

NTSCMF / Sub Group – Optional Commodity Charge (OCC)

Some key terms in relation to the Optional Commodity Charge (OCC):

Term	Detail
Optional Commodity Charge (OCC)	Users can elect to pay the NTS Optional Commodity Charge (OCC) as an alternative to both the NTS Entry and Exit (SO & TO) Commodity Charges. The NTS OCC is derived from the estimated cost of laying and operating a dedicated pipeline of NTS specification. This is defined in UNC TPD Section Y.
Transmission Services	Transmission services means the regulated services that are provided by the transmission system operator within the entry-exit system for the purpose of transmission. This is defined within the Tariff Network Code (TAR NC).
Non-Transmission Services	Non-transmission services means the regulated services other than transmission services and other than services regulated by Regulation (EU) No 312/2014 that are provided by the transmission system operator. This is defined within the Tariff Network Code (TAR NC).

Background

The NTS Optional Commodity charge (OCC) is currently available to all NTS Users and was originally designed as an incentive to avoid inefficient market investment where the associated flow would bypass the NTS. Upon requesting the NTS OCC an entry-exit site specific rate is calculated using the NTS Optional OCC Rate formula. Where selected the NTS OCC provides an alternative charge to NTS Entry and Exit (SO & TO) Commodity charges.

Further information on the NTS OCC and how it is calculated can be found in UNC TPD Section Y, Section 3.5.

Summary of Discussion(s)

- The OCC as it is currently is calculated today will need to be amended if a product is developed which is intended to maximise the use of the NTS and avoid inefficient bypass of the NTS.
- Under TAR NC there could be a product designed/developed to be either:
 - a discount to the charge to collect the Non-Transmission Services Revenue or;
 - a discount to the capacity charges to collect the Transmission Services Revenue
- The impact on the discount and the interaction with other charges will need to be looked at.

Conclusion

To be discussed further

Version Control

V0.1	Discussion at sub group on 19.12.16
------	-------------------------------------