

**Proposed legal text for insertion in TDIC, paragraph 22**

**22 TPD Section Y: Calculation of PARCA Security Amount**

22.1 Until 1 October 2017, notwithstanding TPD Section Y, paragraph 46 (a)(i) and (ii), the following provision shall have effect:

**22.1.1 Phase 2 – Reservation of Capacity under the PARCA**

(a) The amount required to be covered by the PARCA Applicant will be the PARCA security amount ("**Total PARCA Security Amount**"). The Total PARCA Security Amount will be calculated and phased as follows:

i. for Exit Capacity:

$$\text{Total PARCA Security Amount (£)} = (\text{PSAex} / 100) \times \text{Qex} \times 365$$

Where:

PSAex = the weighted average price of registered annual and enduring NTS Exit (Flat) Capacity, to be 0.0079 (p/kWh/Day), until values are published in the Transportation Statement. National Grid NTS is to be required to publish this value in all future Transportation Statements and it shall be calculated as:

$$PSAex = \frac{\sum_{j=1}^n (\text{ExitRegCap}_j * \text{Exit Price}_j)}{\sum_{j=1}^n (\text{ExitRegCap}_j)}$$

Where:

ExitRegCap<sub>j</sub> = The Registered Annual plus Enduring Annual NTS Exit (Flat) Capacity, as at the time of publication of actual charges, for each NTS Exit Point j.

ExitPrice<sub>j</sub> = The prevailing Applicable Daily Rate, in accordance with Transportation Statement for each NTS Exit Point j.

Qex = the maximum amount of NTS Exit Capacity to be Reserved by the PARCA Applicant (kWh/Day) as specified in the Phase 1 PARCA Works Report

ii. for Entry Capacity:...

$$\text{Total PARCA Security Amount (£)} = (\text{PSAen} / 100) \times \text{Qen} \times 365$$

Where

PSAen = the weighted average price of Registered Quarterly NTS Entry Capacity, to be 0.0098 (p/kWh/Day), until values are published in the Transportation Statement.

National Grid NTS is to be required to publish this value in all future Transportation Statements and it shall be calculated as:

$$PSAen = \frac{\sum_{i=1}^n (\text{ExitRegCap}_i * \text{Exit Price}_i)}{\sum_{i=1}^n (\text{ExitRegCap}_i)}$$

Where:

EntryRegCapi = The Registered NTS Entry Capacity booked through the QSEC and AMSEC processes, as at the time of publication of actual charges, for each ASEP  $i$ .

EntryPrice $i$  = The prevailing MSEC reserve price in accordance with The Statement of Gas Transmission Transportation Charges for ASEP  $i$ .

Qen = the maximum amount of NTS Entry Capacity to be Reserved by the PARCA Applicant (kWh/Day), in any one quarter as specified in the Phase 1 PARCA Works Report