

**Gas System
Operator**

UNC 0670R:

Review of the charging methodology to avoid the inefficient bypass of the NTS

Panel Presentation

18th October 2018

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Why Change?

- The NTS Optional Commodity Charge (OCC) product was introduced in 1998 to avoid inefficient bypass of the NTS by large sites located near to entry terminals and has not changed since.
- UNC0621 and most of the alternatives have NTS Optional Charging arrangements that end in 2021. As part of this was the supported notion that the topic should be reviewed separately, to give it appropriate time for examination and implement an updated approach for 2021.
- This review is considered necessary and should be performed, regardless of the outcomes of other related UNC Modifications in order to give the maximum notice of changes for 2021 and the time required for the review.

Options?

- This review would assess the objectives of the charging arrangements that discourage inefficient bypass of the NTS and identify the most effective way to incorporate these into the Transportation Charging framework.
- The process is suggested to identify requirements, then analyse and propose potential enduring solutions.
- The review should look at the principles first, rather than trying to refashion any existing potential solution options.
- This can be carried out independent from, and with an awareness of, UNC Modifications that are currently awaiting decisions to provide enough time for implementation.

Solution? Recommended Steps?

- The solution is not yet known and will be developed and assessed by the Workgroup
- The Proposer recommends:
 - The UNC Modification Panel to support the creation of a Workgroup to conduct a holistic review prior to determining any solution to be taken forward as a future Modification.
 - Initial consideration by Workgroup in November 2018.
 - Workgroup Report to be presented to May 2019 Panel.

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