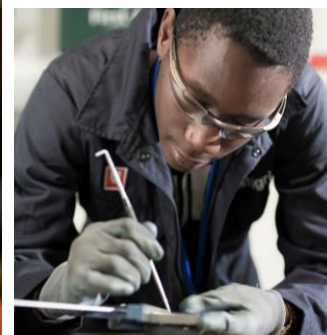# UNC0653

UNC0653 Workgroup – at NTSCMF

3 July 2018

Overview

- UNC0653 Analysis development:
  - Background
  - Some basic assumptions
  - Building the calculation
  - The calculations required
  - Potential impacts
  - Analysis update
  - Further analysis

UNC0653 Analysis development: Background

- UNC0653 raised by Centrica

- These discussion slides have been put together following clarification between National Grid and Centrica

- The assessment of this modification is based upon
  - Current charging methodology (i.e. makes no assumptions around other modifications or dependencies)
  - Considers the only change to be this approach replaces the NTS Optional Commodity Charging arrangements
  - The modification may require some changes as this analysis is developed including the rules and application for the NTS Optional Charge

UNC0653 Analysis development: Some basic assumptions

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- CWD distance is the Weighted Average Distance (WAD) for the entry or exit point

- CWD distance (WAD) is using obligated levels of capacity
  - Same as per those modelled under UNC0621 development

  - Minimum Entry is 270km
  - Minimum Exit is 295km

- There are no limits built into the modification proposals and it would be user choice if the resulting price was higher then the reserve

- No behavioural changes are assumed

UNC0653 Analysis development: Building the calculation

Requirements:

- **Transmission or TO Charges**
  - Straight Line Distance
  - CWD (WAD) Distance for the Entry point and Exit point
  - Flow value assumptions for Entry point and Exit point
  - Takes 'current' as the baseline to compare against
- **SO Charges**
  - Proposals retains exemption from SO Commodity where eligible values do not pay SO Commodity
  - As current, other flows pick up amount not levied against eligible optional flows through the SO Commodity charges

UNC0653 Analysis development: The calculations required

- Capacity adjustment, Entry Capacity:
  - (SLD/CWD) x prevailing Entry Reserve Price
  - Where prevailing entry reserve = MSEC price

- Capacity adjustment, Exit Capacity
  - (SLD/CWD) x prevailing Exit Reserve Price
  - Where prevailing exit reserve = exit annual payable price

- All eligible flows pick up TO Entry and TO Exit Commodity charges

- All eligible flows do not pay SO Commodity

UNC0653 Analysis development: Potential impacts

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- Verbal update on developing the analysis to date, initial comments and questions

UNC0653 Analysis development: Further analysis

- Questions / comments on what's been discussed so far

- Additional analysis considerations

- Other impacts to consider in the modification and analysis development

- It will likely be necessary to develop further criteria to further the modification and analysis