

v.6.0: 30 April 2018

Modification 0621 – legal text - note on differences with alternates

The table below sets out the proposed drafting approach to legal text for the 0621 Alternates. It is by exception against the 0621 legal text – i.e. it highlights key differences between the alternates raised to Modification 0621 (as noted in the Commercial Business Rules v1.1, 4 April 2018) and sets out how the legal text developed for 0621 would be adapted for an Alternate.

We have approached this on the basis of 'modular' drafting since many of the Alternates have common elements (and involve different permutations of these). The table below sets out:

- in column 2 (Commercial Business Rule Topic) a description of the 'module', and whether it is part of the Transitional or Enduring rules; and
- in column 3 (Legal text impact) a description or summary of the changes to the 0621 drafting required for the 'module';

The table is broken into the 'modules' required for each of the Alternates A – K.¹

¹ For all modifications to the Revenue Recovery methodology, check application to within-year adjustments
1 May 2018
LOF/DBT/053191.00092/56895176.08

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
<i>0621A - Storengy</i>			
1.	Storage Connection Points discount [Enduring]	<p>Amend Y2.9.4(a)</p> <p>2.9.4 The “Specific Point Discount” is:</p> <p>(a) for Storage Site Points, 86%;</p> <p>(b) for LNG Importation Terminal Points, zero (0).</p>	No impact
2.	Exclusion of all Storage Connection Points for revenue recovery [Enduring]	<p>Amend Y3.1.1(e) and (f)</p> <p>(e) “Forecast Aggregate Fully-Adjusted Entry Capacity” is the aggregate amount of NTS Entry Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held at Entry Points, other than Storage Site Points, for the Gas Year, Fully-Adjusted (as provided in TPD Section B2.1.7(d)) each Day, on the basis in paragraph 2.2.3.</p> <p>(f) “Forecast Aggregate Fully-Adjusted Exit Capacity” is the aggregate amount of NTS Exit (Flat) Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held at Exit Points, other than Storage Site Points, but including NTS Exit (Flat) Capacity treated as held by a storage use gas provider in accordance with paragraph 3.1.3, for the Gas Year, Fully-Adjusted (as provided in TPD Section B3.8.6(c)) each Day, on the basis in paragraph 2.2.3.</p> <p>Insert new Y3.1.3</p> <p>For the purposes of TPD Section B3.12.8, available NTS Exit (Flat) Capacity treated as held by a storage use gas provider will be calculated as the quantity of storage use gas off-taken by the storage use gas provider (as referred to in TPD Section R) divided by one day.</p> <p>Delete Y2.2.4 (and cross-references)</p>	<p>Amend B2.11.7</p> <p>The Entry Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined as the sum of the User's Fully Adjusted Available NTS Entry Capacity at all Aggregate System Entry Points, excluding Storage Connection Points, multiplied by the Applicable Daily Rate for such charge as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.</p> <p>Amend B3.12.8</p> <p>3.12.8 The Exit Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined as the sum of the User's Fully Adjusted Available NTS Exit (Flat) Capacity at all NTS System Exit Points, excluding Storage Connection Points, but including NTS Exit (Flat) Capacity treated as held by a storage use gas provider in accordance with TPD Section Y3.1.3, multiplied by the Applicable Daily Rate of such charge as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.</p>

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Commented [N1]: Comment from Storengy:

Own use will be determined on daily, on a commodity basis, as is currently the case and as proposed in Mod 621. This will translated into “own use capacity” where the volume of own use gas will equate to a daily capacity holding. The storage operator/owner will nominate the User who holds the capacity for the purposes of providing own use gas (in some cases this will be the storage operator, in the event that they hold a shippers licence). The capacity volume derived will be subtracted from the User Adjusted capacity holding as a result not be subject to the RRC

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#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
0621B - SSE			
3.	RPM – 'flow based recovery' instead of adjustment to minimise revenue recovery charge	Delete Y2.4.4 (and cross-references to Entry Revenue Scaling Factor and Exit Revenue Scaling Factor)	No impact
4.	Forecasted Contracted Capacity equal to baseline [Enduring]	Amend Y2.5.1(a) (a) the "Forecast Contracted Capacity": (i) for each Entry Point shall be equal to Licence Baseline Entry Capacity (Table 4B in Special Condition 5F, expressed in kWh/Day); and (ii) for each Exit Point shall be equal to Licence Baseline Exit Capacity (Table 8 in Special Condition 5G, expressed in kWh/Day) Delete TDIIC 25.2.1	No impact
5.	Storage Connection Points discount [Enduring]	Amend Y2.9.4(a) 2.9.4 The "Specific Point Discount" is: (a) for Storage Site Points, 86%; (b) for LNG Importation Terminal Points, zero (0).	No impact
6.	0621 transitional arrangements for revenue recovery to apply from day 1 [Enduring] (i.e. commodity-based charges for Intra-System Points, and capacity-based charges for Interconnection Points).	TPD Y3 To be amended to combine TPD Y3 for 0621 with TDIIC 25.3 for 0621, and remove all TPD Y3 elements that deal with allocation of capacity-based recovery for Intra-System Points. See initial draft. Delete TDIIC 25.3	TPD B/E/G To be amended to combine TPD B, E, and G for 0621 with TDIIC 25.4 for 0621, and remove all elements that deal with allocation of capacity-based recovery for Intra-System Points. See initial draft. Delete TDIIC 25.4
7.	Commodity-based NTS Optional Charge to apply from day 1 [Enduring]	TPD Y Amend in line with 0621 TDIIC 25.5 and 25.6. See initial draft. Delete TDIIC 25.5	TPD B Amend in line with 0621 TDIIC 25.6. See initial draft. TPD E In TPD Sections E1.3.4(c), E6.4.1 and E6.4.2(a)(i) and (b)(ii) replace "NTS Commodity Charges" with "General Non-Transmission Services Charges and Exit

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#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
			<p><u>Transmission Services Revenue Recovery Charges</u>".</p> <p>In TPD Section E6.2.2, replace "NTS Commodity Charge" with "General Non-Transmission Services Charge <u>and Exit Transmission Services Revenue Recovery Charge</u>"</p> <p>TPD G</p> <p>In TPD Section G2.3.2, <u>amend</u> paragraph (g) <u>as follows:</u></p> <p><i>(g) where the User wishes to apply for the <u>NTS Optional Charge</u> at an Eligible Exit Point, the Specified Exit Point and the Specified Entry Point; and</i></p> <p>In TPD Section G2.3.9, <u>amend</u> paragraph (a) <u>as follows:</u></p> <p><i>(a) applying for the <u>NTS Optional Charge</u> (in accordance with paragraph 2.3.2(g)) at the Supply Point, and the CDSP does not have available to it the distance between the Specified Entry Point and the Proposed Supply Point, then the CDSP will request such information from the Transporter;</i></p> <p>In TPD Section G2.4.2(l), <u>amend</u> paragraph (i) <u>as follows:</u></p> <p><i>(i) the distance between the Specified Entry Point and the Proposed Supply Point, the six figure grid references, the capacity of the Proposed Supply Point and the <u>NTS Optional Charge</u>;</i></p> <p>In TPD Section G2.5.8(b), <u>amend</u> paragraph (iii) <u>as follows:</u></p> <p><i>(iii) where the Supply Point Confirmation relates to an</i></p>

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#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
			<p>application for the NTS Optional Charge the Proposed Supply Point Registration Date shall not be less than 4 Supply Point Systems Business Days; and</p> <p>In TPD Annex G-1, paragraph 10, amend the final row of the table as follows;</p> <p>Change in Applicable Commodity Rate of the NTS Optional Charge</p> <p>Delete TDIIC 25.6 except 25.6.9</p>
0621C – Centrica			
8.	Storage Connection Points discount [Enduring]	<p><u>Amend Y2.9.4(a)</u></p> <p>2.9.4 The “Specific Point Discount” is:</p> <p>(a) for Storage Site Points, 86%;</p> <p>(b) for LNG Importation Terminal Points, zero (0).</p>	No impact
9.	Revenue recovery charge – Entry – flow-based for historical contracts and otherwise capacity based [Enduring]	<p><i>For each Entry Point (except Storage Site Points) :</i></p> <ul style="list-style-type: none"> - Existing Available Entry Point Capacity Quantity (AEPCQ_{Existing}) is the lesser of forecast Fully Adjusted Existing Available Holdings and forecast flow (/1 day) - New Available Entry Point Capacity Quantity (AEPCQ_{New}) is forecast Fully Adjusted {Available NTS Capacity less Existing Available Holdings} <p>(For the above calculation, 'Fully Adjusted' is applied pro rata between existing and new capacity.)</p> <p><i>For the Gas Year:</i></p> <ul style="list-style-type: none"> - Existing Available Capacity Quantity (ACQ_{Existing}) is the aggregate of AEPCQ_{Existing} 	<p><i>A User pays the Entry Transmission Services Commodity Revenue Recovery Charge each Day in respect of the lesser of its UDQI and its Fully Adjusted Existing Available Holding</i></p> <p><i>A User pays the Entry Transmission Services Capacity Revenue Recovery Charge each Day in respect of its Fully Adjusted {Available NTS Capacity less Existing Available Holdings}</i></p>

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Commented [Dentons3]: Confirm intention to exclude Storage Site Points? Is a different treatment intended for Interconnection Points? If so does that require a (forecast flow-based) split between IPs and non-IPs first, followed by this split? Very complex.

Commented [Dentons2]: Please clarify the intended Transitional approach – does it build on this enduring approach?

Commented [Dentons6]: Note: in the current drafting (in other contexts) 'Excluding Existing Available Holdings' deducts (unadjusted) Existing Available Holding from Fully Adjusted Available Capacity (and if the result would be negative, it is zero). Here we assume the Existing Available Holding should also be Fully Adjusted (on the pro rata basis above).

Commented [Dentons4]: Need to convert flows to capacity and v.v. where appropriate.

Commented [Dentons5]: Maybe define as New Available Holding?

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		<p>for all Entry Points</p> <ul style="list-style-type: none"> - New Available Capacity Quantity (ACQ_{New}) is the aggregate of $AEPCQ_{New}$ for all Entry Points <p>Divide Forecast Entry Revenue Difference into:</p> <ul style="list-style-type: none"> - Existing Available Holding Share ($FEnRD_{Existing}$) = Forecast Entry Revenue Difference * $ACQ_{Existing} / ACQ_{Existing} + ACQ_{New}$ - New Available Holding Share ($FEnRD_{New}$) = Forecast Entry Revenue Difference * $ACQ_{New} / ACQ_{Existing} + ACQ_{New}$ <p>Calculate unit rate of Entry Transmission Services Revenue Recovery Charges:</p> <ul style="list-style-type: none"> - Entry Transmission Services Commodity Revenue Recovery Charge = $FEnRD_{Existing} / ACQ_{Existing}$ - Entry Transmission Services Capacity Revenue Recovery Charge = $FEnRD_{New} / ACQ_{New}$ 	
10.	Revenue recovery charge – Exit – exclude Storage Site Points	<p>Amend Y3.1.1(f)</p> <p>(f) “Forecast Aggregate Fully-Adjusted Exit Capacity” is the aggregate amount of NTS Exit (Flat) Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held at Exit Points <u>(excluding Storage Site Points)</u> for the Gas Year, Fully-Adjusted (as provided in TPD Section B3.8.6(c)) each Day, on the basis in paragraph 2.2.3.</p>	<p>Amend B3.12.8</p> <p>3.12.8 The Exit Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined for each NTS System Exit Point <u>(excluding Storage Site Points)</u> as the User’s Fully Adjusted Available NTS Exit (Flat) Capacity multiplied by the Applicable Daily Rate of such charge as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation</p>

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
			Statement.
11.	Revenue recovery within-year revisions limited to once per annum	<p>Insert new Y3.3.6</p> <p>In relation to a Gas Year, National Grid NTS may not revise the Entry Transmission Services Revenue Recovery Charge on more than one occasion, and may not revise the Exit Transmission Services Revenue Recovery Charge on more than one occasion.</p>	No impact
12.	Transitional approach - tbd	[•]	[•]
13.	Shorthaul capacity charge	Delete TDIC 25.5 and 25.6	[•]
0621D – Wales & West Utilities			
14.	Derivation of Weighted Average Distance as square root at Entry and Exit Points [Enduring]	<p>Amend Y2.8.1 and 2.8.2</p> <p>2.8.1 The Weighted Average Distance (in kilometres) for an Entry Point (En) for a Gas Year is determined as follows:</p> $AD_{En,y} = \sum_{Ex} (CAP_{Ex,y} * \sqrt{D_{Ex}}) / \sum_{Ex} CAP_{Ex,y}$ <p>where</p> <p>\sum_{Ex} is the sum over all Exit Points</p> <p>and where for the Gas Year and for each Exit Point</p> <p>$CAP_{Ex,y}$ is the Forecast Contracted Capacity</p> <p>D_{Ex} is the distance from the Entry Point (En) to that Exit Point and</p> <p>$\sqrt{}$ means the square root.</p> <p>2.8.2 The Weighted Average Distance (in kilometres) for an Exit Point (Ex) for a Gas Year is determined as follows:</p>	No impact

Commented [Dentons7]: Need to discuss detail with proposer.

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#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		$AD_{Ex,y} = \sum_{En} (CAP_{En,y} * \sqrt{D_{En}}) / \sum_{En} CAP_{En,y}$ <p>where \sum_{En} is the sum over all Entry Points and where for the Gas Year and for each Entry Point $CAP_{En,y}$ is the Forecast Contracted Capacity D_{En} is the distance (in kilometres) from the Exit Point (Ex) to that Entry Point. and $\sqrt{\quad}$ means the square root.</p>	
15.	Storage Connection Points discount [Enduring]	Amend Y2.9.4(a) 2.9.4 The “ Specific Point Discount ” is: (a) for Storage Site Points, 86% ; (b) for LNG Importation Terminal Points, zero (0).	No impact
16.	No NTS Optional Charge	Delete TDIIC 25.5	Delete TDIIC 25.6
17.	Allowed revenue forecasts	New Y1.7.2 1.7.2 Following the end of each calendar quarter, National Grid NTS will publish its then-prevailing estimates of following information for the current Formula Year and for each of the following five Formula Years: (a) Maximum NTS Transportation Owner Revenue; (b) Maximum NTS System Operation Revenue; (c) Base Allowed Transmission Services Revenue; and (d) Allowed TS-Related NTS System Operation Revenue.	No impact

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Commented [RP8]: Comment from WWU:
We would anticipate amending TPD Annex V-4
Final allowed revenue (MOD)
Final allowed revenue forecast (MOD)
Exist in annex V4 and these could be used as a vehicle.
We want the publishing dates included as well please as we think that these are quite important.
We realise that this will impact on DN publishing obligations as well.
If this solution works we will amend our mod.

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
<i>0621E – Uniper</i>			
18.	Three year transition for Exit Points	<p><u>Amend TDIIC 25.1.7</u></p> <p>25.1.7 “Transition Gas Year” means:</p> <p><i>(a) subject to paragraph (b), each of the Gas Years 2019/2020 and 2020/2021;</i></p> <p><i>(b) for the purposes of paragraphs 25.1 to 25.4 as they relate to Exit Points (excluding paragraphs 25.1.6, 25.2.2), each of the Gas Years 2019/2020, 2020/2021 and 2021/2022;</i></p>	No impact
19.	Capacity-based non-Historical Contracts and commodity-based for Historical Contracts [Enduring – all points; transition – Interconnection Points only]	<i>See outline for 0621C – confirm same approach applies.</i>	
<i>0621F – Interconnector UK</i>			
20.	Bi-directional Interconnector discount [Enduring]	<p><u>Amend Y2.9.1(c)</u></p> <p>(c) in the case of an Entry Point or Exit Point which is a Storage Site Point <u>or an eligible Interconnection Point</u>, or an Entry Point which is an LNG Importation Terminal Point [...]</p> <p><u>New Y2.9.4(c)</u></p> <p><i>(c) for an eligible Interconnection Point, and for a Gas Year, the applicable discount determined under paragraph 2.9.5</i></p> <p><u>New Y2.9.5</u></p> <p>For the purposes of this paragraph 2.9:</p> <p>(a) an “eligible” Interconnection Point is an Interconnection Point at which (as provided in EID Section A1.3.1) physical flows of gas are permitted in both directions;</p> <p>(b) in relation to the Entry Point and Exit Point (each an “IP”) at an eligible Interconnection Point, for a Gas</p>	No impact

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Commented [Dentons9]: Confirm, for transitional, the applicable discount is 50% at both the Entry Point and Exit Point of an eligible IP.

Commented [PD10]: Comment from ICUK:

Yes that is correct. In the transitional period we have proposed the same discount as applied to storage at both the Entry and Exit point, which is currently drafted as 50%. I would suggest when drafting the legal text for the transitional period that language along the lines of “as the same discount applied to storage” is added so that if ever that storage discount is amended it automatically provides equal treatment at the physically bi-directional IP.

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		<p>Year (Y), the Specific Point Discount is:</p> <p>(i) for whichever IP is the Lower IP, the Specific Point Discount for Storage Site Points,</p> <p>(ii) for whichever IP is the Higher IP, a discount (expressed as a percentage) calculated as $(FCC_L * SSPD) / FCC_H$</p> <p>where, for Gas Year Y:</p> <p>(A) the “Lower IP” is the IP for which Entry or Exit Forecast Contracted Capacity (FCC_L) for the Gas Year is the lower at the eligible IP</p> <p>(B) the “Higher IP” is the IP for which Entry or Exit Forecast Contracted Capacity (FCC_H) for the Gas Year is the higher at the eligible IP; and</p> <p>(C) SSPD is the Specific Point Discount for Storage Site Points.</p>	
21.	Bi-directional Interconnector discount [Transition]	<p>New TDIIC 25.3.3</p> <p>For the purposes of Section 2.9.5(b), in each Transition Gas Year the Specific Point Discount for the Entry Point and Exit Point at an eligible IP shall be the Specific Point Discount for Storage Site Points.</p>	No impact
0621H - Eni²			
22.	Capacity-weighted distance methodology with adjustment to minimise revenue recovery (no adjustment for historical contracts) [Enduring]	[•]	[•]
23.	Use nearest non-zero Reference Price for zero Reference Prices [Enduring]	[•]	[•]
24.	Multipliers, Interruptible Discounts, and Specific Point Discounts subject to annual consultation after Year 2	[•]	[•]

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Commented [PD11]: Comment from ICUK:

Delete formula as I believe it doesn't work. Replace with:

$1 - \{ ((1 - \text{Storage Specific Point Discount}) * FCC_L + 100\% * (FCC_H - FCC_L)) / FCC_H \}$

This will give the discount OFF the reserve price

Commented [PD12]: Comments and amendments from ICUK

Suggestions to make this a bit clearer but drafted as a non lawyer. It has to be the same IP and applicable to both entry and exit

Commented [Dentons13]: Dentons comment 30/04/2018

We think that the existing drafting is sufficiently clear

Commented [Dentons14]: Not sure why this is needed. The scaling factor is for setting Reference Price which is not relevant to historical contracts

Commented [Dentons15]: Confirm this is intended to be different from 0621. We can use previous drafting.

Commented [Dentons16]: If intended to be different we can use previous drafting

² Awaiting updated version of Alternate
1 May 2018
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#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
	[Enduring]		
25.	Exclusion for historical contracts [Enduring – all points; transition – Interconnection Points only] ³	<p>Amend TPDY 3.1.1(e)</p> <p>(e) “Forecast Aggregate Fully-Adjusted Entry Capacity” is the aggregate amount of NTS Entry Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held at Entry Points for the Gas Year, Fully-Adjusted (as provided in TPD Section B2.1.7(d)) each Day, Excluding Existing Available Holding <u>at all Entry Points</u>, on the basis in paragraph 2.2.3; and</p> <p>Amend TDIIC 25.3.2 (e)</p> <p>(e) Forecast Aggregate Fully-Adjusted Interconnection Point Entry Capacity is the aggregate amount of NTS Entry Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held allocated at Interconnection Points for the Gas Year, Fully-Adjusted (as provided in TPD Section B2.1.7(d)) each Day, <u>Excluding Existing Available Holding for Interconnection Points</u>, on the basis in Section 2.2.3.</p>	<p>Amend to B2.11.7</p> <p>The Entry Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined as [the sum of the User's Fully Adjusted Available NTS Entry Capacity <u>at all Aggregate System Entry Points</u>, Excluding Existing Available Holding, multiplied by the Applicable Daily Rate for such charge as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.</p> <p>Amend TDIIC 25.4.3(b)</p> <p>(b) the Entry Transmission Services Revenue Recovery Charge for each Interconnection Point shall be calculated as such User's Fully-Adjusted Available NTS Entry Capacity (<u>Excluding Existing Available Holding</u>) multiplied by the Applicable Daily Rate determined in accordance with paragraph 25.3.</p>
26.	NTS Optional Charge	[•]	[•]
0621J - RWE			
27.	Postage Stamp model [Enduring]	<p>Amend Y2.1.3 – delete (b), (c) and (d) and replace with</p> <p>(b) for each Entry Point and Exit Point, determine Forecast Contracted Capacity;</p> <p>(c) divide Allowed Transmission Services Entry Revenue by the sum of Forecast Contracted Capacity for all Entry Points, and divide Allowed Transmission</p>	No impact

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Commented [Dentons17]: Please explain the differences from 0621. From the JO version dated 2 March they are not obvious.

³ This reduces the allocation base but not the amount of revenue differential to be allocated.

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		<p>Services Exit Revenue by the sum of Forecast Contracted Capacity for all Exit Points, to determine provisional reference price, and then scale to reflect the revenue shortfall implied by the multipliers and discounts referred to below, to determine Reference Price;</p> <p><u>Amend Y2.4.1</u></p> <p>2.4.1 The Reference Price ($RP_{En,y}$, in £/kWh/Day) for an Entry Point for a Gas Year is determined as follows:</p> $RP_{En,y} = (NATSEnRy / \sum_{En} NCAP_{En,y}) * RSF_{En,y}$ <p>where, for the Entry Point and the Gas Year</p> <p><u>NATSEnRy is Net Allowed Transmission Services Entry Revenue</u></p> <p><u>NCAP_{En,y} is Net Forecast Contracted Capacity and where</u></p> <p><u>\sum_{En} is the sum over all Entry Points</u></p> <p>and where, for the Gas Year</p> <p>RSF_{En,y} is the Entry Revenue Scaling Factor.</p> <p><u>Amend Y2.4.2</u></p> <p>2.4.2 Subject to paragraph 2.4.3, the Reference Price ($RP_{Ex,y}$, in £/kWh/Day) for an Exit Point for a Gas Year is determined as follows:</p> $RP_{Ex,y} = AR_{Ex,y} / \sum_{Ex} CAP_{Ex,y}$ <p>where, for the Exit Point and the Gas Year</p> <p>$AR_{Ex,y}$ is Exit Point Allowed Revenue</p> <p>$CAP_{Ex,y}$ is Forecast Contracted Capacity</p> <p>and where,</p>	

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 $RSF_{En,y}$ is the Exit Revenue Scaling Factor

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		<p>Σ_{Ex} is the sum over all Exit Points</p> <p>Delete Y2.4.3</p> <p>Delete Y2.6 – 2.8</p>	
28.	Storage Connection Points discount [Enduring] ⁴	<p>Amend Y2.9.4(a)</p> <p>2.9.4 The “Specific Point Discount” is:</p> <p>(a) for Storage Site Points, 86%;</p> <p>(b) for LNG Importation Terminal Points, zero (0).</p>	No impact
<i>0621K – Gateway LNG Company Ltd</i>			
29.	Interruptible discount for Exit Points that are Storage Site Points	<p>Amend Y2.9.1(b)</p> <p>(b) subject to paragraph (c), in the case of Interruptible NTS Capacity, as the price determined under paragraph (a) multiplied by $\{(100 - ID) / 100\}$ where ID is the <u>applicable</u> Interruptible Discount for Entry Points or (as the case may be) for Exit Points in accordance with paragraph 2.9.3;</p> <p>Amendment to Y2.9.3</p> <p>2.9.3 The “Interruptible Discount” for Interruptible NTS Capacity for a Gas Year:</p> <p>(a) at all Entry Points, is 10%; and</p> <p>(b) at all Exit Points (<u>excluding Storage Site Points</u>), is 10%; and</p> <p>(c) <u>at all Storage Site Points which are Exit Points, is 100%.</u></p>	No impact
30.	Storage Connection Points discount [Enduring]	<p>Amend Y2.9.4(a)</p> <p>2.9.4 The “Specific Point Discount” is:</p>	No impact

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⁴ To be confirmed
1 May 2018
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#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		(a) for Storage Site Points, <u>86%</u> ; (b) for LNG Importation Terminal Points, zero (0).	
31.	Exclusion of all Storage Connection Points for revenue recovery [Enduring]	<p><u>Amend Y3.1.1(e) and (f)</u></p> <p>(e) “Forecast Aggregate Fully-Adjusted Entry Capacity” is the aggregate amount of NTS Entry Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held at Entry Points, <u>other than Storage Site Points</u>, for the Gas Year, Fully-Adjusted (as provided in TPD Section B2.1.7(d)) each Day, on the basis in paragraph 2.2.3.</p> <p>(f) “Forecast Aggregate Fully-Adjusted Exit Capacity” is the aggregate amount of NTS Exit (Flat) Capacity (of all Capacity Allocation Types) which National Grid NTS estimates will be held at Exit Points, <u>other than Storage Site Points, but including NTS Exit (Flat) Capacity treated as held by a storage use gas provider in accordance with paragraph 3.1.3</u>, for the Gas Year, Fully-Adjusted (as provided in TPD Section B3.8.6(c)) each Day, on the basis in paragraph 2.2.3.</p> <p><u>Insert new Y3.1.3</u></p> <p><u>For the purposes of TPD Section B3.12.8, available NTS Exit (Flat) Capacity treated as held by a storage use gas provide will be calculated as the quantity of storage use gas offtaken by the storage use gas provider (as referred to in TPD Section R) divided by one day.</u></p> <p><u>Delete Y2.2.4 (and cross-references)</u></p>	<p><u>Amend B2.11.7</u></p> <p>The Entry Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined as the sum of the User’s Fully Adjusted Available NTS Entry Capacity at all Aggregate System Entry Points, <u>excluding Storage Connection Points</u>, multiplied by the Applicable Daily Rate for such charge as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.</p> <p><u>Amend B3.12.8</u></p> <p>3.12.8 The Exit Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined as the sum of the User’s Fully Adjusted Available NTS Exit (Flat) Capacity at all NTS System Exit Points, <u>excluding Storage Connection Points, but including NTS Exit (Flat) Capacity treated as held by a storage use gas provider in accordance with TPD Section Y3.1.3</u>, multiplied by the Applicable Daily Rate of such charge as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.</p>
<u>0621L – Shell</u>			
32.	<u>Target Entry or Exit Revenue to include revenue from Existing Contracts</u>	<p><u>TPD Y</u></p> <ul style="list-style-type: none"> <u>Delete Y2.2.2(e) and (f) (definitions of “Existing Registered Holding” and “Existing</u> 	<p><u>TPD B</u></p> <ul style="list-style-type: none"> <u>Amend B2.11.7 to delete “Excluding Existing Available Holdings for Storage Connection</u>

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Commented [N18]: Comment from Storengy:
Own use will be determined on daily, on a commodity basis, as is currently the case and as proposed in Mod 621. This will translated into “own use capacity” where the volume of own use gas will equate to a daily capacity holding. The storage operator/owner will nominate the User who holds the capacity for the purposes of providing own use gas (in some cases this will be the storage operator, in the event that they hold a shippers licence). The capacity volume derived will be subtracted from the User Adjusted capacity holding as a result not be subject to the RRC

Deleted:

Deleted: determined in the case of a Storage Connection Points subject to and on the basis in Section 2.2.4 of the NTS Transportation Charging Methodology

Deleted: subject (in the case of Storage Site Points) to paragraph 2.2.4

Commented [Dentons19]: We do not see this as altering the rules in TDIC 25.1.4 (i.e. that for Existing Contract the price is not revised on the later year’s Reference Prices).

#	Commercial Business Rule Topic	Legal text impact	
		Methodology impact	TPD B/E/G impact (where relevant)
		<p>Available Holding") and remove all references</p> <ul style="list-style-type: none"> Amend Y2.2.4 ("Excluding Existing Available Holding") and remove all references. Delete Y2.3.1(c) (definition of "Net Allowed Transmission Services Entry Revenue") and replace all references with "Allowed Transmission Services Entry Revenue". Delete Y2.3.1(d) (definition of "Existing Entry Contract Revenue"). <p>TDIIC</p> <ul style="list-style-type: none"> Insert definition of "Existing Registered Holding" from Y2.2.2(e) 	Points
33.	Forecast Contracted Capacity to include Existing Contracts	<p>TPD Y</p> <ul style="list-style-type: none"> Delete Y2.5.1(b) (definitions of "Net Forecast Contracted Capacity" and "Existing Contracted Capacity"), and remove/replace all references with "Forecast Contracted Capacity". 	