

17 May 2016

MODIFICATION 0636C

UPDATING PARAMETERS FOR THE NTS OPTIONAL COMMODITY CHARGE

[Proposed Legal Text]

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION B – SYSTEM CAPACITY

Amend paragraph 3.12.10 to read as follows:

3.12.10 For the purposes of paragraphs 3.12.9 to 3.12.14 (inclusive), the capacity of a Specified Exit Point for any Day in a Gas Year (Y) shall be:

(a) except where paragraph (c) applies, the capacity determined as:

$$M = ((\Sigma UDQO) / N) / 0.75$$

where:

M means the capacity of the Specified Exit Point (in kWh/Day);

$\Sigma UDQO$ is the aggregate of the UDQO at the Specified Exit Point for all Days in Gas Year Y-2 ("relevant year");

N is the number of days in the relevant year;

(provided where M is a negative or equal to zero, M shall instead be deemed to equal to 1 kWh/Day);

(b) where the Specified Exit Point has not been a System Exit Point for all Days in Gas Year Y-2 the capacity shall be determined as, in the case of:

(i) an LDZ Supply Point, in accordance with Section G5.4.1, except for a LDZ Shared Supply Point in which case the capacity shall be determined in accordance with Section G1.7.17;

(ii) an LDZ CSEP, in accordance with the paragraph 4.5.2;

(iii) an NTS Exit Point, the Maximum NTS Exit Point Offtake Rate (converted into kWh/Day);

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Deleted: the Supply Point Capacity, provided

Deleted: (a) in the case of an LDZ Supply Point the capacity shall be determined in accordance with Section G5.4.1, except for a LDZ Shared Supply Point in which case the capacity shall be determined in accordance with Section G1.7.17;

Deleted: (i) for an LDZ CSEP the capacity shall be determined in accordance with paragraph 4.5.2;

Deleted: in the case of an NTS Exit Point the capacity shall be equal to 24 times the Maximum NTS Exit Point Offtake Rate, except;

Deleted: (i) for an NTS Exit Point in respect of a pipeline interconnector having no physical exit capability which is both a Connected Offtake System and a Connected Delivery Facility, the capacity shall be equal to 24 times the amount (where positive) determined as the instantaneous rate (in kWh/Hour) which the Transporter determines to be the maximum instantaneous rate at which it is feasible to deliver gas to the NTS at the System Entry Point associated with such Connected Delivery Facility

(c) where the Specified Exit Point (or the related Specified Entry Point) is an Interconnection Point the Maximum NTS Exit Point Offtake Rate (converted into kWh/Day).

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SECTION Y – CHARGING METHODOLOGIES

In Chapter 3, paragraph 3.5 delete the third paragraph and replace with text to read as follows:

A - Where neither the Specified Entry Point or Specified Exit Point is an Interconnection Point

The following formula shall be used to determine the NTS Optional Commodity Rate (in p/kWh) in respect of a Specified Entry Point and Specified Exit Point:

$$\text{NTS Optional Commodity Rate} = 1247 * [(M) ^{-0.78}] * D + 1422 * (M) ^{-0.708}$$

where:

- M has the meaning given in accordance with Section B3.12.10(a);
- D is the distance (in accordance with TPD Section B3.12.11) from the Specified Entry Point to the Specified Exit Point; and
- ^ means to the power of.

B - Where either the Specified Entry Point or Specified Exit Point is an Interconnection Point

The following formula shall be used to determine the NTS Optional Commodity Rate (in p/kWh) in respect of a Specified Entry Point and Specified Exit Point:

$$\text{NTS Optional Commodity Rate} = 1203 * [(M) ^{-0.834}] * D + 363 * (M) ^{-0.654}$$

where:

- M means the Maximum NTS Exit Point Offtake Rate (converted into kWh/Day);
- D is the distance (in accordance with TPD Section B3.12.11) from the Specified Entry Point to the Specified Exit Point; and
- ^ means to the power of.

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TRANSITION DOCUMENT - PART IIC

Add new paragraph 24 to read as follows:

24 REVISED NTS OPTIONAL COMMODITY RATE

24.1 Implementation

24.1.1 For the purposes of this paragraph 24:

(a) Effective Date means the date (being the first day of a calendar month) specified in National Grid NTS's notice under paragraph 24.1.2;

(b) Relevant Supply Point means a Supply Point in respect of which the NTS Optional Commodity Rate applies on the Effective Date;

(c) Relevant User means a User who at the Effective Date is the Registered User of a Relevant Supply Point.

24.1.2 The revised NTS Optional Commodity Rate (in accordance with Section Y, paragraph 3.5 as modified by Modification 0636C) shall apply from the Effective Date in respect of a Relevant Supply Point for the purposes of determining the NTS Exit (Flat) Commodity Charge payable pursuant to TPD Section B3.12.9 where prior to such date (and following the date on which the Authority directed approval of Modification 0636C) National Grid NTS has given the Relevant User not less than:

(a) 2 months notice;

(b) such shorter period of notice as consented to by the Authority in writing and notified by National Grid NTS to the Relevant User.