

ANNEX C

Transition Document Part IIC – Transition Rules

Insert new paragraph 25 as follows:

25 REVISED NTS TRANSPORTATION CHARGING METHODOLOGY

25.1 Introduction

25.1.1 This paragraph 25 sets out transitional arrangements in respect of Code Modification 0678 (the “**Relevant Modification**”).

25.1.2 In this paragraph 25:

- (a) references to Sections are to Sections of Part A-I of TPD Section Y and terms defined in Part A-I have the meanings given therein.
- (b) the “**New Methodology**” is the NTS Transportation Charging Methodology in Part A-I of TPD Section Y, introduced by the Relevant Modification, as modified (in respect of the First New Period) as provided in paragraph 25.2;
- (c) the “**Modification Direction Date**” is the day on which the Authority gave notice of its direction to approve the Modification pursuant to which this provision applies in the Code;
- (d) the “**Modification Effective Date**” is the first Day of the third calendar month after the calendar month in which the Modification Direction Date falls;
- (e) the “**First New Period**” is the period which starts on the Modification Effective Date and ends on the next following 30th September;
- (f) the “**Last Old Period**” is the period which ends on the Day before the Modification Effective Date and starts on the preceding 1st October, unless the Modification Effective Date is 1st October in any year in which case there is no Last Old Period;
- (g) the “**First Publication Date**” is the Day on which National Grid NTS publishes the information specified in paragraph [25.4].

25.2 Mid-year calculations

25.2.1 This paragraph 25.2 applies unless the Modification Effective Date is 1st October in any year.

25.2.2 [*Basis of part-year calculations for First Applicable Period*]

25.3 Initial FCC Methodology

25.3.1 The FCC Methodology applying at the Modification Effective Date is the methodology attached to the final Modification Report in respect of the Relevant Modification.

25.4 Publication

25.4.1 National Grid NTS will determine, on the basis of the New Methodology, and publish, [as soon as practicable] after the Modification Direction Date, in respect of the First New Period:

- (a) a revised Transportation Statement including the details in Section 1.7.1;
- (b) the summary referred to in Section 1.7.2;
- (c) the details specified in Sections 2.5.3, 3.2.5 and 4.1.3.

25.5 Basis on which Relevant Modification is effective

25.5.1 The New Methodology shall apply, for the purposes of determining Reserve Prices and otherwise, in respect of each Auction and Allocation Process:

- (a) held after the First Publication Date; and
- (b) in respect of NTS Capacity to be allocated for a period commencing on or after the Modification Effective Date.

25.5.2 For the purposes of Sections 2.1.4 and 2.1.6, subject to paragraph 25.5.3:

- (a) the Last Old Period and the First New Period are treated as separate Gas Years; and accordingly
- (b) the First New Period is a capacity year; and
- (c) the Last Old Period is an auction year or year in which an Allocation Process is held;

and accordingly Reserve Prices determined (in accordance with paragraph 25.5.1) in respect of the First New Period apply (as provided in Section 2.1.4(c) and 2.1.6) for the purposes of determining Capacity Charges payable in respect of periods in the First New Period.

25.5.3 Paragraph 25.5.2 does not apply:

- (a) in relation to NTS Capacity at an Interconnection whose duration is Yearly; or
- (b) where the Modification Effective Date is not the first Day of a Quarter, in relation to NTS Capacity whose duration is Quarterly, in respect of the Quarter in which the Modification Effective Date falls.

25.5.4 Where NTS Entry Capacity at an Intra-System Entry Point was allocated (pursuant to an Auction or PARCA) on or after the Tariff Regulation Effective Date and before the Modification Effective Date, the rule in Section 2.1.4 will not have applied in respect of Capacity Charges (in respect of such NTS Entry Capacity) which accrued before the Modification Effective Date, and nothing in the New Methodology or this paragraph 25 requires any retrospective application of that rule in respect of those Capacity Charges.

25.5.5 Transportation Charges determined under the New Methodology shall be payable, and the provisions of TPD Section B (as modified by the Relevant Modification) for payment of such Transportation Charges apply, with effect from the Modification Effective Date.

25.6 NTS Optional Commodity Rate

25.6.1 For the avoidance of doubt any election ("**NOCR election**") by a User for the NTS Optional Commodity Rate pursuant to TPD Section B (as in force prior to the Relevant Modification) shall lapse and have no effect on and from the Modification Effective Date.

- 25.6.2 Where at the Modification Direction Date a User has made a NOCR election which will remain in force on the Day before the Modification Effective Date, National Grid NTS shall notify the User, as soon as reasonably practicable after the Modification Direction Date, that such election will lapse on the Modification Effective Date pursuant to paragraph 25.6.1.
- 25.6.3 Where following the Modification Direction Date a User makes a NOCR election, National Grid NTS will inform the User, as soon as reasonably practicable after the NOCR election, that such election will lapse on the Modification Effective Date pursuant to paragraph 25.6.1.