System);”</i></p> <p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO’s interests have been included alongside the IGT operator’s.</p> <p>In 2.3.7 provisions relevant to NTS and ‘old’ LDZ entry have been deleted e.g references to ‘Individual’, in I 2.3.4 ‘NTS Entry Capacity’ and ‘Condition A11 (18) Approval’, and in 2.3.8 ‘Interconnected System’.</p>
<p>2.4</p>	<p>2.4 delivers the key ‘marry’, as required by UNC mod 0842, ...provisions.... Ref. IGT UNC 172 BR 1. a. iii.</p> <p>UNC mod 0842 proposed legal text 3.12.5 (b) (i):</p> <p><i>“equivalent to Network Entry Provisions (including provisions which identify and specify each of the matters referred to in paragraph 2.3.1) and (if not incorporated into the such provisions) Local Operating Procedures (as if gas was being delivered to the Total System);”</i></p> <p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO’s interests have been included alongside the IGT operator’s.</p>
<p>2.5</p> <p>Note 2.5.3</p>	<p>2.5 delivers the key ‘marry’, as required by UNC mod 0842, ...provisions.... Ref. IGT UNC 172 BR 1. a. iii.</p> <p>UNC mod 0842 proposed legal text 3.12.5 (b) (i):</p> <p><i>“...equivalent to Network Entry Provisions (including provisions which identify and specify each of the matters referred to in paragraph 2.3.1) and (if not incorporated into the such provisions) Local Operating Procedures (as if gas was being delivered to the Total System);”</i></p> <p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO’s interests have been included alongside the IGT operator’s. Ref. IGT UNC 172 BR 1. a. iii.</p> <p>2.5.3 delivers the key ‘marry’, as required by UNC mod 0842, ...measurement and CV data.... Ref. IGT UNC 172 BR 1. a. iii. 5.</p> <p>2.5.3: IGT UNC does not have the concepts of daily balancing, ‘gas flow nominations and scheduling’ or the many complicated allocation provisions that build upon them, however, the proposed 2.5.3 requires an equivalent of UNC ‘Entry Point Daily Quantity Delivered’, which links Section I physical measurement to commercial provisions in TPD. Ref. IGT UNC 172 BR 1. a. iii. 5.</p> <p>The proposed new IGT UNC equivalent definition is Pipeline Entry Point Daily Quantity Delivered.</p> <p>As the model for this definition is in UNC Section E 1.4.1 and there is no intention of replicating that section, a decision was taken to incorporate it here.</p> <p>For information only, an extract of UNC TPD Section E follows:</p>

	<p><i>E 1.4.1 In respect of each System Entry Point, the “Entry Point Daily Quantity Delivered” is the aggregate quantity of gas delivered to the Total System on a Day at that System Entry Point, ascertained as described in Section 12.5 (subject to paragraph 1.7).”</i></p> <p><i>E 1.4.2 The amount determined to be the Entry Point Daily Quantity Delivered in respect of any System Entry Point for the Gas Flow Day may be revised at any time up to and including the 5th following Day, but no revision will be made to such quantity after the 5th Day after the Gas Flow Day.</i></p> <p>An equivalent of E 1.4.2 is now incorporated in the proposed 3.1.2.</p>
<p>2.6</p>	<p>2.6 delivers the key ‘marry’, as required by UNC mod 0842, ...provisions.... Ref. IGT UNC 172 BR 1. a. iii. 2. and 4.</p> <p><i>UNC mod 0842 proposed legal text I 3.12.5 (b) ...</i> <i>(i) “equivalent to Network Entry Provisions (including provisions which identify and specify each of the matters referred to in paragraph 2.3.1) and (if not incorporated into the such provisions) Local Operating Procedures (as if gas was being delivered to the Total System);”</i></p> <p>The DNO is not a party to IGT UNC, but is a party to the agreement, so the DNO’s interests have been included alongside the IGT operator’s.</p> <p>In 2.6.4, 2.6.6 and 2.6.7 the provisions relevant to NTS have been deleted.</p>
<p>3 DELIVERY OF GAS TO THE PIPELINE</p>	
<p>3.1 3.1.1</p>	<p>Relief to IGT where entry provisions are breached. Ref. IGT UNC 172 BR 1. a. iii. 3.</p> <p>IGT UNC does not use the UNC concepts of Daily Balancing, Capacity, or Scheduling which uses Input Nominations. To introduce these would require adding extensive additional text and likely IT systems, for little if any benefit.</p> <p>Provisions that require these are not identified for replication.</p>
<p>3.1.2</p>	<p>I 3.1.2 has been re-written.</p> <p>The proposed new limb (a) uses the definition of Pipeline Entry Point Daily Quantity Delivered, which was introduced in the paragraph 2.5.3, where the term first appears, and to incorporate the remainder of the TPD Section E 1.4 on which it is based: <i>The amount determined to be the Entry Point Daily Quantity Delivered in respect of any System Entry Point for the Gas Flow Day may be revised at any time up to and including the 5th following Day, but no revision will be made to such quantity after the 5th Day after the Gas Flow Day..</i></p> <p>The proposed new Limb (b) defined term ‘Delivering Pipeline User’ is based on the equivalent UNC term in Section E 1.1.2 (c) <i>in relation to a System Entry Point, a “Delivering User” is a User treated as delivering gas to the Total System at that point on that Day;</i></p> <p>UNC TPD I would ordinarily amend this term (3.11.1 (b) <i>an “LDZ System Entry Point User” is a Delivering User at an LDZ System Entry Point;</i>), so to simplify the legal text the decision has been made to use just the one term proposed here throughout the section.</p> <p>Accordingly, I 3.11.1 is not replicated.</p>

3.2 3.2.2 and 3.2.3	Multi-user provisions are not relevant so will not be replicated.
3.3 3.3.1 to 3.3.7	Relief to IGT where entry provisions are breached. Ref. IGT UNC 172 BR 1. a. iii. 3.
3.3.8 and 3.3.9	3.3.8 and 3.3.9 'Special Delivery Arrangement' and allocation are NTS concepts so will not be replicated.
3.4 3.4.2	Relief to IGT where entry provisions are breached. Ref. IGT UNC 172 BR 1. a. iii. 3. Note that IGT UNC does not have an Applicable Liability Gas Price definition.
3.4.3	The multi-user limb (a) has been removed.
3.4.4	The multi-user limb (a) (iv) has been removed.
3.4.7 to 3.4.9	These are NTS provisions so will not be replicated.
3.5	3.5 'Special Delivery Arrangement' is an NTS provision so will not be replicated.
3.6	<p><i>This sub section delivers key 'marry' provisions. Note the similarity to existing IGT UNC 'Connection Point'. Ref. IGT UNC 172 BR 1. b.</i></p> <p><u>PART J - DELIVERY AND OFFTAKE OF GAS</u></p> <p><u>1 Delivery of gas into Pipeline</u></p> <p><i>1.1 Title and risk in gas delivered to the Pipeline at the Connection Point shall pass to the Pipeline Operator at the Connection Point.</i></p> <p><i>1.2 Each Pipeline User warrants to the Pipeline Operator:</i></p> <p><i>(a) that such Pipeline User will have title (at the point of delivery) to all gas delivered or tendered for delivery to the Pipeline at the Connection Point by that Pipeline User; and</i></p> <p><i>(b) that all such gas will (at such point) be free of any lien, charge, encumbrance or adverse claim (as to title or otherwise), including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of gas arising on or before delivery thereof to the Pipeline.</i></p> <p><i>1.3 Each Pipeline User shall indemnify the Pipeline Operator and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Pipeline Operator in consequence of any breach of the warranties in Clause 1.2.</i></p>
3.7 and 3.8	I 3.11.3 turns these provisions off for LDZ entry.

3.9	I 3.11.3 turns this provision off for LDZ entry, however it appears to be useful, so is marked for replication with amendment. Ref. IGT UNC 172 BR 1. a. iii. 3. As the reference to I 3.7.1 does not work due to disapplication within I 3.11.3 (a), a reference to I 3.11.5 which performs a similar function has been substituted.
3.10	3.10 is an NTS and 'old' LDZ 'Daily Balancing' provision so will not be replicated.
3.11 3.11.1	I 3.11.1 will not be replicated for the following reasons: (a) would duplicate I 1.4.1 as amended (b) would duplicate 3.1.2 (b) as amended (c) would duplicate I 1.3.1 as amended
3.11.2	I 3.11.2 would duplicate I 1.3.1 as amended so will not be replicated.
3.11.3	Limb (a) disapplies capacity provisions that do not exist in IGT UNC, and turn off other provisions which similarly do not exist in IGT UNC and are therefore not intended to be replicated, so this provision will not be replicated.
3.11.4	Note that I 2.1.2 and I 3.11.4 perform similar functions.
3.11.5	Note that TPD I 3.11.5 performs a similar function to I 3.7.1, which is turned off for LDZ entry by I 3.11.3.
3.11.6 and 3.11.7	IGT UNC does not use the UNC concepts of Daily Balancing, Capacity, or Scheduling which uses Input Nominations. To introduce these would require adding extensive additional text and likely IT systems, for little if any benefit. Without Input Nominations and associated additional provisions and systems, the formula does not work, so these provisions are not identified for replication.
3.11.9	Relief to IGT where entry provisions are breached. Ref. IGT UNC 172 BR 1. a. iii. 3.