

**MODIFICATION 0550**

**INCENTIVISING CENTRAL PROJECT DELIVERY**

[Draft] proposed legal text

**TRANSITION DOCUMENT – PART IIC**

*Insert new paragraph 22 to read as follows:*

**22 Delay in implementation of Modifications 0432 and 0440**

22.1 This paragraph 22 shall apply in the event:

- (a) a Modification ("**Delay Modification**") is made pursuant to which Modifications 0432 and 0440 are to be implemented on a date later than the Project Nexus Implementation Date; 1<sup>st</sup> Oct 2016.
- (b) the reason for the Delay Modification is due to a delay in the implementation of the Transporter Agency's UK Link replacement programme caused by a specific action or actions on the part of one or more of the Transporters; and
- (c) the Authority makes a determination the requirement for the Delay Modification is for the reasons described in paragraph (b).

22.2 The "**delay period**" is the period from 1 October 2016 until the earlier of:

- (a) the day preceding the new implementation date for Modifications 0432 and 0440; and  
or
- (b) 30 November 2016.

22.3 Subject to paragraph 22.4, in respect of each day in the delay period the Transporters shall pay each Shipper User an amount (the "**daily delay charge**") calculated as follows:

$$(\pounds 2,500,000 / D) * (SSP / ASP)$$

where:

- D is the number of days in the Month in which the day falls;
- ASP is the number of Supply Points identified in the Supply Point Register at the start of 1 October 2016;
- SSP is the number of such Supply Points in respect of which the Shipper User is the Registered User.

22.4 Where following calculation of the daily delay charge for the last day in the delay period ("**last delay day**") the aggregate daily delay charges payable to a Shipper ("**relevant Shipper**") by Transporters in accordance with paragraph 22.3 is less than £100:

(a) the daily delay charge for the last delay day shall be increased by an amount ("**uplift amount**") such that the aggregate daily delay charges payable by Transporters to the relevant Shipper equals £100; and

(b) the daily delay charge for the last delay day for each other Shipper shall be decreased by an amount equal to:

$$\text{AUA} * (\text{SSP} / \text{ASP})$$

where:

AUA is the aggregate of uplift amounts payable to relevant Shippers;

SSP and ASP have the meaning in accordance with paragraph 22.3.

22.5 Where the Transporters are liable to pay daily delay charges the Transporters shall make a payment to such charitable organisation as the Transporters and the Authority shall agree of an amount equal to the aggregate daily delay charges payable by the Transporters in accordance with this paragraph 22.

22.6 Daily delay charges shall be invoiced and payable in accordance with TPD Section S.

22.7 This paragraph 22 is not a Compensation Rule.