UNC Modification 0621 and Alternatives: Comparison of Key Elements

		0621 v4.0 (6/4/2018) National Grid	0621A v4.0 (20/4/2018) Storengy	0621B v4.0 (6/4/2018) SSE	0621C v4.0 (17/4/2018) Centrica	0621D v3.0 (3/4/2018) Wales and West Utilities	0621E v2.0 (25/4/2018) Uniper	0621F v4.0 (13/4/2018) IUK	0621H v1.0 (2/3/2018) ENI	0621J v2.0 (10/4/2018) RWE	0621K v1.0 (24/4/2018) Gateway LNG
Component	Element	National Grid	Storengy	SSE	Centrica	Wales and West Utilities	Uniper	IUK	ENI	RWE	Gateway LNG

Transmission Services Charges

Capacity Reference Price

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Reference Price Methodology (interim)	Capacity Weighted Distance	Capacity Weighted Distance	Capacity Weighted Distance	Capacity Weighted Distance	Capacity Weighted Distance (distance subject to square root)	Capacity Weighted Distance	Capacity Weighted Distance	Capacity Weighted Distance	Postage Stamp	Capacity Weighted Distance
Reference Price Methodology (enduring)	Capacity Weighted Distance with adjustment to minimise Revenue Recovery	Capacity Weighted Distance with adjustment to minimise Revenue Recovery	Capacity Weighted Distance with flow based recovery	Capacity Weighted Distance with adjustment to minimise Revenue Recovery	Capacity Weighted Distance (distance subject to square root) with adjustment to minimise Revenue Recovery	Capacity Weighted Distance with adjustment to minimise Revenue Recovery	Capacity Weighted Distance with adjustment to minimise Revenue Recovery	Capacity Weighted Distance with adjustment to minimise Revenue Recovery (no adjustment for Historical contracts)	Postage Stamp with adjustment to minimise Revenue Recovery	Capacity Weighted Distance with adjustment to minimise Revenue Recovery
Target Revenue	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts	Net of existing and interim contracts
Treatment of zero Reference Prices	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Uses square root of Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.	Use nearest non-zero Reference Price	Use postage stamp price for entry / exit	Uses Weighted Average Distance to determine price using nearest non-zero Reference Priced Entry or Exit Point's WAD.

Forecasted Contracted Capacity (FCC)

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Interim arrangements	Obligated capacity for first 2 years	Obligated capacity for first 2 years	None	Obligated capacity for first 2 years	Obligated capacity for first 2 years	Obligated capacity for first 2 years at Entry and first 3 years at Exit	Obligated capacity for first 2 years	Obligated capacity for first 2 years	Obligated capacity for first 2 years	Obligated capacity for first 2 years
Enduring arrangements	National Grid Forecast	National Grid Forecast	Obligated capacity	National Grid Forecast	National Grid Forecast	National Grid Forecast	National Grid Forecast	National Grid Forecast	National Grid Forecast	National Grid Forecast

Reserve Price - Firm and Interruptible

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Multiplier (Annual Capacity Product)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Multiplier (Quarterly Capacity Product)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0 for year 1	1.0	1.0
Multiplier (Monthly Capacity Product)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0 for year 1	1.0	1.0
Multiplier (Daily Capacity Product)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0 for year 1	1.0	1.0
Multipliers from year 2 onwards	1.0	1.0	1.0	1.0	1.0	1.0	1.0	Subject to annual consultation	1.0	1.0
Interruptible / Off-peak adjustment (entry)	10%	10%	10%	10%	10%	10%	10%	10% discount for year 1	10%	10%
Interruptible / Off-peak adjustment (exit)	10%	10%	10%	10%	10%	10%	10%	10% discount for year 1	10%	10% at non-Storage 100% at Storage
Interruptible /off-peak adjustments from Year 2 onwards	10%	10%	10%	10%	10%	10%	10%	Subject to annual consultation with discount value rounded up to nearest multiple of 10	10%	10% at entry and non Storage exit 100% at Storage exit
Fixed or floating price	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating
Storage	50%	86%	86%	86%	86%	50%	50%	86% [pending final validation]	n/a	86%

Reserve Price - Specific Capacity Discounts

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Interconnection Points	None	None	None	None	None	None	Bi-directional only: for 2 years =50%, from 2021 = average weighted by forecast bookings (storage discount for proportion of matched in+out forecast bookings +0% discount for unmatched)	None	None	None
LNG	0%	0%	0%	0%	0%	0%	0%	0% for year 1. Subsequent years subject to annual consultation	0%	0%

Revenue Recovery Charges (Interim)

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Target revenue apportionment between IPs and non-IPs	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows
Duration	2 years	2 years	2 years	2 years	2 years	2 years at Entry and 3 years at Exit	2 years	2 years	2 years	2 years
IP application	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity) - Historical Contracts utilised before Non-Historical	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity) except for Historical contracts which will accrue a commodity charge*	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)
IP Exclusions	None	None	None	Historical Contracts (levied as a flow based charge)	None	None	None	Historical Contracts	None	None
Non-IP application	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)	Flow based charge applied to allocations (flow)
Non-IP Exclusions	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points	Non-own use gas allocations (flow) at Storage Connection Points

Revenue Recovery Charges (Enduring)

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Target revenue apportionment between IPs and non-IPs	n/a	n/a	Pro-rated according to forecast flows at IPs / non-IPs versus forecast total flows	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IP application	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity) except for Historical Contracts which will accrue a commodity charge*	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)
IP Exclusions	None	None	None	Historical Contracts (levied as a flow based charge)	None	None	None	Historical Contracts	None	None
Non-IP application	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Flow based charge applied to allocations (flow)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity) except for Historical Contracts which will accrue a commodity charge*	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)	Capacity charge (applied to fully adjusted capacity)
Non IP Exclusions	Historical Contracts for Capacity at Storage Connection Points not booked for own use purposes	Fully adjusted Capacity at Storage Connection Points not booked for own use purposes	Non-own use gas allocations at Storage Connection Points	Historical Contracts (levied as a flow based charge) and at Capacity at Storage Connection Points	Historical Contracts for Capacity at Storage Connection Points	Historical Contracts for Capacity at Storage Connection Points	Historical Contracts for Capacity at Storage Connection Points	Historical Contracts	Historical Contracts for Capacity at Storage Connection Points	Fully adjusted Capacity at Storage Connection Points not booked for own use purposes

NTS Optional Charge

Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Application	2 years	2 years	Enduring	Enduring from October 2019	None	2 years	2 years	2 years	2 years	2 years
Method (rate derivation)	Existing formula, cost base subject to annual RPI adjustment	Existing formula, cost base subject to annual RPI adjustment	Existing formula, cost base subject to annual RPI adjustment	Discount of CWD derived Reference Price with Revenue Rebalance Adjustment	Not applicable	Existing formula, cost base subject to annual RPI adjustment	Existing formula, cost base subject to annual RPI adjustment	Existing formula (different parameters to UNC621 but same as UNC621E), cost base subject to annual RPI adjustment	Existing formula, cost base subject to annual RPI adjustment	Existing formula, cost base subject to annual RPI adjustment
Quantity (IPs)	Capacity deemed to have been used	Capacity deemed to have been used	Capacity deemed to have been used	Lesser of capacity and allocation (flow) at entry point and exit point	Not applicable	Capacity deemed to have been used	Capacity deemed to have been used	Fully adjusted capacity	Capacity deemed to have been used	Capacity deemed to have been used
Quantity (Non-IPs)	Allocation (flow)	Allocation (flow)	Allocation (flow)	Lesser of capacity and allocation (flow) at entry point and exit point	Not applicable	Allocation (flow)	Allocation (flow)	Allocation (flow)	Allocation (flow)	Allocation (flow)
Alternative charges	Transmission Services Revenue Recovery charges and Non-Transmission Services (entry and exit) charges	Transmission Services Revenue Recovery charges and Non-Transmission Services (entry and exit) charges	Transmission Services Revenue Recovery charges and Non-Transmission Services (entry and exit) charges	Non Transmission Services Charges (Entry and Exit)	Not applicable	Transmission Services Revenue Recovery charges and Non-Transmission Services (entry and exit) charges	Transmission Services Revenue Recovery charges and Non-Transmission Services (entry and exit) charges	Transmission Services Revenue Recovery charges	Transmission Services Revenue Recovery and Non Transmission Services (Entry and Exit)	Transmission Services Revenue Recovery charges and Non-Transmission Services (entry and exit) charges
Limitations	60km distance cap	60km distance cap	60km distance cap	Not available for Storage Connection Points, minimum distance 0.1km	Not applicable	60km distance cap	60km distance cap	60km distance cap	60km distance cap	60km distance cap
Application at Bacton ASEPs	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	Not applicable	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	No specific treatment	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both	NTS optional flow at UKCS and IP pro rata in proportion to total flows at both

Non Transmission Services Charges

Component	Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
"X"											
St. Fergus Compression	Application	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles
NTS Metering	Application	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles
DN Pensions Deficit	Application	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles
SSMP Administration	Application	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles
IP Allocation	Application	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	?	Existing principles	Existing principles
Entry and Exit Charges	Application	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage	Allocation (flow) based charge to recover residual Non-transmission services revenue, except non-own use at storage
"X"	Application	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles	Existing principles

General

Component	Element	0621	0621A	0621B	0621C	0621D	0621E	0621F	0621H	0621J	0621K
Publication of variables	Multipliers Adjustment	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement
	Interruptible Adjustment	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement
	LNG Discount	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement	Transportation Statement
	CWD Distances	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model
	CWD FCCs	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	Charging Model	n/a	Charging Model
	Maximum allowed revenue forecast	No proposed obligations	No proposed obligations	No proposed obligations	No proposed obligations	Publish Mar, Jul, Oct and Dec	No proposed obligations	No proposed obligations	No proposed obligations	No proposed obligations	No proposed obligations

Variation in treatment of element from UNC Modification Proposal 0621
Subject to change (awaiting Legal advice)

* Requires flow to be associated with either Historical or new capacity but no Proposal as to how this is apportioned

Version 0.9
23rd April 2018

UNC Modification Proposal 0621 and Alternative Proposals

Methodology Component	0621 v4.0 (6/4/2018) National Grid	0621A v4.0 (20/4/2018) Storengy	0621B v4.0 (6/4/2018) SSE	0621C v4.0 (17/4/2018) Centrica	0621D v3.0 (3/4/2018) WWU	0621E v2.0 (23/4/2018) Uniper	0621F v4.0 (13/4/2018) IUK	0621H v1.0 (2/3/2018) ENI	0621J v2.0 (10/4/2018) RWE
Reference Price Methodology	Capacity Weighted Distance (CWD)	Capacity Weighted Distance (CWD)	Capacity Weighted Distance (CWD)	Capacity Weighted Distance (CWD)	Capacity Weighted Distance (CWD), distance uses square root	Capacity Weighted Distance (CWD)	Capacity Weighted Distance (CWD)	Capacity Weighted Distance (CWD)	Postage Stamp
Forecasted Contracted Capacity	Obligated (2 years) then National Grid forecast	Obligated (2 years) then National Grid forecast	Obligated	Obligated (2 years) then National Grid forecast	Obligated (2 years) then National Grid forecast	Obligated (3 years at Exit, 2 years at Entry) then National Grid forecast	Obligated (2 years) then National Grid forecast	Obligated (2 years) then National Grid forecast	Obligated (2 years) then National Grid forecast
Multipliers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0 (Y1) then annual consultation	1.0
Interruptible Discount	10%	10%	10%	10%	10%	10%	10%	10% (Y1) then annual consultation	10%
Specific Capacity Discounts	Storage 50%	Storage 86%	Storage 86%	Storage 86%	Storage 86%	Storage 50%	Storage 50% IPs 2 years at 50%, then weighted average of storage discount where forecast bookings in and out match and 0% where the do not match	Storage 50%	Storage 86% [subject to final validation]
Revenue Recovery (Interim)	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs (except Historical contracts which attract a flow based charge)	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs	3 years at Exit, 2 years at Exit. Flow based for non-IPs (except non-own-use at storage). Capacity based for new IP capacity, flow based for Historical IP capacity	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs (except Historical Contracts)	2 years. Flow based for non-IPs (except non-own-use at storage), capacity based for IPs
Revenue Recovery (Enduring)	Capacity based for all (Historical Contracts at Storage excluded)	Capacity based for all (Storage excluded)	Flow based for non IPs (except non-own-use at storage). Capacity charges at IPs	Capacity based for all (Storage excluded and Historical Contracts attract a flow based charge)	Capacity based for all (Historical Contracts at Storage excluded)	Capacity based for all new contracts, flow based for all historical contracts (except at Storage)	Capacity based for all (Historical Contracts at Storage excluded)	Capacity based for all (Historical Contracts excluded)	Capacity based for all (Historical Contracts at Storage excluded)
NTS Optional Charge	2 years only. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge and Non Tx services charge	2 years only. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge and Non Tx services charge	Enduring. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge and non Tx Services charge	Discounted CWD structure with Revenue Rebalance adjustment. Alternative to non Tx Services charge	None	2 years only. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge and Non Tx services charge	2 years only. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge and Non Tx services charge	2 years only. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge	2 years only. Existing formula structure with cost base indexed to RPI. 60km cap. Alternative to Tx Services Revenue Recovery Charge and Non Tx services charge

Variation in treatment of element from UNC Modification Proposal 0621