

Attachment #1

UNC reference: TPD Section Y (new paragraphs)
Subject: Embedded FCC methodology
Relevant alternates: 0678B (Centrica) and 0678C (SSE)

Forecasted Contracted Capacity (FCC) – Embedded FCC Methodology – new paragraphs

- 2.5.3 For each Gas Year (Y), Forecast Contracted Capacity at each NTS Point will be determined, at the time ("reference time") in Gas Year Y-1 specified in paragraph 2.5.2(a), for Gas Year Y and on an indicative basis for each of Gas Years Y+1 to Y+4.
- 2.5.4 For each of Gas Years Y to Y+4, subject to paragraph 2.5.6, Forecast Contracted Capacity at a NTS Entry Point or (as the case may be) NTS Exit Point shall be:
- (a) except in the case of a NTS/LDZ Offtake, whichever is the greatest of the following quantities:
 - (i) the average (in accordance with paragraph 2.2.3) of the sum for all Users of the Registered NTS Entry Capacity or (as the case may be) Registered NTS Exit (Flat) Capacity held at that NTS Point for Gas Year Y-2, excluding NTS Capacity for which the Applicable Daily Rate of the Capacity Charge is zero;
 - (ii) the amount calculated as the aggregate for all Days in Gas Year Y-2 of the quantities delivered or (as the case may be) offtaken by all Users at that NTS Point, divided by the number of Days in Gas Year Y-2;
 - (iii) the amount calculated as the forecast quantity to be delivered or (as the case may be) offtaken in the relevant Gas Year at the NTS Point as shown in the 'updated forecast' in the supporting information to the Ten Year Statement ('Updated Forecast') published in Y-1, subject to paragraph 2.5.5, divided by the number of Days in the relevant Gas Year;
 - (iv) the average (in accordance with paragraph 2.2.3) of the sum for all Users of the amount of NTS Entry Capacity or (as the case may be) NTS Exit (Flat) Capacity reserved at the reference time pursuant to a PARCA (as provided in Section B1.17.7) for the relevant Gas Year;
 - (v) in the case of an Entry Point, the average (in accordance with paragraph 2.2.3) of the sum for all Users of the Existing Registered Holdings at that NTS Point;
 - (b) in the case of a NTS/LDZ Offtake, the average (in accordance with paragraph 2.2.3) of the Registered NTS Exit (Flat) Capacity held at the reference time by the DN Operator at the NTS/LDZ Offtake for the relevant Gas Year, excluding NTS Capacity for which the Applicable Daily Rate of the Capacity Charge is zero.
- 2.5.5 For the purposes of paragraph 2.5.4(a)(iii):
- (a) in relation to the Bacton IP ASEP and Bacton UKCS ASEP, in relation to a Gas Year, the forecast quantity (in the Updated Forecast) for such Gas Year (being a combined aggregate quantity for both ASEPS) shall be divided between the two Entry Points in proportion to the quantities determined (for Gas Year Y-2) under paragraph 2.5.4(a)(i);
 - (b) in relation to Entry Points in respect of 'onshore fields' in relation to a Gas Year, the forecast quantity (in the Updated Forecast) for such Gas Year (being a combined aggregate quantity for all such Entry

Points) shall be divided between all such Entry Points in proportion to the quantities determined (for Gas Year Y-2) under paragraph 2.5.4(a)(i) for each Entry Point.

2.5.6 If (at the time of determining Forecast Contracted Capacity values for a Gas Year) National Grid NTS considers that, in relation to a particular NTS Point:

- (a) the rules in paragraph 2.5.4 cannot properly be applied, or
- (b) the application of those rules would give a result which substantially fails to reflect the amount of NTS Capacity expected to be allocated (as referred to in paragraph 2.5.1(a)) to Users at the NTS Point

then National Grid NTS shall:

- (i) determine the Forecast Contracted Capacity on such basis as it considers appropriate in the circumstances; and
- (ii) include, with the details published under paragraph 2.5.2(b), an explanation of why it considered that paragraph (a) or (b) applied and of the basis on which it determined Forecast Contracted Capacity.