

MODIFICATION 0636B

UPDATING PARAMETERS FOR THE NTS OPTIONAL COMMODITY CHARGE

[Proposed Legal Text]

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION B – SYSTEM CAPACITY

Amend paragraph 3.12.10 to read as follows:

3.12.10 For the purposes of paragraphs 3.12.9 to 3.12.14 (inclusive), the capacity of a Specified Exit Point shall be, in the case of:

(a) an LDZ Supply Point determined in accordance with Section G5.4.1, except for a LDZ Shared Supply Point in which case the capacity shall be determined in accordance with Section G1.7.17;

(b) an LDZ CSEP determined in accordance with paragraph 4.5.2;

(c) an NTS Exit Point equal to the Maximum NTS Exit Point Offtake Rate (converted into kWh/Day), (provided for an NTS Exit Point in respect of a pipeline interconnector having no physical exit capability which is both a Connected Offtake System and a Connected Delivery Facility, the capacity shall be equal the amount (where positive) determined as the instantaneous rate (in kWh/hour) which the Transporter determines to be the maximum instantaneous rate at which it is feasible to deliver gas to the NTS at the System Entry Point associated with such Connected Delivery Facility (converted into kWh/Day)).

Deleted: the

Deleted: the Supply Point Capacity, provided

Deleted: in the case of

Deleted: the capacity shall be

Deleted: i

Deleted: for

Deleted: the capacity shall be

Deleted: b

Deleted: in the case of

Deleted: the capacity shall be

Deleted: 24 times

Deleted: , except:¶

Deleted: (i)

Deleted: to 24 times

Deleted: Hour

SECTION Y – CHARGING METHODOLOGIES

Amend Chapter 3, paragraph 3.5 to read as follows:

...

The following formula shall be used to determine the NTS Optional Commodity Rate (in p/kWh) in respect of a Specified Entry Point and Specified Exit Point:

$$\text{NTS Optional Commodity Rate} = w * (M \wedge x) * D + y * (M \wedge z)$$

Commented [Dentons1]: Text tidied up and to follow the 0621 legal text approach.

Deleted: pence per

Deleted: is site specific and is

Deleted: calculated by the following equation

Formatted: Centered

Deleted:  $1203 \times (M)^{-0.83} \times D + 363 \times (M)^{-0.654}$

Deleted: Where

where w, x, y and z are quantities derived (on the basis of the [NTS OCR Methodology]) from the estimated costs of laying and operating a dedicated pipeline of NTS specification, for which the units and values for Gas Year [2018/19] are set out in the table below, and for subsequent Gas Years the values w, x, y and z shall be adjusted (from the value applying in the preceding Gas Year) on the basis of an RPI based inflation adjustment (in accordance with the [NTS OCR Methodology]) in the estimated costs from which they are derived:

<u>Term</u>	<u>Unit</u>	<u>Value for Gas Year 2018/19</u>
w	p/kWh/Day per kilometre	1203
x	None	-0.834
y	p/kWh/Day	363
z	None	-0.654

and the **NTS OCR Methodology** is the methodology developed and published by National Grid NTS for the purposes of this paragraph 3.5;

Formatted: Font: Bold

**M** is a measure (expressed in kWh) of maximum offtake at the Eligible Exit Point, being: in the case of:

Formatted: Indent: Left: 0 cm, Hanging: 2.54 cm, Tab stops: 1.27 cm, Left

(i) an NTS Exit Point, the Maximum NTS Exit Point Offtake Rate (converted into kWh/Day);

(ii) an LDZ Exit Point, the Supply Point Offtake Rate (converted into kWh/Day);

**D** is the distance (in accordance with TPD Section B3.12.11) from the Specified Exit Point to the Specified Entry Point; and

**v** means to the power of.

Deleted: D = the direct distance from the site or non-National Grid NTS pipeline to the Specified Entry Point in km;

M = Maximum NTS Exit Point Offtake Rate (MNEPOR) converted into kWh/day at the site; and

Deleted: =

## TRANSITION DOCUMENT – PART IIC

Add new paragraph 24 to read as follows:

### **24 REVISED NTS OPTIONAL COMMODITY RATE**

#### **24.1 Implementation**

24.1.1 For the purposes of this paragraph 24:

(a) **Effective Date** means the effective date of Modification 0636B;

(b) **Relevant Supply Point** means a Supply Point in respect of which the NTS Optional Commodity Rate applied on the Effective Date;

(c) **Relevant User** means a User who at the Effective Date is the Registered User of a Relevant Supply Point.

24.1.2 National Grid NTS shall notify each Relevant User of the revised NTS Optional Commodity Rate applying in respect of a Relevant Supply Point as determined in accordance with TPD Section Y, paragraph 3.5 (**New NTS OCR**) as soon as reasonably practicable following the Effective Date.

24.1.3 The New NTS OCR shall apply in respect of a Relevant Supply Point for the purposes of determining the NTS Exit (Flat) Commodity Charge payable pursuant to TPD Section B3.12.9 from the earlier of:

- (a) the date (being the first day of a calendar month) specified in the statement sent to Relevant Users in accordance with TPD Section B1.8.2(b) (and which is not less than 2 months following the date on which such notice was sent to the Relevant User);
- (b) such other date as is consented to by the Authority in writing and notified by National Grid NTS to the Relevant User.

Formatted: Indent: Left: 0 cm, First line: 0 cm