**Attachment #10**

**UNC reference: TPD Section Y (new paragraph)**

**Subject: NTS Optional Wheeling Charge**

**Relevant alternates: 0678I (Gazprom)**

*New paragraph 5*

1. **NTS OPTIONAL CHARGE**
	1. **General**
		1. A User may elect, for an Eligible Entry Point and Eligible Exit Points, to pay charges ("**NTS Optional Wheeling Charges**") determined in accordance with this paragraph [5] in substitution (in whole or part) for Capacity Charges, Transmission Services Revenue Recovery Charges and General Non-Transmission Services Charges, subject to and in accordance with TPD Section B8.
		2. [NTS Optional Wheeling Charges comprise:
			1. charges ("**NTS Optional Capacity Entry Charges**") in respect of an amount of NTS Entry Capacity at an Aggregate System Entry Point excluding Storage Site Points; and
			2. charges ("**NTS Optional Capacity Exit Charges**") in respect of an amount of NTS Exit (Flat) Capacity at a NTS System Exit Point excluding Storage Site Points and NTS/LDZ Offtakes].
	2. **Determination of charge**
		1. The rate of the NTS Optional Wheeling Charge (in p/kWh/Day) in respect of a Specified Entry Point and Specified Exit Point shall be determined:
			1. by calculating the value (in p/kWh) of the term 'CF' in accordance with paragraph 5.2.1;
			2. by determining the NTS Optional Wheeling Charge from the term 'CF' in accordance with paragraph 5.2.2.
		2. The term 'CF' is determined as follows:

CF = A \* ( M ^ E1 ) \* D + B \* ( M ^ E2)

where A, E1, B and E2 are quantities derived, on the basis of the NTS OWC Methodology, from the estimated costs of laying and operating a dedicated pipeline of NTS specification, for which the units and values for the Gas Year [2019/20] are set out in the table below. For each subsequent Gas Year the values of A, E1, B and E2 shall be redetermined by adjusting, in the NTS OCC Methodology, the estimated costs by reference to the change in the Retail Prices Index on the basis set out in the NTS OWC Methodology:

|  |  |  |
| --- | --- | --- |
| **Term** | **Units** | **Value for Gas Year [2018/19]** |
| w | p/kWh/Day per km | 2086.59 |
| x | None | -0.834 |
| y | p/kWh/Day | 610.7 |
| z | None | -0.654 |

and where:

M is a measure (expressed in kWh/Day) of maximum offtake rate at the Specified Exit Point, being:

(a) in the case of a NTS System Exit Point, 24 \* the Maximum NTS Exit Point Offtake Rate specified in the Network Exit Agreement;

(b) in the case of a LDZ Supply Point for which there is no Network Exit Agreement in force, 24 \* the Supply Point Offtake Rate;

(c) in the case of an Interconnection Point, the maximum permitted aggregate rate (expressed in kWh/day) of physical exit flow as specified in the relevant Interconnection Agreement or if not so specified as determined by National Grid NTS;

D is the distance (in accordance with TPD Section B8.1.2(e)) from the Specified Exit Point to the Specified Entry Point in km; and

^ means 'to the power of'.

* + 1. The rate of the NTS Optional Wheeling Charge (**NOWC**, in p/kWh/Day), applying at the Specified Entry Point and the Specified Exit Point, is determined as follows:

NOWC = CF \* M / FCC

 where

 M has the meaning in paragraph 5.2.2

FCC is the Forecast Contracted Capacity for the Specified Exit Point for [the Gas Year in which the NOWC Election is made].

* + 1. The “**NTS OWC Methodology**” is the methodology developed and published by National Grid NTS for the purposes of this paragraph 0.
		2. Where a NOWC Election is in force in respect of a LDZ Supply Point, and (pursuant to any provision of TPD Section G) the Supply Point Offtake Rate in respect of a LDZ Supply Point is revised, the NTS Optional Wheeling Charge Rate shall be redetermined (and the redetermined rate shall apply for the purposes of determining the NTS Optional Capacity Charges payable by the User) with effect from the date of such revision.
		3. [For the purposes of paragraph [1.4]] the NTS Optional Wheeling Charge will be treated as a Transmission Services Charge, and revenue derived from the NTS Optional Wheeling Charge will be treated as Transmission Services Revenue.
		4. [For the purposes of paragraph [1.6], for each Gas Year, the Transportation Statement published by National Grid NTS will include the formula for the NTS Optional Charge Wheeling Rate.]