

## **Commentary:**

Set out below is the suggested legal text to give effect to the proposed modification UNC0753 (Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity).

The text comprises modifications to both the enduring and transitional parts of the UNC as follows:

### **Transportation Principal Document: New Transfers**

The definition of Existing Available Holding in TPD Y is amended to allow for an adjustment to be made for the disapplication of the Transmission Services Revenue Recovery Charge (**TSRRC**) if certain conditions are met. This is made by adding a new paragraph 3.5 which provides that where a User held an amount of Existing Available Holding at the Tariff Regulation Effective Date, and some or all of that holding is transferred to another User (whether due to a transfer or as a result of the first User exiting the Code under the discontinuance procedure), the recipient User will be treated as having an Existing Available Holding equal to the amount transferred and that this capacity will not attract the TSRRC. This mechanism can only be used once. So if the Existing Available Holding is transferred on to yet another User, or transferred back to the original User, this mechanism would not apply.

If the transfer is as a result of a trade, then both the transferor User and the transferee User must provide written notice 10 days before the start of the Quarter in which it is to take effect. If it is as a result of discontinuance, only the recipient User need notify National Grid NTS, again 10 days before the start of the Quarter. If, in either case, the details of the transfer does not match the records, it will be rejected by National Grid NTS.

### **Transition Document**

- the Modification will not apply retrospectively, but there is a one off window following implementation of the modification for a party who transferred an Existing Available Holding during the Quarter in which the modification implementation date occurred, for a such transfer to be notified to National Grid NTS as benefitting from the relief from the TSRRC
- this is dealt with by a new Section 25.7 to Part IIC of the Transition Document