

UNC Modification Proposal 0090: Revised DN Interruption Arrangements

Transition Arrangements

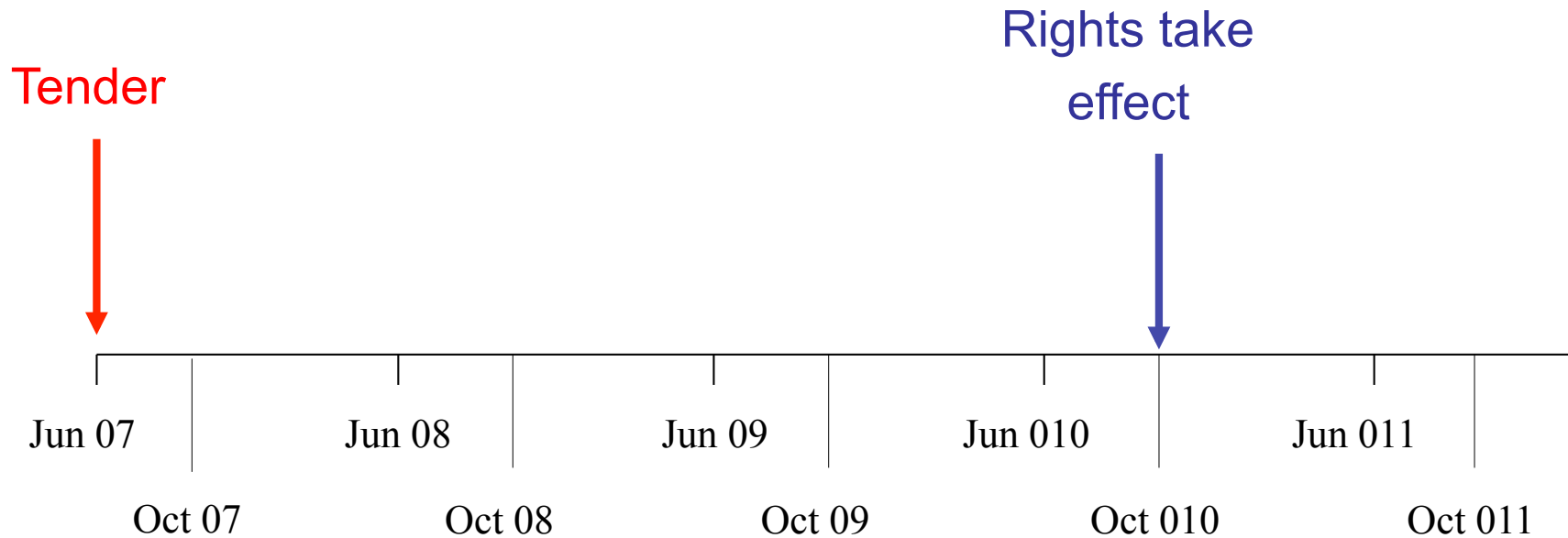
Mark Freeman

7th September 2006

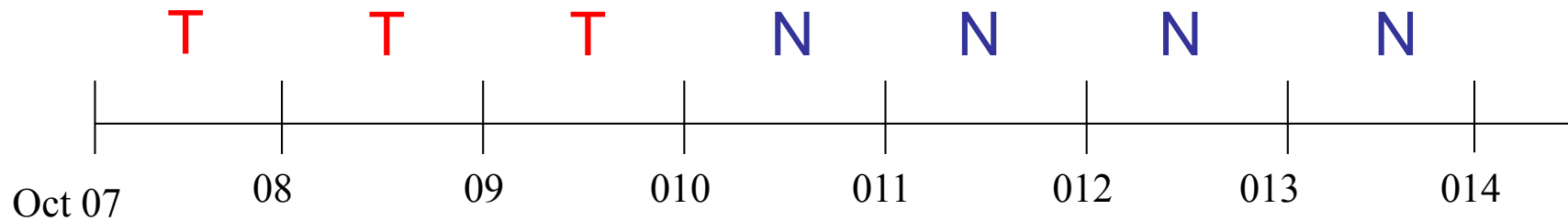
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Why need Transition Arrangements



Why need Transition Arrangements



Options

- ◆ Status Quo
 - ◆ Maintain 45 day interruptible allowances for those presently interruptible
 - ◆ Maintain discount on capacity charges for those presently interruptible
 - ◆ Successful bidders take on new interruptible rights from 2010 onwards
 - ◆ Unsuccessful bidders become firm in 2010 and pay firm charges from 2010

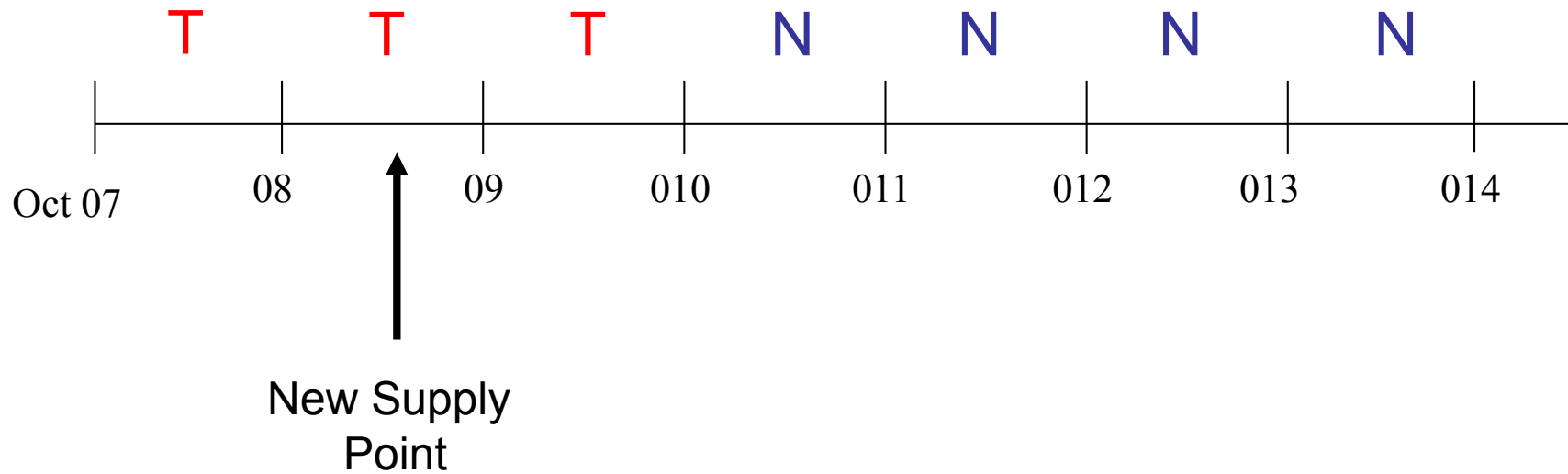
Options

- ◆ Phasing (firm)
 - ◆ Those presently interruptible becoming firm in 2010 have reduced interruptible allowance phased over time e.g.
 - ◆ 2007 - 45 days – full capacity discount
 - ◆ 2008 – 30 days – 2/3 capacity discount
 - ◆ 2009 – 15 days – 1/3 capacity discount
 - ◆ 2010 – firm
 - ◆ Those presently interruptible with new interruptible terms in 2010 maintain 45 day interruptible allowances and discounts in Transition period

Options

- ◆ Phasing (firm and interruptible)
 - ◆ Those presently interruptible becoming firm in 2010 have reduced interruptible allowance phased over time e.g.
 - ◆ 2007 - 45 days – full capacity discount
 - ◆ 2008 – 30 days – 2/3 capacity discount
 - ◆ 2009 – 15 days – 1/3 capacity discount
 - ◆ 2010 – firm
 - ◆ Those presently interruptible with new interruptible terms in 2010 have new interruptible terms phased in over Transition Period

New Supply Points



New Supply Points

- ◆ Firm
 - ◆ Firm until any new interruptible rights obtained (>3 years)
- ◆ Interruptible
 - ◆ Example Connection in Apr 2008
 - ◆ Transition 2008, 2009
 - ◆ New 2010, 2011 (minimum terms for location)
 - ◆ Bid for revised interruptible (or firm) terms in 2008 to take effect in 2012