

Attachment #4

UNC reference: TPD Section B (new paragraph)
Subject: NTS Optional Charge
Relevant alternates: 0678B (Centrica)

8 NTS Optional Capacity Charge

8.1 General

8.1.1 Where a User delivers gas to and offtakes gas from the NTS at (respectively) an Eligible Entry Point and related Eligible Exit Point, the User may elect to pay NTS Optional Capacity Charges in substitution (in whole or part) for Capacity Charges and General Non-Transmission Services Charges in respect of such Eligible Entry Point and Eligible Exit Point, subject to and in accordance with this paragraph 8 (an "**NOCC Election**").

8.1.2 For the purposes of this paragraph 8:

- (a) an "**Eligible Entry Point**" is an Aggregate System Entry Point which is not a Storage Connection Point;
- (b) in relation to an Eligible Entry Point, an "**Eligible Exit Point**" is a NTS System Exit Point which is not a Storage Connection Point or NTS/LDZ Offtake;
- (c) where a User has made a NOCC Election, the "**Specified Entry Point**" and "**Specified Exit Point**" are the Eligible Entry Point and Eligible Exit Point (respectively) for which the User has made such election; and
- (d) the distance between an Aggregate System Entry Point and System Exit Point shall be determined as the least of the distances, on a straight-line basis, to the nearest 0.1 km, and not less than 0.1 km, between:
 - (i) any of the Individual System Entry Points comprised in the Aggregate System Entry Point (on the basis of 'point of delivery' as provided in TPD Section I3.6.1); and
 - (ii) any of the Individual System Exit Points comprised in the System Exit Point (on the basis of 'point of offtake' as provided in TPD Section J3.7.1), or any point on the curtilage of the premises supplied by the System Exit Point,

using six-figure grid references determined (for such points) by National Grid NTS which may be revised in accordance with paragraph 8.2.1(b)(ii);

- (e) the Bacton IP ASEP and the Bacton UKCS ASEP shall:
 - (i) for the purposes of paragraphs 8.2 and 8.3.1, be considered to be combined as a single Eligible Entry Point (referred to as the "Bacton Combined ASEP"); and
 - (ii) for the purposes of paragraphs 8.3.2 and 8.3.4, be considered to be (respectively) an Interconnection Point and an Intra-System Point;
- (f) 'Firm' and 'Interruptible' (in respect of NTS Capacity) have the meanings given to them in the NTS Transportation Charging Methodology.

8.2 Procedure

8.2.1 For the purposes of this paragraph 8.2, and (in relation to a Supply Point) subject to the provisions of TPD Section G:

- (a) a User may give notice to National Grid NTS of a proposed NOCC Election, specifying:
 - (i) the Eligible Entry Point;
 - (ii) in relation to that Eligible Entry Point, an Eligible Exit Point, being:
 - (A) a NTS Supply Point of which the User is (or will be) Registered User; or
 - (B) a NTS Connected System Exit Point of which the User is a CSEP User; or
 - (C) an Interconnection Point in respect of which the User is a User as provided in EID Section A2.4.2(b);
- (b) where a User proposes a NOCC Election:
 - (i) National Grid NTS shall respond to the User by notice specifying:
 - (A) the distance between the Eligible Entry Point and Eligible Exit Point, and the six-figure grid references (as referred to in paragraph 8.1.2(d)) from which such distance is determined;
 - (B) on the basis thereof, the Applicable Daily Rates of the NTS Optional Capacity Entry Charge and the NTS Optional Capacity Exit Charge in accordance with Section 5.2 of the NTS Transportation Charging Methodology;
 - (ii) if the User disputes the distance as determined by National Grid NTS, the User may resubmit its proposal including an alternative six-figure grid reference for the Eligible Exit Point, together with supporting evidence, and National Grid NTS shall respond indicating whether it accepts such alternative and providing the details (revised accordingly) in paragraph 8.2.1(b) above; and
 - (iii) the User may confirm the NOCC Election by notice to National Grid NTS following National Grid NTS's response under paragraph (i) or (ii), specifying the date from which the NOCC Election is effective which shall be not less than 15 days and not more than 6 months after the date of such confirmation;
- (c) a User may terminate a NOCC Election by notice to National Grid NTS specifying the effective date of termination, which shall not be less than 15 Days or more than 6 months after the date of such notice; provided that a User shall be deemed to have terminated a NOCC Election where the Specified Exit Point is a Supply Point and the User ceases to be the Registered User of the Supply Point;
- (d) a NOCC Election shall remain in force until terminated under paragraph (c);
- (e) notices between a User and National Grid NTS under this paragraph 8.2 shall be given:
 - (i) where the Eligible Exit Point is a NTS Supply Point, pursuant to Supply Point Nominations, Supply Point Offers, Supply Point Confirmations and Supply Point Amendments subject to and in accordance with TPD Section G; and
 - (ii) where the Eligible Exit Point is a Connected System Exit Point or an Interconnection Point, by Conventional Notice.

8.2.2 A User may make NOCC Elections in respect of several Eligible Exit Points in relation to a given Eligible Entry Point (and each is a separate NOCC Election); but no more than one NOCC Election may be made by a User in respect of any given Eligible Exit Point.

8.3 Determination of charges payable

8.3.1 Where a User has made a NOCC Election, for each Day for which such election is in force, subject to paragraph 8.3.2, in relation to such NOCC Election:

(a) the "**Applicable Daily Entry Quantity**" is:

- (i) subject to paragraph (ii), the sum of the User's UDQIs for each System Entry Point within the Specified Entry Point (aggregate UDQI, or "**AUDQI**");
- (ii) where the User has made NOCC Elections in respect of more than one Eligible Exit Point in relation to the same Eligible Entry Point, for the purposes of each such election, the quantity determined as:

$$\text{AUDQI} * \text{UDQO} / \text{AUDQO}$$

where:

UDQO is the User's UDQO for the Specified Exit Point subject to such election; and

AUDQO is the sum of the User's UDQOs for the Specified Exit Points subject to all such elections;

(b) the "**Applicable Daily Entry Capacity**" is:

- (i) subject to paragraph (ii), the User's Registered Firm NTS Entry Capacity at the Specified Entry Point ("**REnC**");
- (ii) where the User has made NOCC Elections in respect of more than one Eligible Exit Point in relation to the same Eligible Entry Point, for the purposes of each such election, the quantity determined as:

$$\text{REnC} * \text{RExC} / \text{ARExC}$$

where:

RExC is the User's Registered Firm NTS Exit (Flat) Capacity at the Specified Exit Point subject to such election; and

ARExC is the sum of the User's Registered Firm NTS Exit (Flat) Capacity at the Specified Exit Points subject to all such elections;

(c) the "**Applicable Daily Quantity**" is whichever is the least of:

- (i) the Applicable Daily Entry Quantity;
- (ii) the Applicable Daily Entry Capacity;
- (iii) the User's UDQO for the Specified Exit Point;
- (iv) the User's Registered Firm NTS Exit (Flat) Capacity at the Specified Exit Point;

or if more than one of them are equally low, the Applicable Daily Entry Quantity;

(d) the "**Residual Daily Entry Quantity**" is the amount (if any) by which the Applicable Daily Entry Quantity exceeds the Applicable Daily Quantity;

(e) the "**Residual Daily Entry Capacity**" is the amount (if any) by which the Applicable Daily Entry Capacity exceeds the Applicable Daily Quantity;

- (f) the "**Residual Daily Exit Quantity**" is the amount (if any) by which the User's UDQO at the Specified Exit Point exceeds the Applicable Daily Quantity;
- (g) the "**Residual Daily Exit Capacity**" is the amount (if any) by which the User's Registered NTS Exit (Flat) Capacity at the Specified Exit Point exceeds the Applicable Daily Quantity;

8.3.2 Where under a NOCC Election the Combined ASEP is the Specified Entry Point, for each Day:

- (a) the calculations under paragraph 8.3.1 shall be made on the basis of the User's UDQIs and Registered Firm NTS Entry Capacity at the Bacton Combined ASEP as a whole;
- (b) each of the quantities determined pursuant to such calculations shall then be apportioned as between the Bacton UKCS ASEP and the Bacton IP ASEP, in the respective proportions of the User's aggregate UDQIs for the Bacton UKCS ASEP and for the Bacton IP ASEP;
- (c) paragraph 8.3.3 shall apply separately in relation to the Bacton UKCS ASEP and the Bacton IP ASEP, on the basis of the quantities apportioned to each pursuant to paragraph (b).

8.3.3 Where a User has made a NOCC Election, for each Day:

- (a) in respect of the Specified Entry Point:
 - (i) the User shall pay the NTS Optional Capacity Entry Charge calculated as the Applicable Daily Quantity multiplied by the Applicable Daily Rate of the NTS Optional Capacity Entry Charge;
 - (ii) the User shall pay NTS Entry Capacity Charges calculated as the Applicable Daily Rate (in accordance with paragraph 8.3.4, where applicable) multiplied by the Residual Daily Entry Capacity;
 - (iii) the User shall pay General Non-Transmission Services Charges calculated as the Applicable Commodity Rate multiplied by the Residual Daily Entry Quantity;
- (b) in respect of the Specified Exit Point:
 - (i) the User shall pay the NTS Optional Capacity Exit Charge calculated as the Applicable Daily Quantity multiplied by the Applicable Daily Rate of the NTS Optional Capacity Exit Charge;
 - (ii) the User shall pay NTS Exit Capacity Charges calculated as the Applicable Daily Rate (in accordance with paragraph 8.3.4, where applicable) multiplied by the Residual Daily Exit Capacity;
 - (iii) the User shall pay General Non-Transmission Services Charges calculated as the Applicable Commodity Rate multiplied by the Residual Daily Exit Quantity;
- (c) where there is more than one NOCC Election for a Specified Entry Point, this paragraph 8.3.3 applies separately in respect of each such NOCC Election.

8.3.4 Where the User holds:

- (a) Registered Firm NTS Entry Capacity at the Specified Entry Point, or
- (b) Registered Firm NTS Exit (Flat) Capacity at the Specified Exit Point

pursuant to more than one allocation of such NTS Capacity, and for which the Applicable Daily Rates of the NTS Entry Capacity Charge or (as the case may be) NTS Exit Capacity Charges are different, the Residual Daily Entry Capacity or Residual Daily Exit Capacity shall be deemed to comprise NTS Capacity pursuant to

each such allocation in the proportions of the User's Registered Firm NTS Capacity pursuant to each such allocation.

- 8.3.5 This paragraph 8 does not apply in respect of Interruptible NTS Capacity (and the User shall pay Capacity Charges in respect of Registered Interruptible NTS Capacity at the Applicable Daily Rate in accordance with the applicable provisions of paragraphs 2 and 3).
- 8.3.6 For the purposes of calculating the amounts payable by Users under paragraphs 8.3.3(a)(i) and (b)(i), the Applicable Daily Rates of the NTS Optional Capacity Charges shall not be rounded under Section 5.2.3 of the NTS Transportation Charging Methodology.