

# Final Modification Report No. 19

## Balancing and Scheduling

28<sup>th</sup> August 2015

GNI (UK) has prepared this report under section 8 of its Transportation Code Modification Rules.

### **A Description of the nature and purpose of the modification**

This proposal is being made to address changes to the arrangements for Shipper balancing and scheduling as a result of the implementation of an entry-exit regime in Northern Ireland, as well as to reflect changes elsewhere in the code (in particular section 3, Allocations) required as a result of the implementation of EU Codes.

It has been agreed that Premier Transmission shall invoice for PS Code Charges (which include Imbalance Charges and Scheduling Charges) and manage the NI Disbursement Account on behalf of all the NI TSOs and Shippers. This Modification Proposal therefore clarifies these revised arrangements.

### **B Third Party Representations**

No Third Party representations were received in response to this Proposed Code Modification.

### **C The clauses of the Transportation Code that require amendment**

This proposal will amend Sections 4 and 5 of the of the GNI (UK) Code. It will also introduce Transition Section T7 which deals with the implementation of the changes in Section 4 and 5 and the associated definitions in Appendix 1. Minor changes to Sections 2, 3 and 8 are also proposed.

### **D Impact on other Designated Pipeline Operator's Network Codes:**

GNI (UK) has worked with BGTL and PTL to develop a co-ordinated approach to the Codes, and the TSOs are aiming to keep the changes to the GNI (UK) Code and the Premier Transmission Code as aligned/identical as possible. Premier Transmission is issuing a corresponding Modification Proposal, and the necessary changes will be introduced into the BGTL Code via a Modification Proposal later this summer

### **E Changes from to the Initial Modification Report**

- Removed an erroneous definition of Balance – no term needed
- Correction of an erroneous Mod number reference in T7
- Other minor changes to the tracking of the defined terms arising from the sequencing of the Modification Proposals, inclusion of missing defined terms and typographical corrections

All changes from the Initial Modification Report are highlighted yellow

**F The date proposed for implementation**

GNI(UK) suggests that the proposed implementation date is 7<sup>th</sup> September 2015

**G Final Legal Text**

Please find below the final legal text for this Code Modification Proposal, set out in the following order:

	Page
• Section 4 – replacement text	3
• Section 5 – replacement text	8
• Sections 2,3 and 8 – revised text	11
• Section T7 – new text	13
• Appendix 1 – revised text	15

Replace the existing Section 4 with this new Section 4 to read as follows:

## 4. BALANCING AND SCHEDULING CHARGES

### 4.1 Introduction and definitions

#### 4.1.1 In this Code:

- (a) **"Daily Gas Price"** shall:
  - (i) firstly, be equal to the System Average Price (as defined in the GB Uniform Network Code) on the relevant Day;
  - (ii) secondly, where for any Day the System Average Price is not available the Daily Gas Price for that Day shall be equal to the arithmetic mean of the System Average Price for each of the 7 preceding Days; and
  - (iii) lastly, where for any Day for any reason the System Average Price is not available under Section 4.1.1(a)(i) or calculated under Section 4.1.1(a)(ii), or if it is disputed, be such alternative price as the Transporter may reasonably determine.
- (b) **"Imbalance Charge"** means the charge payable to a Shipper in respect of a Positive Imbalance or the charge payable by a Shipper in respect of a Negative Imbalance;
- (c) **"Aggregate NI Imbalance"** or **"ANII"** means, for each Shipper in respect of a Gas Flow Day D, the difference between its Aggregate NI Entry Allocation and its Aggregate NI Exit Allocation;
- (d) a **"Negative Imbalance"** is where a Shipper's Aggregate NI Entry Allocation is less than its' Aggregate NI Exit Allocation on a Gas Flow Day D;
- (e) a **"Positive Imbalance"** is where a Shipper's Aggregate NI Entry Allocation is greater than its' Aggregate NI Exit Allocation on a Gas Flow Day D; and
- (f) an **"Imbalance"** is the position (either negative as defined in 4.1.1(d) or positive as defined in 4.1.1(e)) of the Shipper.

4.1.2 A Shipper shall use its reasonable endeavours to ensure that its' Imbalance position shall be zero on any Gas Flow Day D.

4.1.3 The Upstream Operator and the Transporter shall cooperate and coordinate with each other to ensure that the NI Network is physically balanced in accordance with the NINOA. Accordingly, the Upstream Operator shall perform all calculations under this Section 4 on behalf of the Transporter and shall invoice for the associated charges under the PTL Transportation Code. The Transporter shall, in accordance with the NINOA, provide the Upstream Operator with Shippers' Downstream Load Statements (which are to be submitted in accordance with Section 17.6) and any other information reasonably required by the Upstream Operator to enable it to perform such calculations and issue such invoices.

### 4.2 Imbalance Tolerance

#### Imbalance Tolerance Percentage

4.2.1 Within 10 Business Days of providing a Downstream Load Statement in respect of an NI Network Exit Point in accordance with Section 17.9, a Shipper shall be informed of its weighted average tolerance, expressed as a percentage, using the information contained in the

Downstream Load Statement as set out below (a Shipper’s “**Imbalance Tolerance Percentage**” or “**ITP**”):

$$\text{ITP (as \%)} = \frac{100}{\text{TCvm}} \times (a + b + c + d)$$

where:

a =  $\sum \text{Cvm} \times \text{Cf}$  for Un1

b =  $\sum \text{Cvm} \times \text{Cf}$  for Un2;

c =  $\sum \text{Cvm} \times \text{Cf}$  for Un3;

d =  $\sum \text{Cvm} \times \text{Cf}$  for Un4;

$\sum \text{Cvm}$  = the maximum quantity in kWh/d which may reasonably be required to supply all of the Shippers’ demand in the relevant downstream load category listed in column (2) in the table below (a “**Downstream Load Category**”) at all NI Network Exit Points on a Gas Flow Day D as set out in the relevant Downstream Load Statement;

TCvm = aggregate of each  $\sum \text{Cvm}$  of each Downstream Load Category;

Un = the number identifying the Downstream Load Category listed in column (1) of the table below; and

Cf = Downstream Load Category weighting factor listed in column (3) of the table below.

<u>Exit Point Tolerance Table</u>		
(1)	(2)	(3)
Number identifying Downstream Load Category (Un)	Downstream Load Category	Downstream Load Category weighting (Cf)
1	Power generation consumers	3%
2	Downstream consumers whose loads are greater than or equal to 1,465,416,000 kWh/annum and are not power generation consumers	3%
3	Downstream consumers whose loads are greater than or equal to 733,000 kWh/annum but less than 1,465,416,000 kWh/annum	10%
4	Downstream consumers whose loads are less than 733,000 kWh/annum	20%

4.2.2 Within 10 Business Days of providing a revised Downstream Load Statement in accordance with Section 17.9, a Shipper shall be provided with a recalculated Imbalance Tolerance Percentage in accordance with Section 4.2.1.

### Imbalance Tolerance Quantity

- 4.2.3 In respect of a Gas Flow Day D, a Shipper's "**Imbalance Tolerance Quantity**" or "**ITQ**" shall be determined by applying the ITP to the sum of a Shipper's Exit Allocations (excluding Trade Sell Allocations) calculated as:

$$ITQ = ITP \times (\sum \text{Final Exit Allocations}_{SD} + \sum \text{Final VRF IP Exit Allocations}_{SD}).$$

- 4.2.4 Where a Shipper's Aggregate NI Imbalance exceeds its ITQ in respect of a Gas Flow Day D, the Shipper's "**Marginal Imbalance Quantity**" or "**MIQ**" shall be determined as:

$$MIQ = \text{Aggregate NI Imbalance} - ITQ.$$

### 4.3 Imbalance Charges

- 4.3.1 Imbalance Charges shall be calculated and made, subject to Section 4.1.3, in accordance with this Section 4.3.

- 4.3.2 On any Gas Flow Day D on which a Shipper has a Positive Imbalance, an Imbalance Charge shall be payable to it equal to the sum of:

- (a) ITQ x Daily Gas Price; plus
- (b) MIQ x  $P_{smps}$ ,

where  $P_{smps}$  is the lower of:

- (i) the Daily Gas Price multiplied by 0.7; or
- (ii) the System Marginal Sell Price on the relevant Gas Flow Day D (as defined in the GB Uniform Network Code).

- 4.3.3 On any Gas Flow Day D on which a Shipper has a Negative Imbalance, it shall pay an Imbalance Charge equal to the sum of:

- (a) ITQ x Daily Gas Price; plus
- (b) MIQ x  $P_{smpb}$

where  $P_{smpb}$  is the lower of:

- (i) the Daily Gas Price multiplied by 1.5; or
- (ii) the System Marginal Buy Price on the relevant Gas Flow Day D (as defined in the GB Uniform Network Code).

- 4.3.4 If a Shipper has a Negative Imbalance and/or Positive Imbalance which exceeds its ITQ either, on 4 or more consecutive Days, or on any 6 Days in any Month, its ITP shall be reduced by one half, until such time as the Shipper has avoided a Negative Imbalance and/or Positive Imbalance for 5 consecutive **5D** days when its ITP shall be reinstated at the original level.

- 4.3.5 Where a Shipper is eligible to pay a Modified Imbalance Charge in accordance with Section 2.10.2(b), the Modified Imbalance Charge shall be determined in accordance with the formula set out in Section 4.2.1 save that the Cf value shall be equal to 100% for the purposes of determining the Modified Imbalance Charge.

#### 4.4 Scheduling Charges

4.4.1 Scheduling Charges shall be calculated and made, subject to Section 4.1.3, in accordance with this Section 4.4.

4.4.2 A scheduling charge (a "**Scheduling Charge**") may be payable by a Shipper in respect of each NI Network Exit Point (but not at VRF IP Exit Points) as set out below.

4.4.3 For each Gas Flow Day D, in respect of an NI Network Exit Point, a Shipper's "**Scheduling Difference**" or "**SD**" shall be determined as:

$$\text{Scheduling Difference} = |\text{Final Exit Allocation}| - |\text{Exit Nominated Quantity}|$$

4.4.4 For each Gas Flow Day D, in respect of each NI Network Exit Point for each Shipper a "**Scheduling Tolerance Percentage**" or "**STP**" shall be determined, expressed as a percentage, as:

$$\text{STP (as a \%)} = \frac{100}{\text{TCvm}} \times (a+b+c+d)$$

where:

a = Cvm x Cf for Un1;

b = Cvm x Cf for Un2;

c = Cvm x Cf for Un3;

d = Cvm x Cf for Un4;

Cvm = the maximum quantity in kWh/d which may reasonably be required to supply all of the Shippers demand in the relevant Downstream Load Category at the NI Network Exit Point on a Gas Flow Day D as set out in the relevant Downstream Load Statement;

TCvm = aggregate of each Cvm of each Downstream Load Category;

Un = the number identifying the Downstream Load Category listed in column (1) of the table below; and

Cf = Downstream Load Category weighting factor listed in column (3) of the table below.

Exit Point Tolerance Table

(1)	(2)	(3)
Number identifying Downstream Load Category (Un)	Downstream load category	Downstream Load Category weighting (Cf)
1	Power generation consumers	3%
2	Downstream consumers whose loads are greater than or equal to 1,465,416,000 kWh/annum and are not power generation consumers	3%
3	Downstream consumers whose loads are	

- |   |   |     |
|---|---|-----|
|   | greater than or equal to 733,000 kWh/annum<br>but less than 1,465,416,000 kWh/annum | 10% |
| 4 | Downstream consumers whose loads are<br>less than 733,000 kWh/annum                 | 20% |
- 4.4.5 For any Gas Flow Day D in respect of a given NI Network Exit Point, a Shipper's "**Scheduling Tolerance Quantity**" or "**STQ**" shall be determined as:
- STQ = STP x Final Exit Allocation.
- 4.4.6 For any Gas Flow Day D, a Shipper's Scheduling Charge in respect of a given NI Network Exit Point shall be determined as:
- Scheduling Charge = (SD - STQ x (5% x Daily Gas Price)).
- 4.4.7 The "**Total Scheduling Charge**" payable by a Shipper in respect of a Gas Flow Day shall be the sum of its Scheduling Charges at all NI Network Exit Points.
- 4.4.8 For the avoidance of doubt, Scheduling Charges shall not be payable by a Shipper in respect of its STQ.

#### 4.5 Unauthorised Flow Charges

- 4.5.1 Unauthorised Flow Charges shall, be calculated and made, subject to Section 4.1.3, in accordance with this Section 4.5.
- 4.5.2 If a Flow Order is issued in relation to an Exceptional Event or an Emergency and a Shipper's Final Exit Allocation in respect of an NI Network Exit Point exceeds its Exit Nominated Quantity in respect of that NI Network Exit Point (as it may be reduced by a Flow Order from time to time) by 3% or more the Transporter shall, subject to Section 4.5.3, impose an unauthorised flow charge (an "**Unauthorised Flow Charge**") calculated in accordance with the following:

"UFC" = the value which shall be calculated for any day in question in respect of Shipper's in accordance with the following formula:

$$\frac{(FPCapCt)}{365} \times 10 \times UF$$

"UF" = the amount, if any, by which the Final Exit Allocation in respect of an NI Network Exit Point for Shippers, in respect of any Exceptional Event and in respect of which the Transporter has issued a Flow Order, exceeds its Exit Nominated Quantity in respect of that NI Network Exit Point (as it may be reduced by a Flow Order from time to time) by 3% or more of such Exit Nominated Quantity.

FPCapCt (as defined in condition 2A.2.5.2 of the Transporter's Licence for the Conveyance of Gas in Northern Ireland)

- 4.5.3 An Unauthorised Flow Charge may be payable by any Shipper submitting a Nomination in respect of an NI Network Exit Point to which a Flow Order relates whether or not the Shipper had submitted a Nomination before the relevant Flow Order was issued.

Replace the existing Section 5 with this new Section 5 to read as follows:

## 5. BALANCING AND SHRINKAGE GAS

### 5.1 Definitions

In this Code "**Shrinkage Gas**" is gas, of any amount, which is lost or otherwise unaccounted for, from the Transportation System or any part of the Transportation System.

### 5.2 Balancing Gas

5.2.1 The Transporter may in conjunction with the Upstream Operator and in accordance with the NINOA procure the purchase of or procure the disposal of gas reasonably required to achieve the physical balance of the Transportation System and / or gas reasonably required to achieve the physical balance of the NI Network or any localised part thereof ("**Balancing Gas**") including that which is considered reasonably necessary to provide gas to make up Shrinkage Gas provided however nothing herein shall prevent the Transporter from time to time purchasing or procuring the purchase of or disposing or procuring the disposal of such gas as may be reasonably necessary with a view to achieving a physical balance of gas in respect of the Transportation System.

5.2.2 The Transporter shall use reasonable endeavours to procure the purchase and disposal of Balancing Gas upon the most competitive terms and conditions reasonably available.

### 5.3 NI Postalised Network Disbursement Bank Account

5.3.1 The Upstream Operator shall procure the set up and operation of the NI Postalised Network Disbursement Bank Account and shall procure the administration of the NI Postalised Network Disbursement Bank Account in accordance with the Postalised Network Disbursement Procedure established pursuant to the NINOA. The Upstream Operator shall in respect of each Month:

- (a) pay into the NI Postalised Network Disbursement Bank Account:
  - (i) all Imbalance Charges, Scheduling Charges and Unauthorised Flow Charges paid by each Shipper pursuant to this Code;
  - (ii) all monies received from the sale of Balancing Gas;
  - (iii) monies received from a Shipper in respect of the costs and expenses of the Verifying Accountant in accordance with Section 6;
  - (iv) Disbursement Amounts received from Shippers;
  - (v) any interest received in respect of payments required to be paid into the NI Postalised Network Disbursement Bank Account; and
  - (vi) any other monies which the Upstream Operator reasonably determines should be credited thereto.
- (b) pay from the NI Postalised Network Disbursement Bank Account:
  - (i) all Imbalance Charges payable to each Shipper pursuant to this Code;
  - (ii) all monies paid for the purchase of Balancing Gas;



- (iii) all monies to be paid as a result of the determination of a Verifying Accountant under Section 6;
- (iv) the costs and expenses of the Verifying Accountant in accordance with Section 6;
- (v) all costs of administration of the NI Postalised Network Disbursement Bank Account and/or administration of the Postalised Network Disbursement Procedure;
- (vi) any interest payable in respect of the NI Postalised Network Disbursement Bank Account or in respect of amounts to be discharged therefrom;
- (vii) Disbursement Amounts payable to Shippers; and
- (viii) any other monies which the Upstream Operator reasonably determines should be so debited.

~~(e)~~  
**5.3.2** The Disbursement Amount payable to or by each Shipper shall be calculated in accordance with Section 5.6 and the Postalised Network Disbursement Procedure.

#### **5.4 Provision of information relating to Balancing Gas and Shrinkage Gas**

5.4.1 The Transporter shall notify each Shipper, after each Gas Year, in the Ten Year Statement of:

- (a) the quantity and cost of the Balancing Gas purchased or sold in that Gas Year;
- (b) its estimate, acting as a Reasonable and Prudent Operator, of what proportion of such Balancing Gas was Shrinkage Gas; and
- (c) its estimate, acting as a Reasonable and Prudent Operator, of the level of Shrinkage Gas in the next Gas Year.

5.4.2 The Transporter shall notify each Shipper after each Month of the quantity, cost and date of each sale and purchase of Balancing Gas on the NI Network in that Month.

#### **5.5 Shipping Balancing Gas**

Notwithstanding any other provision of this Code the Transporter may, in respect of any Balancing Gas which the Transporter shall ship on the Transportation System:

- (a) enter a Nomination and/or Renomination;
- (b) be deemed to receive an Initial IP Entry Allocation, Initial Exit Allocation and a Final IP Entry Allocation and Final Exit Allocation; and
- (c) be deemed to be liable for or make claims for Off-Spec Gas or Non-Compliant Gas,

in accordance with the relevant Section of this Code as though the Transporter were a Shipper, but solely for such purposes provided that the Transporter will not be liable for PS Transmission Amounts or PS Code Charges for gas nominated pursuant to this Section 5.5.

#### **5.6 Calculation of Disbursement Amounts**

5.6.1 For the purposes of this Code, in respect of each Month:

- (a) a Shipper's "**Aggregate Throughput**" shall be determined as the sum of a Shipper's Aggregate NI Entry Allocations and the Shipper's Aggregate NI Exit Allocations for that Month;
- (b) the "**Total System Aggregate Throughput**" shall be determined as the sum of all Shippers' Aggregate NI Entry Allocations and all Shippers' Aggregate NI Exit Allocations for that Month; and
- (c) for each Shipper, a "**Disbursement Ratio**" shall be determined as:

$$\text{Disbursement Ratio}_{\text{Shipper}} = \frac{\text{Aggregate Throughput}_{\text{Shipper}}}{\text{Total System Aggregate Throughput}}$$

(d) "**Balancing Gas Costs**" means the costs (or as the case may be, revenues) associated with the purchase or disposal of Balancing Gas in accordance with section 5.2.

5.6.2 For each Shipper, in respect of each Month, a "**Disbursement Amount**" (payable from or payable to a Shipper) shall be determined as the sum of:

- (a)  $\text{net } \Sigma \text{Imbalance Charges} \times \text{Disbursement Ratio}_{\text{Shipper}}$
- (b)  $\Sigma \text{Scheduling Charges} \times \text{Disbursement Ratio}_{\text{Shipper}}$
- (c)  $\Sigma \text{Unauthorised Flow Charges} \times \text{Disbursement Ratio}_{\text{Shipper}}$
- (d)  $\text{net } \Sigma \text{Balancing Gas Costs} \times \text{Disbursement Ratio}_{\text{Shipper}}$

where, in each case, the totals are for all Shippers on the NI Network for the preceding Month and charge amounts shall be calculated including VAT on the sum of the Disbursement Amount.

*Amend Section 2.10.2 to read as follows:*

2.10.2 Subject always to Section 8.2, to the extent only that there is an instantaneous loss of electrical generation infeed in Northern Ireland or the Republic of Ireland or significant disturbance on the electrical transmission system (which is an electrical transmission system operating equal to or above 110 kVA) in Northern Ireland, including the Moyle interconnector, or the Republic of Ireland which gives rise to a need for any power station connected to the NI Network to ramp-up its offtake rate:

- (a) any Shipper nominating in respect of the ~~Ballylumford Exit Point or Belfast Gas Exit Point No 3 Coolkeeragh Exit Point~~ shall be relieved of any obligation it has under this Code to provide an Exit Nomination or an Exit Renomination in advance of such ramp-up; and
- (b) in the case of any such ramp-up occurring after 02:00 hours on any Day (but not otherwise), any ~~Balancing Imbalance~~ Charge which any Shipper nominating in respect of the ~~Coolkeeragh Exit Point Ballylumford Exit Point or Belfast Gas Exit Point No 3~~ shall incur in respect of such Day shall be a Modified ~~Balancing Imbalance~~ Charge;

provided that in the case of (a) and/or (b) above such Shipper shall (i) nominate appropriately as soon as practicable after such ramp-up occurring; and (ii) provide reasonable evidence to the Authority and ~~Premier Transmission the Transporter~~ of why such need to ramp-up arose within 24 hours of such ramp-up occurring.

.....  
*Amend Section 3.9 to read as follows:*

### **3.9 Allocations at Lisburn Exit Point**

3.9.1 The Lisburn Offtake forms part of the Greater Belfast Exit Point from the NI Network. The Transporter will not make Allocations in respect of the Lisburn Exit Point. The Transporter shall notify the Upstream Operator of the aggregate quantity of Natural Gas offtaken from the Transportation System on a Gas Flow Day at the Lisburn Exit Point.

3.9.2 The ~~Upstream Operator Transporter~~ shall calculate charges at the Lisburn Exit Point in respect of ~~the following:~~

- ~~(a) Unauthorised Flow Charges in accordance with Section 4.5.2;~~
- ~~(b) other such PS Code Charges which the Transporter may invoice pursuant to Section 12.15.2; and~~

~~and~~ where ~~any of the aforementioned~~ charges is required to be calculated by reference to an Exit Allocation the quantity of Natural Gas metered as offtaken at the Lisburn Exit Point shall be deemed to be an allocation for such purposes. The ~~Upstream Operator Transporter~~ shall invoice Phoenix Distribution in respect of such charges in accordance with Section 12.

~~3.9.3 Phoenix Distribution shall be liable to pay to the Transporter:~~

- ~~(a) all amounts calculated by the Transporter pursuant to Section 3.9.2; and~~
- ~~(b) all amounts payable in respect of unauthorised flow charges calculated by the Upstream Operator and notified to the Transporter pursuant to section 6.17.~~

.....  
*Amend Section 8.3.10(b) to read as follows:*

- (b) at an Enhanced Pressure to the extent that it is prevented from doing so by reason of:
- (i) the aggregate measured offtake quantity in each hour of all Shippers at an Exit Point varying from the aggregate of such Shipper's Profile Nominations in respect of the relevant hour by more than the ~~Exit Point~~Imbalance Tolerance Percentage at the Exit Point; or
  - (ii) the aggregate of all Shippers' Final Exit Allocations at an Exit Point on a Day varying from the aggregate of such Shipper's Nominations at the Exit Point by more than the ~~Exit Point~~Imbalance Tolerance Percentage at the Exit Point.
- .....

*Insert new Section T7 immediately after Section T6 to read as follows:*

## **Transition Section T7**

### **T7.1 Introduction**

T7.1.1 This Section T7 sets out the provisions which will apply to Shippers from the T7 Implementation Date and sets out when:

- (a) the new Section 4 (*Balancing and Scheduling Charges*) (“**Modified Section 4**”);
- (b) the new Section 5 (*Balancing and Shrinkage Gas*) (“**Modified Section 5**”);
- (d) the modified Appendix 1 (*Definitions and Interpretation*) (“**Balancing Modified Appendix 1**”);

all as set out in Code Modification 19 shall be effective. Existing Sections of the Code in force prior to Code Modification 19 becoming effective in accordance with this Section T7 are referred to in this Section T7 as “**Unmodified**”.

T7.1.2 In this Section T7:

- (a) “**T7 Implementation Date**” means the date of implementation of this Section T7, which shall be 7<sup>th</sup> September 2015 or, if later, the date the Authority approves Code Modification-1934;
- (b) “**Balancing Operational Date**” means 1<sup>st</sup> October 2015.

### **T7.2 Commencement of Modified Section 4, Modified Section 5 and Balancing Modified Appendix 1**

T7.2.1 Subject to Section T7.2.2, the provisions of Modified Section 4, Modified Section 5 and Balancing Modified Appendix 1 shall apply from the Balancing Operational Date and for all Days thereafter. The provisions of Unmodified Section 4, Unmodified Section 5 and Unmodified Appendix 1 (subject to T7.3) shall apply to all Days prior to the Balancing Operational Date.

T7.2.2 No later than 25<sup>th</sup> September 2015 (or where the T7 Implementation Date is later than 25<sup>th</sup> September 2015, as soon as possible thereafter and prior to the Balancing Operational Date), the Upstream Transporter shall:

- (a) determine the Imbalance Tolerance Percentage (in accordance with Modified Section 4.2) to apply for each Shipper in respect of all Days from the Balancing Operational Date; and
- (b) notify such ITP to each Shipper.

### **T7.3 Successional Changes to Appendix 1**

T7.3.1 “**CAM Modified Appendix 1**” and “**CAM Effective Date**” have the meanings given to them in Section T2 implemented or to be implemented in accordance with Code Modification 14, “**Nominations Modified Appendix 1**” has the meaning given to it in Section T4 implemented or to be implemented in accordance with Code Modification 16, “**Allocations Modified Appendix 1**” has the meaning given to it in Section T5 implemented or to be implemented in accordance with Code Modification 17 and “**Invoicing and Credit Modified**”

**Appendix 1**" has the meaning given to it in Section T6 implemented or to be implemented in accordance with Code Modification 18.

T7.3.2 Balancing Modified Appendix 1 adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix 1, Nominations Modified Appendix 1, Allocations Modified Appendix 1 and Invoicing and Credit Modified Appendix 1.

T7.3.3 Terms contained in Unmodified Appendix 1 which are not otherwise amended or deleted by CAM Modified Appendix 1, Nominations Modified Appendix 1, Allocations Modified Appendix 1, Invoicing and Credit Modified Appendix 1, Balancing Modified Appendix 1 or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

#### **T7.4 Changes to Section 2, Section 3 and Section 8**

T7.4.1 The amendments to Section 2 set out in this Code Modification 19 amend the text implemented as part of Code Modification 16 with effect from the T7 Implementation Date.

T7.4.2 The amendments to Section 3 set out in this Code Modification 19 amend the text implemented as part of Code Modification 17 with effect from the T7 Implementation Date.

T7.4.3 The amendments to Section 8 set out in this Code Modification 19 amend the text implemented as part of Code Modification 14 with effect from the T7 Implementation Date.

Amend Appendix 1 to include new terms (and modify existing terms) to read as shown in the list below:

## APPENDIX 1

### DEFINITIONS AND INTERPRETATION

**“Aggregate NI Imbalance”** or **“ANII”** has the meaning given to it in [Section 4.1.1\(c\)](#);

**“Aggregate Throughput”** has the meaning given to it in [Section 5.6.1\(a\)](#);

**“Balancing Charges”** has the meaning given to it in [Section 4.1.1\(b\)](#);

**“Balancing Gas Costs”** has the meaning given to it in [section 5.6.1\(d\)](#);

**“Disbursement Amount”** shall mean a Shippers share of the excess or deficit in the NI Postalised Network Disbursement Bank Account calculated in accordance with the NINOA and the Postalised Network Disbursement Procedure and **“Disbursement Amounts”** shall be construed accordingly has the meaning given to it in [section 5.6.2](#) and **“Disbursement Amounts”** shall be construed accordingly;

**“Disbursement Ratio”** has the meaning given to it in [section 5.6.1\(c\)](#);

**“Daily Gas Price”** has the meaning given to it in [Section 4.1.1\(a\)](#);

**“Exit Point Tolerance”** has the meaning given to it in [Section 4.2.1](#);

**“FPCapCt”** has the meaning given to it in [Section 4.5.2](#);

**“Imbalance”** has the meaning given to it in [Section 4.1.1\(f\)](#);

**“Imbalance Charge”** means the charge payable to a Shipper in respect of a Positive Imbalance or the charge payable by a Shipper in respect of a Negative Imbalance has the meaning given to it in [Section 4.1.1 \(b\)](#) and **“Imbalance Charges”** shall be construed accordingly;

**“Imbalance Tolerance Percentage”** or **“ITP”** has the meaning given to it in [Section 4.2.1](#);

**“Imbalance Tolerance Quantity”** or **“ITQ”** has the meaning given to it in [Section 4.2.3](#);

**“Marginal Imbalance Quantity”** or **“MIQ”** has the meaning given to it in [Section 4.2.4](#);

**“Modified Balancing Imbalance Charge”** means the [Balancing Imbalance Charge](#) to be applied following the circumstances set out in [Section 2.10.2\(b\)](#) in accordance with [Section 4.3.5](#);

**“Negative Balance”** has the meaning given to it in [Section 4.1.5 \(a\)](#);

**“Negative Imbalance”** means in respect of a Gas Flow Day, where a Shipper’s Aggregate NI Entry Allocation is less than its’ Aggregate NI Exit Allocation; has the meaning given to it in [Section 4.1.1\(d\)](#);

**“NI Postalised Network Disbursement Account”** means a separate bank account set up by the Upstream Operator pursuant to the NINOA, into which and from which the Upstream Operator shall pay the amounts detailed in Section 5.3 of this Code in accordance with the Postalised Network Disbursement Procedure;

**“Positive Balance”** has the meaning given to it in [Section 4.1.5 \(b\)](#);

**“Positive Imbalance”** means in respect of a Gas Flow Day, where Shipper’s Aggregate NI Entry Allocation is greater than its’ Aggregate NI Exit Allocation on a Gas Flow Day D; has the meaning given to it in [Section 4.1.1\(e\)](#);

**“Scheduling Charge”** has the meaning given to it in [Section 4.4.24](#) and **“Scheduling Charges”** shall be construed accordingly;

**“Scheduling Difference” or “SD”** has the meaning given to it in [Section 4.4.24.4.3](#);

**“Scheduling Tolerance Percentage” or “STP”** has the meaning given to it in [Section 4.4.24.4.4](#);

**“Scheduling Tolerance Quantity” or “STQ”** has the meaning given to it in [Section 4.4.44.4.5](#);

**“System Average Price”** has the meaning given to it in the GB Uniform Network Code;

**“Total Scheduling Charge”** has the meaning given to it in [Section 4.4.64.4.7](#);

**“Total System Aggregate Throughput”** has the meaning given to it in [Section 5.6.1\(b\)](#);

**“UF”** has the meaning given to it in [Section 4.5.2](#);

**“UFC”** has the meaning given to it in [Section 4.5.2](#);

**“Unauthorised Flow Charge”** has the meaning given to it in [Section 4.5.2](#) and **“Unauthorised Flow Charges”** shall be construed accordingly;