

Attachment #2

UNC reference: TPD Section Y (new paragraph)
Subject: NTS Optional Charge
Relevant alternates: 0678B (Centrica)

New paragraph 5

5 NTS OPTIONAL CAPACITY CHARGE

5.1 General

5.1.1 A User may elect to pay charges ("**NTS Optional Capacity Charges**") determined in accordance with this paragraph 5 in substitution (in whole or part) for Capacity Charges and General Non-Transmission Services Charges, subject to and in accordance with TPD Section B8.

5.1.2 NTS Optional Capacity Charges comprise:

- (a) 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
- (b) 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.

5.2 Determination of charge

5.2.1 For a Gas Year, and a Specified Entry Point and Specified Exit Point (each as defined and determined under TPD Section B8):

- (a) the Applicable Daily Rate (in p/kWh/Day) of the NTS Optional Capacity Entry Charge is determined as:

$$(D * RP_{En}) / (AD_{En} * SUF)$$

- (b) the Applicable Daily Rate (in p/kWh/Day) of the NTS Optional Capacity Exit Charge is determined as:

$$(D * RP_{Ex}) / (AD_{Ex} * SUF)$$

where

D is the distance (in accordance with TPD Section B8.1.2(d) from the Specified Exit Point to the Specified Entry Point in km, or 0.1km if greater; and

RP_{En} is the Reserve Price (for Annually Allocated NTS Capacity) for the Specified Entry Point for the Gas Year

RP_{Ex} is the Reserve Price (for Annually Allocated NTS Capacity) for the Specified Exit Point for the Gas Year

AD_{En} is the Weighted Average Distance for the Specified Entry Point for the Gas Year

AD_{Ex} is the Weighted Average Distance for the Specified Exit Point for the Gas Year

SUF is the System Utilisation Factor in accordance with paragraph 5.2.4.

- 5.2.2 The NTS Optional Capacity Charge will be treated as a Transmission Services Charge, and revenue derived from the NTS Optional Capacity Charge will be treated as Transmission Services Revenue.
- 5.2.3 Notwithstanding paragraph 1.9.1, when National Grid NTS notifies the Applicable Daily Rate (p/kWh/Day) of the NTS Optional Capacity Charge to a User, such rate shall be rounded to 6 decimal places for the purposes of notification to a User of the NTS Optional Capacity Charge.
- 5.2.4 The "**System Utilisation Factor**" for a Gas Year is calculated for the NTS as a whole as:
- (a) the sum of Forecast Contracted Capacity for the Gas Year for all NTS Points, divided by
 - (b) the sum of the Obligated Entry Capacity (for all Entry Points) and Baseline NTS Exit (Flat) Capacity (for all Exit Points);