

18 May 2018

MODIFICATION 0621 AND ALTERNATIVES A-L - LEGAL DRAFTING - EXPLANATORY TABLE

Notes

- 1. This table is based on the final legal text for Modification 0621 and alternatives 0621A – 0621L published on the Joint Office website on 16 May 2018.**
- 2. Modification 0621 relates to amendments to the UNC to reflect the implementation Commission Regulation (EU) 2017/460, establishing a network code on harmonised transmission tariff structures for gas. This requires modifications to the existing transmission services charging methodology to charge system users based on forecasted contracted capacity instead of volumes of gas flowed.**
- 3. The structure of the table follows the application of the relevant rules in first determining the charging methodology and specific unit rates for each of the charges (TPD Y Part A-I), then applying these unit rates to calculate the charges payable (TPD B), and finally considering how the charging methodology and the payment mechanics are altered for the transitional period (TDIIC).**
- 4. The table explains the full impact of Modification 0621. The alternatives 0621A – 0621L are substantially based on Modification 0621 with a number of differences. For each alternative, the table explains only the differences between Modification 0621 and the relevant alternate.**

Modification 0621 (National Grid Gas Plc)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
<i>Section 1: General</i>		
Paragraph 1.1	Introduction	Establishes regulatory basis by which National Grid NTS must create a charging methodology for transportation charges under the Gas Transporter's Licence. Confirms that Part A-I of TPD Section Y gives effect to the Tariff Regulation.
Paragraph 1.2	Structure of charges	Sets out and classifies the types of charges which comprise Transportation Charges, split between Transmission Services Charges, and Non-Transmission Services Charges.
Paragraph 1.3	Interpretation	List of definitions used throughout Part A-I of TPD Section Y. Paragraph 1.3.5 confirms that National Grid NTS is responsible for performing all calculations in Part A-I of TPD Section Y.
Paragraph 1.4	Classification of revenue	Classifies and determines revenue derived from Transmission Services and Non-Transmission Services. Divides Transmission Service Revenue between revenue determined by reference to Entry Points and (separately) by reference to Exit Points.
Paragraph 1.5	Allowed revenue – Formula Years	Classification and apportionment of different classes of Allowed Revenue for Transmission Services, Non-Transmission Services, and revenues derived from specific Non Transmission Services Charges. Paragraph 1.5.2 divides Allowed Revenue for Transmission Services equally between Entry Points and Exit Points, with a focussed split of the correction term revenue adjustment between Entry Points and Exit Points.
Paragraph 1.6	Apportionment of allowed revenue to Gas Year	Calculation for determining Allowed Revenues in a Gas Year from Allowed Revenues as calculated for a Formula Year.
Paragraph 1.7	Publication/Transportation Statement	List of information that National Grid NTS will publish in the Transportation Statement for a Gas Year, and information that National Grid NTS will publish outside of the Transportation Statement.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 1.8	Estimates	Any estimates made by National Grid NTS in relation to determining or calculating a charge will not be revised or changed (subject to specific provisions which allow revisions).
Paragraph 1.9	Rounding	Rounding to 4 decimal place (for Intra-System NTS Points) or 8 decimal places (for Interconnection Pints) for determining prices.
Paragraph 1.10	Within-year revision of charges	Generic rule, applying where National Grid NTS is allowed to revise a charge where an estimate used in setting the charge is subsequently revised. The recovery of the revised estimate will occur in the remaining part of the relevant Gas Year.
Paragraph 1.11	Further interpretation	Confirmation that references to “Users” includes “DNO Users”, and that references to “Supply Points” include (where applicable) “CSEP Supply Points” in Part A-I of TPD Section Y.
<u>Section 2: Transmission Services Charges – Capacity Charges</u>		
Paragraph 2.1	Introduction	Establishes the purpose of the rules in paragraph 2 to determine prices in respect of the allocation of NTS Capacity of difference Capacity Allocation Types. Paragraph 2.1.3 summarises the process by which Reference Prices and Reserve Prices are determined. Paragraphs 2.1.4 to 2.1.6 set out the “floating price” concept, where price is based on the Reserve Price in the year in which capacity is held, and the Auction Premium in the year the Auction was held. Paragraph 2.1.7 converts annual prices expressed in £ to be expressed on a daily basis in pence.
Paragraph 2.2	Interpretation	Paragraph 2.2.1 is a table of all Capacity Allocation Types for NTS System Capacity in Code, by class, basis of allocation, frequency of allocation, and duration. Paragraph 2.2.2 lists further definitions that are specific to paragraph 2 of Part A-I of TPD Section Y.
Paragraph 2.3	Allowed Transmission Services Revenue for the Gas Year	Derives the Allowed Revenue for Transmission Services for a Gas Year from the relevant Formula Year. Includes definitions relevant for excluding NTS Entry Capacity held under historical contracts.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 2.4	Reference Price	<p>Calculations for determining Reference Price for Entry Points and Exit Points, as set out in the Final Modification Report. Paragraphs 2.5 to 2.8 expand on each term used here.</p> <p>Paragraph 2.4.3 sets out how a Reference Price is determined in a case where it would otherwise be zero.</p> <p>Paragraph 2.4.4 calculates revenue scaling factors for Entry Points and Exit Points to allow for revenue shortfalls caused by application of the discounts and multipliers, as set out in the Final Modification Report.</p>
Paragraph 2.5	Forecast Contracted Capacity	Basis for determining Forecast Contracted Capacity for an NTS Point, as set out in the Final Modification Report.
Paragraph 2.6	NTS Point Allowed Revenue	Calculation for determining Allowed Revenue in respect of an individual Entry Point or Exit Point, as set out in the Final Modification Report.
Paragraph 2.7	Weight of Cost	Calculation for determining Weight of Cost in respect of an Entry Point or Exit Point, as set out in the Final Modification Report.
Paragraph 2.8	Weighted Average Distance	Calculation for determining Weighted Average Distance in respect of an Entry Point or Exit Point, as set out in the Final Modification Report.
Paragraph 2.9	Reserve Price	<p>Process for determining (from the Reference Price) the Reserve Price for NTS Capacity at an NTS Point, based on multipliers and discounts.</p> <p>Paragraph 2.9.2 sets out the Duration Multipliers for specific NTS Capacity allocations.</p> <p>Paragraph 2.9.3 sets out the Interruptible Discount for Interruptible NTS Capacity.</p> <p>Paragraph 2.9.4 set out the Specific Point Discounts for Storage Site Points and LNG Importation Terminal Points.</p>
Paragraph 2.10	Further prices	Applies additional rules for determining step prices for incremental Quarterly NTS Entry Capacity.
Paragraph 2.11	Additional methodology for Interconnection Points	Additional methodology rules (for large and small price steps) in respect of Auctions at Interconnection Points – text transferred from EID Section B.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 2.12	NTS Entry Capacity Retention Charge	Sets the unit rate for the NTS Entry Capacity Retention Charge in a given Gas Year.
<u>Section 3: Revenue Recovery Charges</u>		
Paragraph 3.1	Revenue differences	Determines the bases on which forecasted revenues (from Capacity Charges), forecasted revenue differences (against allowed revenue), and forecasted capacity are calculated.
Paragraph 3.2	Determination of Transmission Service Revenue Recovery Charges	Calculations of Transmission Services Revenue Recovery Charges for Entry Points and for Exit Points, to recover forecast revenue difference by charges against Fully Adjusted Available NTS Capacity, as set out in the Final Modification Report.
Paragraph 3.3	Within-year revision	Application of generic rule for within-year revision permitting National Grid NTS to apply revised Transmission Services Revenue Recovery Charges where a previously used estimate used in determining a charge is or will be materially inaccurate.
Paragraph 3.4	NTS Entry Transmission Services Rebate Charge	Sets the unit rate for the NTS Entry Transmission Services Rebate Charge in a given Gas Year – rule unchanged from previous methodology.
<u>Section 4: Non-Transmission Services Charges</u>		
Paragraph 4.1	Introduction to Non-Transmission Services Charges	Sets out the charges which comprise Non-Transmission Services Charges, divided into specific charges and the General Non-Transmission Services Charges.
Paragraph 4.2	St Fergus Compression Charges	Describes and sets the unit rate for the St Fergus Compression Charge in a given Gas Year, based on forecast costs and flows.
Paragraph 4.3	NTS Meter Maintenance Charges	Describes and sets the unit rate for the NTS Meter Maintenance Charge in a given Gas Year, based on forecast costs and number of meters.

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TPD Reference	Topic	Explanation
Paragraph 4.4	DN Pensions Deficit Charges	Describes and sets the unit rate for the DN Pension Deficit Charge in a given Gas Year.
Paragraph 4.5	Shared Supply Meter Point Administration Charges	Describes and sets the unit rate for the Shared Supply Meter Point Administration Charges in a given Gas Year, based on CDSP costs.
Paragraph 4.6	Interconnection Point Allocation Charges	Describes and sets the unit rate for the Interconnection Point Allocation Charge in a given Gas Year, based on CDSP costs.
Paragraph 4.7	General Non-Transmission Services Charges	Describes and sets the unit rate for the General Non-Transmission Services Charge in a given Gas Year. This is a charge in respect of system operation of the NTS to allow National Grid NTS recovery of Allowed Revenue for Non-Transmission Services which is not recovered from the specific Non-Transmission Services Charges. Calculated as a Commodity Charge based on forecast flows.
Paragraph 4.8	Within-year revision of certain Non-Transmission Services Charges	Application of generic rule for within-year revision for the St Fergus Compression Charge and General Non-Transmission Services Charge permitting National Grid NTS to apply revised estimates used in determining either charge where a previously used estimate used in determining either charge is or will be materially inaccurate.
Section B: System Use and Capacity		
General	General	The methodology in TPD Section Y determines the unit rates of the transportation charges. TPD Section B sets out the rules for calculating (from these unit rates) the charges payable by a particular user each day. TPD Section B is therefore amended to reflect the new or changed charges. A particular example is that NTS Commodity Charges are replaced by General Non-Transmission Service Charges
Paragraph 1.7	Transportation Charges and Metering Charges	Update definitions and classification of charges to reflect the new charging methodology, including new definition of Transmission Services Revenue Recovery Charges (comprising Entry Transmission Services Revenue Recovery Charges and Exit Transmission Services Revenue Recovery Charges) and General Non-Transmission Services Charges.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 1.8	Rates and amounts of Transportation Charges	Amendment to definition of “Applicable Daily Rate” to apply to the Transmissions Services Revenue Recovery Charge.
Paragraph 2.11	NTS Entry Capacity	<p>Update to classification of Entry-related Transportation Charges to reflect new charging methodology.</p> <p>Paragraph 2.11.3 reflects that the Applicable Daily Rate of NTS Entry Capacity Charges for Quarterly NTS Entry Capacity is determined in accordance with the new charging methodology.</p> <p>Paragraph 2.11.6 sets the basis for calculating the applicable payment of the General Non-Transmission Services Charge.</p> <p>Paragraph 2.11.7 sets the basis for calculating the applicable payment of the Entry Transmission Revenue Recovery Charge.</p> <p>Paragraph 2.11.8 sets the basis for calculating the applicable payment of the NTS Entry Transmission Services Rebate Charge.</p> <p>Paragraph 2.11.9 confirms that each of the new charges in respect of NTS Entry Capacity will be invoiced and paid in accordance with TPD Section S.</p>
Paragraph 2.15	NTS Entry Capacity Retention	Paragraph 2.15.2 states that the basis on which the rate for the NTS Entry Capacity Retention Charge is determined in accordance with the new charging methodology.
Paragraph 3.12	NTS Exit Capacity	<p>Update to classification of Exit-related Transportation Charges to reflect new charging methodology.</p> <p>Paragraph 3.12.4 reflects that the Applicable Daily Rate of NTS Exit Capacity Charges is determined in accordance with the new charging methodology.</p> <p>Paragraphs 3.12.6 and 3.12.7 set the basis for calculating the applicable payment of the General Non-Transmission Services Charge.</p> <p>Paragraph 3.12.8 sets the basis for calculating the applicable payment of the Exit Transmission Revenue Recovery Charge.</p> <p>Paragraph 3.12.9 confirms that each of the new charges in respect of NTS Exit Capacity will be invoiced and paid in accordance with TPD Section S.</p>

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 7.1	General	A new section is introduced to provide the bases on which Non-Transmission Services Charges are payable by Users.
Paragraph 7.2	St Fergus Compression Charge	Sets the basis on which the St Fergus Compression Charge is payable by a User, and the basis for calculating the applicable payment of the St Fergus Compression Charge.
Paragraph 7.3	NTs Meter Maintenance Charges	Sets the basis on which the NTS Meter Maintenance Charge is payable by a User, and the basis for calculating the applicable payment of the NTS Meter Maintenance Charge.
Paragraph 7.4	DN Pensions Deficit Charge	Sets the basis on which the DN Pensions Deficit Charge is payable by a User, and the basis for calculating the applicable payment of the DN Pensions Deficit Charge.
Paragraph 7.5	Shared Supply Meter Point Administration Charges	Sets the basis on which the Shared Supply Meter Point Administration Charges is payable by a User, and the basis for calculating the applicable payment of the Shared Supply Meter Point Administration Charges.
Paragraph 7.6	Interconnection Point Allocation Charges	Sets the basis on which the Interconnection Point Allocation Charges is payable by a User, and the basis for calculating the applicable payment of the Interconnection Point Allocation Charges.
Paragraph 7.7	Invoicing and payment	Confirms that each of the new specific Non-Transmission Services Charges will be invoiced and paid in accordance with TPD Section S.
Section E: Daily Quantities, Imbalances and Reconciliation		
Paragraph 1.3.4(c) Paragraph 6.2.6 Paragraph 6.4.1 Paragraph 6.4.2(a)(i) and (b)(i)	General	These provisions relate to Offtake Reconciliation and the reconciliation adjustment of commodity-based transportation charges. Updated to reflect removal of NTS Commodity Charges and inclusion of the General Non-Transmission Services Charges in the new charging methodology.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Section G: Supply Points		
Paragraph 2.3.2(g) Paragraph 2.3.9(a) Paragraph 2.4.2(l) Paragraph 10 of Annex G-1	General	Updated to reflect removal of NTS Optional Commodity Rate in the new charging methodology.

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.1	Introduction	<p>The Transition Document does two things: (i) specifies how the new rules come into effect, and (ii) introduces variations to the new rules to apply for the first two years.</p> <p>Paragraph 25.1.3 defines to which auctions the new rules will first apply.</p> <p>Paragraph 25.1.4 dis-applies the “floating price” concept for historical contracts.</p> <p>Paragraph 25.1.5 defines from when the new payment rules in TPD Section B will apply.</p> <p>Paragraph 25.1.7 establishes the Transition Gas Years (i.e. 2019/20 and 2020/21) for which the transitional variations apply.</p>
Paragraph 25.2	Transitional Parameter Values	<p>Paragraph 25.2.1 applies a transitional value of 1 for the Revenue Scaling Factors for the transitional period.</p> <p>Paragraph 25.2.2 applies Licence Baseline Entry Capacity and Licence Baseline Exit Capacity for Forecast Contracted Capacity for the transitional period.</p>

TRANSITION DOCUMENT		
TPD Reference	Topic	Explanation
Paragraph 25.3	Revenue Recovery Charges	Modifies the new charging methodology for the transitional period to provide for commodity-based revenue recovery charges for Intra-System Points and capacity-based revenue recovery charges at Interconnection Points.
Paragraph 25.4	Variations of other TPD Sections in connection with Transmission Services Revenue Recovery Charges	Modifications to TPD Sections B and E corresponding to the modifications to the new charging methodology for the transitional period set out in paragraph 25.3.
Paragraph 25.5	NTS Optional Charges	Modification of the new charging methodology for the transitional period to include the NTS Optional Charge, in accordance with the Final Modification Report.
Paragraph 25.6	Variations of TPD Sections B and G – NTS Optional Charge	Modifications to TPD Sections B and G corresponding to the modifications to the new charging methodology for the transitional period set out in paragraph 25.5. Paragraph 25.6.3 sets out the process by which a User may make its election to pay NTS Optional Charges Paragraph 25.6.5 and 25.6.6 sets out specific definitions required for calculating the NTS Optional Charges. Paragraph 25.6.7 sets out the rules for calculating and payment of the NTS Optional Charges once the User has elected to pay the NTS Optional Charges.

EUROPEAN INTERCONNECTION DOCUMENT		
TPD Reference	Topic	Explanation
EID Section B: Capacity		
Paragraph 2.1.5 Paragraph 2.1.6 Paragraph 2.3.4	Auctions – General	Updated to reflect inclusion of new rules (on 'floating' price) in Section 2 of the new charging methodology.

Modification 0621A (Storengy)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 2.2	Interpretation for Transmission Services Charges (Capacity Charges)	Paragraph 2.2.2 lists further definitions that are specific to paragraph 2 of Part A-I of TPD Section Y, but does not include specific references to “Existing Available Holding” as the revenue recovery charges exclude capacity at all Storage Connection Points. Paragraph 2.2.4 is deleted as the revenue recovery charges exclude capacity at all Storage Connection Points.
Paragraph 2.9	Reserve Price	Paragraph 2.9.4 sets the Specific Point Discounts for Storage Site Points at 86% (instead of 50% in Modification 0621).
Paragraph 3.1	Revenue differences	Consequential changes as a result of amendments to Paragraph 2.2.
Section B: System Use and Capacity		
Paragraph 2.11	NTS Entry Capacity	Paragraph 2.11.7 sets the basis for calculating the applicable payment of the Entry Transmission Revenue Recovery Charge, but does not apply it for Storage Connection Points.
Paragraph 3.12	NTS Exit Capacity	Paragraph 3.12.9 sets the basis for calculating the applicable payment of the Exit Transmission Revenue Recovery Charge, excluding application for Storage Connection Points, but including application for gas held by a storage use gas provider.

Modification 0621B (SSE)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 1.2	Structure of charges	Consequential changes as a result of amendments in Paragraph 5.
Paragraph 1.7	Publication/Transportation Statement	Consequential changes as a result of amendments in Paragraph 5.
Paragraph 2.1	Introduction to Transmission Services Charges (Capacity Charges)	Consequential changes as a result of amendments in Paragraph 2.5.
Paragraph 2.5	Forecast Contracted Capacity	Applies Licence Baseline Entry Capacity and Licence Baseline Exit Capacity for Forecast Contracted Capacity Forecast Contracted Capacity for an NTS Point. This follows the drafting of the transitional arrangements for Modification 0621.
Paragraph 2.9	Reserve Price	Paragraph 2.9.4 sets the Specific Point Discounts for Storage Site Points at 86% (instead of 50% in Modification 0621).
Paragraph 3.1	Revenue differences	Determines the bases on which forecasted revenues, forecasted revenue differences, and forecasted capacity are calculated for commodity-based revenue recovery charges for Intra-System Points and capacity-based revenue recovery charges at Interconnection Points. This follows the drafting of the transitional arrangements for Modification 0621.
Paragraph 3.2	Determination of Transmission Service Revenue Recovery Charges	Consequential changes as a result of amendments in Paragraph 3.1.
Paragraph 3.3	Within-year revision	Consequential changes as a result of amendments in Paragraph 3.1.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 5	NTS Optional Charge	Calculation for determining the NTS Optional Charge, in accordance with the Final Modification Report.
Section B: System Use and Capacity		
Paragraph 1.7	Transportation Charges and Metering Charges	Provides the basis for payment of NTS Optional Charges on the basis of the amendments in paragraph 5 of Part A-I of TPD Section Y, and Transmission Services Revenue Recovery Charges as Commodity Charges at Intra-System Points on the basis of the amendments in paragraph 3 of Part A-I of TPD Section Y. This follows the drafting of the transitional arrangements for Modification 0621.
Paragraph 2.11	NTS Entry Capacity	Provides the basis for payment of NTS Optional Charges on the basis of the amendments in paragraph 5 of Part A-I of TPD Section Y, and Transmission Services Revenue Recovery Charges as Commodity Charges at Intra-System Points on the basis of the amendments in paragraph 3 of Part A-I of TPD Section Y. This follows the drafting of the transitional arrangements for Modification 0621.
Paragraph 3.12	NTS Exit Capacity	Provides the basis for payment of NTS Optional Charges on the basis of the amendments in paragraph 5 of Part A-I of TPD Section Y, Transmission Services Revenue Recovery Charges as Commodity Charges at Intra-System Points on the basis of the amendments in paragraph 3 of Part A-I of TPD Section Y. This follows the drafting of the transitional arrangements for Modification 0621.
Paragraph 8	NTS Optional Charge	Paragraph 8.2 sets out the process by which a User may make its election to pay NTS Optional Charges Paragraph 8.3 sets out the rules for determining and payment of the NTS Optional Charges once the User has elected to pay the NTS Optional Charges. This follows the drafting of the transitional arrangements for Modification 0621.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Section E: Daily Quantities, Imbalances and Reconciliation		
Paragraph 1.3.4(c) Paragraph 6.2.6 Paragraph 6.4.1 Paragraph 6.4.2(a)(i) and (b)(i)	General	Updated to reflect removal of NTS Commodity Charges and inclusion of the General Non-Transmission Services Charges and Exit Transmission Services Revenue Recovery Charges in the new charging methodology. This follows the drafting of the transitional arrangements for Modification 0621.
Section G: Supply Points		
Paragraph 2.3.2(g) Paragraph 2.3.9(a) Paragraph 2.4.2(l) Paragraph 10 of Annex G-1	General	Updated to reflect replacement of NTS Optional Commodity Rate in the new charging methodology with NTS Optional Charge. This follows the drafting of the transitional arrangements for Modification 0621.

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25	General	Consequential changes as a result of amendments in TPD Sections B and Y, which apply the transitional arrangements for Modification 0621 on an enduring basis.
Paragraph 25.1	Introduction	Paragraph 25.1.4 sets out the application of the transitional arrangements for TPD Section B only. No transitional arrangements apply for TPD Section G. Consequential changes as a result of amendments in TPD Sections B and Y.

Modification 0621C (Centrica)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 1.7	Publication/Transportation Statement	Consequential changes as a result of amendments in Paragraph 3.
Paragraph 2.2	Interpretation for Transmission Services Charges (Capacity Charges)	Paragraph 2.2.2 lists further definitions that are specific to paragraph 2 of Part A-I of TPD Section Y. The definition of “Existing Available Holding” is amended to allow for different treatments of historical contracts at Intra-System Points and Interconnection Point. The deletion of Paragraph 2.2.4 is a consequential change as a result of amendments in Paragraph 3.
Paragraph 3.1	Revenue differences	New Paragraph 3.1.2 sets out specific revenue recovery rules about Entry Points (excluding Storage Site Points), where the revenue recovery charges are flow-based for historical contracts, and otherwise capacity-based.
Paragraph 3.2	Determination of Transmission Service Revenue Recovery Charges	Consequential changes as a result of amendments in Paragraph 3.1. This uses the drafting approach from Modification 0621, adapted to the split between revenue recovery charges for Entry Points which are flow-based for historical contracts, and otherwise capacity-based.
Paragraph 3.3	Within-year revision	Consequential changes as a result of amendments in Paragraph 3.1.
Paragraph 5	NTS Optional Capacity Charge	Calculation for determining the NTS Optional Capacity Charge, in accordance with the Final Modification Report. This uses the drafting approach for the NTS Optional Charge for transition under Modification 0621, adapted to apply for a capacity based optional charge.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Section B: System Use and Capacity		
Paragraph 1.7	Transportation Charges and Metering Charges	Provides the basis for payment of NTS Optional Capacity Charge on the basis of the amendments in paragraph 5 of Part A-I of TPD Section Y, and Entry Transmission Services Revenue Recovery Charges as Commodity Charges in relation to historical contracts, and capacity-based charges on new capacity on the basis of the amendments in paragraph 3 of Part A-I of TPD Section Y.
Paragraph 2.11	NTS Entry Capacity	Provides the basis for payment of: - NTS Optional Capacity Charge on the basis of the amendments in paragraph 5 of Part A-I of TPD Section Y. This uses the drafting approach for the NTS Optional Charge for transition under Modification 0621, adapted to apply for a capacity based optional charge.; and - Entry Transmission Services Revenue Recovery Charges. This uses the drafting approach from Modification 0621, adapted to the split between revenue recovery charges for Entry Points which are flow-based for historical contracts, and otherwise capacity-based.
Paragraph 3.12	NTS Exit Capacity	Provides the basis for payment of NTS Optional Capacity Charge on the basis of the amendments in paragraph 5 of Part A-I of TPD Section Y. This uses the drafting approach for the NTS Optional Charge for transition under Modification 0621, adapted to apply for a capacity based optional charge.
Paragraph 8	NTS Optional Capacity Charge	Paragraph 8.2 sets out the process by which a User may make its election to pay NTS Optional Capacity Charges Paragraph 8.3 sets out the rules for determining and payment of the NTS Optional Capacity Charges once the User has elected to pay the NTS Optional Capacity Charges. This uses the drafting approach for the NTS Optional Charge for transition under Modification 0621, adapted to apply for a capacity based optional charge.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Section G: Supply Points		
Paragraph 2.3.2(g) Paragraph 2.3.9(a) Paragraph 2.4.2(l) Paragraph 10 of Annex G-1	General	Consequential changes as a result of amendments in Paragraph 5 of Part A-I of TPD Section Y, and Paragraph 8 of TPD Section B.

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.1	Introduction	Paragraph 25.1.4 sets out the application of the transitional arrangements for TPD Section B only. No transitional arrangements apply for TPD Section G. Consequential changes as a result of amendments in TPD Sections B and Y.
Paragraph 25.3	Revenue Recovery Charges	Consequential changes as a result of amendments in Part A-I of TPD Section Y.
Paragraph 25.4	Variations of other TPD Sections in connection with Transmission Services Revenue Recovery Charges	Consequential changes as a result of amendments in TPD Section B and Y.

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 25.5	Revenue Rebalance Charge	Consequential changes as a result of amendments Paragraph 5 of Part A-I of TPD Section Y.
Paragraph 25.6	Variations of TPD Sections B and G – NTS Optional Charge	Consequential changes as a result of amendments Paragraph 5 of Part A-I of TPD Section Y, and Paragraph 8 of TPD Section Y.

Modification 0621D (Wales & West Utilities)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 2.8	Weighted Average Distance	Weighted Average Distance calculated based on the square root of the distances between Entry Points and Exit Points.
Paragraph 2.9	Reserve Price	Paragraph 2.9.4 sets the Specific Point Discounts for Storage Site Points at 86% (instead of 50% in Modification 0621).
Section V: General		
Paragraph 5.12 Annex V-3	Transportation Revenue Information	Paragraph 5.12.2 and Part 2 of Annex V-3 establish the requirement for National Grid NTS to publish estimates of Allowed Revenue each quarter for the previous Formula Year, the current Formula Year, and the next 5 Formula Years. Consequential changes as a result of amendments to Paragraph 5.12.2 and Part 2 of Annex V-3.

TRANSITION DOCUMENT		
TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.1	Introduction	Consequential changes as a result of deletion of Paragraphs 25.5 and 25.6
Paragraph 25.3	Revenue Recovery Charges	Consequential changes as a result of deletion of Paragraphs 25.5 and 25.6
Paragraph 25.5	NTS Optional Charges	Deleted

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 25.6	Variations of TPD Sections B and G – NTS Optional Charge	Deleted

Modification 0621E (Uniper)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 1.7	Publication/Transportation Statement	Consequential changes as a result of amendments in Paragraph 3.
Paragraph 2.2	Interpretation for Transmission Services Charges (Capacity Charges)	The deletion of Paragraph 2.2.4 is a consequential change as a result of amendments in Paragraph 3.
Paragraph 3.1	Revenue differences	New Paragraph 3.1.2 sets out specific revenue recovery rules about Entry Points (excluding Storage Site Points), where the revenue recovery charges are flow-based for historical contracts, and otherwise capacity-based.
Paragraph 3.2	Determination of Transmission Service Revenue Recovery Charges	Consequential changes as a result of amendments in Paragraph 3.1.
Paragraph 3.3	Within-year revision	Consequential changes as a result of amendments in Paragraph 3.1.
Section B: System Use and Capacity		
Paragraph 1.7	Transportation Charges and Metering Charges	Provides the basis for payment Entry Transmission Services Revenue Recovery Charges as Commodity Charges in relation to historical contracts, and capacity-based charges on new capacity on the basis of the amendments in paragraph 3 of Part A-I of TPD Section Y.

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Reference	Topic	Explanation
Paragraph 2.11	NTS Entry Capacity	Provides the basis for payment Entry Transmission Services Revenue Recovery Charges as Commodity Charges in relation to historical contracts, and capacity-based charges on new capacity on the basis of the amendments in paragraph 3 of Part A-I of TPD Section Y.
Paragraph 3.12	NTS Exit Capacity	Paragraph 3.12.8 sets the basis for calculating the applicable payment of the Exit Transmission Revenue Recovery Charge, but does not apply it for Storage Connection Points.

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.1	Introduction	Paragraph 25.1.7 establishes the Transition Gas Years (i.e. 2019/20 and 2020/21 for Entry Points, and 2019/2020, 2020/2021, and 2021/2022 for Exit Points(with limited exceptions)) for which the transitional variations apply.
Paragraph 25.3	Revenue Recovery Charges	Consequential changes as a result of amendments in Part A-I of TPD Section Y.
Paragraph 25.4	Variations of other TPD Sections in connection with Transmission Services Revenue Recovery Charges	Consequential changes as a result of amendments in TPD Section B and Y.

Modification 0621F (Interconnector UK)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 2.9	Reserve Price	Inclusion of a Specific Point Discount in relation to bi-directional Interconnection Points.

TRANSITION DOCUMENT		
TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.2	Transitional Parameter Values	Consequential change as a result of amendments in Paragraph 2.9 of Part A-I of TPD Section Y.

Modification 0621H (Eni)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 3.1	Revenue differences	Definition of "Forecast Aggregate Fully-Adjusted Entry Capacity" excludes all historical contracts (and not just those which apply at Storage Site Points).

TRANSITION DOCUMENT		
TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.3	Revenue Recovery Charges	Amendment so that exclusion of historical contracts at Interconnection Points only on a transitional basis.
Paragraph 25.4	Variations of other TPD Sections in connection with Transmission Services Revenue Recovery Charges	Consequential changes as a result of amendments in Paragraph 25.4.

Modification 0621J (RWE)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 1.1	Introduction	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8.
Paragraph 1.7	Publication/Transportation Statement	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8.
Paragraph 2.1	Introduction to Transmission Services Charges (Capacity Charges)	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8.
Paragraph 2.2	Interpretation for Transmission Services Charges (Capacity Charges)	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8.
Paragraph 2.3	Allowed Transmission Services Revenue for the Gas Year	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8.
Paragraph 2.4	Reference Price	Reference Price determined on a postage-stamp model (i.e. each Entry Point or Exit Point is given the same Reference Price), instead of a Capacity-Weighted Reference Price methodology. Paragraph 2.4.3 deleted as postage-stamp model guarantees no Entry Point or Exit Points will have a Reference Price of zero.
Deleted Paragraph 2.6	NTS Point Allowed Revenue	Deleted as a consequence of Paragraph 2.4.

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Deleted Paragraph 2.7	Weight of Cost	Deleted as a consequence of Paragraph 2.4.
Deleted Paragraph 2.8	Weighted Average Distance	Deleted as a consequence of Paragraph 2.4.
Paragraph 2.6	Reserve Price	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8. Paragraph 2.6.4 sets the Specific Point Discounts for Storage Site Points at 86% (instead of 50% in Modification 0621).
Paragraph 2.7	Further prices	Consequential amendments as a result of deletion of Paragraphs 2.6 to 2.8.

TRANSITION DOCUMENT		
TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.2	Transitional Parameter Values	Consequential amendments as a result of changes to Paragraph 2.4 of Part A-I of TPD Section Y.

Modification 0621K (Gateway LNG)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 2.2	Interpretation for Transmission Services Charges (Capacity Charges)	Paragraph 2.2.2 lists further definitions that are specific to paragraph 2 of Part A-I of TPD Section Y, but does not include specific references to “Existing Available Holding” as the revenue recovery charges exclude capacity at all Storage Connection Points. Paragraph 2.2.4 is deleted as the revenue recovery charges exclude capacity at all Storage Connection Points.
Paragraph 2.9	Reserve Price	Paragraph 2.9.3 sets the Interruptible Discount for Exit Points (excluding Storage Site Points) at 10%, and for Storage Site Points which are Exit Points as 100%. Paragraph 2.9.4 sets the Specific Point Discounts for Storage Site Points at 86% (instead of 50% in Modification 0621).
Paragraph 3.1	Revenue differences	Consequential changes as a result of amendments to Paragraph 2.2.
Section B: System Use and Capacity		
Paragraph 2.11	NTS Entry Capacity	Paragraph 2.11.7 sets the basis for calculating the applicable payment of the Entry Transmission Revenue Recovery Charge, but does not apply it for Storage Connection Points.
Paragraph 3.12	NTS Exit Capacity	Paragraph 3.12.9 sets the basis for calculating the applicable payment of the Exit Transmission Revenue Recovery Charge, excluding application for Storage Connection Points, but including application for gas held by a storage use gas provider.

Modification 0621L (Shell)

TRANSPORTATION PRINCIPAL DOCUMENT		
TPD Reference	Topic	Explanation
Section Y Part A-I: NTS Transportation Charging Methodology		
Paragraph 2.1	Introduction to Transmission Services Charges (Capacity Charges)	Consequential changes as a result of amendments in Paragraph 2.3.
Paragraph 2.2	Interpretation for Transmission Services Charges (Capacity Charges)	Consequential changes as a result of amendments in Paragraph 2.3.
Paragraph 2.3	Allowed Transmission Services Revenue for the Gas Year	Amendments to include revenue from historical contracts in Allowed Revenue for Entry Points and Exit Points.
Paragraph 2.4	Reference Price	Consequential changes as a result of amendments in Paragraph 2.5.
Paragraph 2.5	Forecast Contracted Capacity	Amendments to include revenue from historical contracts determining Forecast Contracted Capacity.
Paragraph 2.6	NTS Point Allowed Revenue	Consequential changes as a result of amendments in Paragraph 2.5.
Paragraph 2.7	Weight of Cost	Consequential changes as a result of amendments in Paragraph 2.5.

TRANSITION DOCUMENT

TPD Reference	Topic	Explanation
TDIIC: Transition Rules		
Paragraph 25.1	Introduction	Consequential changes as a result of amendments in Paragraph 2.3 of Part A-I TPD Section Y.