

VERMILION
ENERGY



**Mod 0636: Links to Mod 0621 for discussion
at NTSCMF 09 Nov 2017**



Agenda

- specific task from the Mod panel on 18 October:
- ***“Consider the links, relationship and impacts with the relevant elements of modification 0621 – Amendments to Gas Transmission Charging Regime.”***



What Mod 0636 is proposing:

- **Mod 0636 follows on from NTS GCD11**
- **Revises the parameters within the OCC formula to reflect updated underlying costs**
- **Adjusts the charge rate to be reflective of the underlying assumption of a 75% load factor**



Links to Mod 0621

- **Mod 0621 is still under development**
- **However, it is anticipated that Mod 0621 will reflect updated underlying costs for the OCC**
- **It is also anticipated that there will be a distance restriction of [50]Km for eligibility for the OCC**
- **Mod 0621 is expected to be operational (in some form) from October 2019 with regard to the OCC**



Relationship of Mod 0636 to Mod 0621

- **Mod 0636 is intended to be an interim step forward in the period prior to October 2019**
- **It will update the underlying costs to 2015**
- **There will be no restriction in terms of distance on eligibility for the OCC**
- **It will continue to be an optional replacement for both the TO and SO standard commodity charges**

Impacts of Mod 0636 on Mod 0621

- **Mod 0636 will be a transitional update to the OCC charge rate and it is expected that it will be superseded by Mod 0621**
- **If Mod 0621 does not propose changes to the OCC the updated formula will continue to operate at the same levels.**
- **Mod 0621 is not constrained by Mod 0636**

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Thank you for your attention

