

0636B:

Updating the parameters for the NTS Optional Commodity Charge



Proposer: Jeff Chandler SSE

Panel Date: February 2018

Why change?



- The NTS Optional Commodity Charge (OCC) is a charge allowed under section Y of the UNC.
- Update the formula used to calculate the OCC as nearly 20 years have passed since parameters were first determined.
- SSE considers that the methodology to determine the formula and the parameters in the formula should be inserted into the code. This will facilitate improved governance and transparency. Article 13 of Regulation 715/2009 states:
“Tariffs, or the methodologies used to calculate them, applied by the transmission system operators and approved by the regulatory authorities pursuant to Article 41(6) of Directive 2009/73/EC, as well as tariffs published pursuant to Article 32(1) of that Directive, shall be transparent...”

Solution



- It is proposed that the existing parameters in the OCC formula from Section Y of the UNC are indexed by RPI.
- Transparency of the solution is important, hence the methodology will also be incorporated in the UNC. The background to the RPI indexation methodology is mentioned in NTS GCD 11 and will be further developed through this modification.

Recommended Steps



- The Proposer recommends that this modification should be:
- sent to Workgroup for development due to potential impact on commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.
- And once the Workgroup has completed the pre-modification discussion, to present the modification to the Panel with the recommendation that it can be submitted to Workgroup for development. Once the Workgroup has completed the DWR, submit to Panel for voting.