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# UNC Modification 0429 Agency Charging Statement

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# 429 User Pays

- Modification 0429 User Pays Section states:

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification
User Pays Modification
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification
100% Shippers
Proposed charge(s) for application of Users Pays charges to Shippers
The charging basis for Shippers will be an allocation of the development costs to each Shipper based upon each Shipper's number of supply points in proportion to the total number of all Shippers supply points as measured on the date of the implementation of the modification, excluding Unique Sites.
Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve
To be completed

Xoserve



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# 429 User Pays – Dev<sup>t</sup> and Oper<sup>n</sup> Costs

- Development Costs
  - Dealt with

- Operational Costs
  - Not dealt with in FMR
  - Workgroup discussions considered T&M

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# Normal Derivation of Oper<sup>n</sup> Costs

- Operational Costs
  - In order to derive operational costs, we take account of:
    - Fixed Costs
    - Variable Costs
      - Projected volumes
      - Projected effort per transaction
  - This is then reviewed biannually as part of the ACS Review
    - If over / under recovered – e.g. if effort per transaction is less than or more than projected - then this is included in the cost base for the next ACS period

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# Oper<sup>n</sup> Costs – ACS for 429

- Operational Costs
  - In order to derive operational costs, we take account of:
    - Fixed Costs *With no volume projected resources will not be assigned to this process.\**
    - Variable Costs
      - Projected volumes *Not known – no indication from Users any Claims identified at this time.\**
      - Projected effort per transaction *Not known – no examples provided. Effort will vary from Claim to Claim based upon Complexity of Adjustment / Quality of Template Information / Volume of Data to assess.\**
  - This is then reviewed biannually as part of the ACS Review
    - If over / under recovered – e.g. if effort per transaction is less than or more than projected - then this is included in the cost base for the next ACS period *Variability of effort per Claim may make this volatile.*

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# Oper<sup>n</sup> Costs – ACS for 429

- Operational Costs
  - Operational costs are not predictable based upon information available at this time.
  - Propose that ACS states operation cost will be ‘Price on Application’ which enables:
    - Assessment of complexity of actual claim
    - Incentivises good input data quality
  - Estimate is provided to User, and User invoiced on actual time expended.
  - A subsequent review can be conducted following implementation and ‘sufficient actual Claims’ to assess whether Claim costs are predictable, and revisit ACS approach through a UNC Workgroup.

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