

Attachment #5

UNC reference: TPD Section Y (new paragraph)
Subject: NTS Optional Charge
Relevant alternates: 0678D (ENI), 0678G (Vitol), 0678H (EP UK), 0678I (Gazprom) and 0678J (South Hook)

Note: for 0678I the text is identical to 0678D, G, H and J except that (i) 'NTS Optional Capacity Charge' becomes 'NTS Optional Wheeling Charge', (ii) the charge also substitutes for Revenue Recovery Charges, and (iii) the Annual NOCC Charge is not applicable. See comments for details

New paragraph 5

5 NTS OPTIONAL CAPACITY CHARGE

5.1 General

- 5.1.1 A User may elect to pay charges ("**NTS Optional Capacity Charges**") determined in accordance with this paragraph 5 in substitution (in whole or part) for Capacity Charges and General Non-Transmission Services Charges, by **NOCC Election** subject to and in accordance with TPD Section B8.
- 5.1.2 NTS Optional Capacity Charges comprise:
- (a) charges ("**NTS Optional Capacity Entry Charges**") in respect of an amount of NTS Entry Capacity at an Aggregate System Entry Point excluding Storage Site Points; and
 - (b) charges ("**NTS Optional Capacity Exit Charges**") in respect of an amount of NTS Exit (Flat) Capacity at a NTS System Exit Point excluding Storage Site Points and NTS/LDZ Offtakes.
- 5.1.3 Where a User has elected to pay NTS Optional Capacity Charges the User shall also pay the Annual NOCC Charge in accordance with TPD Section [B8.4].

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5.2 Determination of charge

- 5.2.1 The rate of the NTS Optional Capacity Charge (in p/kWh/Day) in respect of a Specified Entry Point and Specified Exit Point for a Gas Year shall be determined:
- (a) by calculating the value (in p/kWh) of the term 'CF' in accordance with paragraph 5.2.2;
 - (b) by calculating from CF the value (in p/kWh/Day) of the term 'OCR' in accordance with paragraph 5.2.3;
 - (c) by determining the NTS Optional Capacity Charge from the term 'OCR' in accordance with paragraph 5.2.4.
- 5.2.2 The term 'CF' is determined as follows:

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$$CF = A * (M^{E1}) * D + B * (M^{E2})$$

where A, E1, B and E2 are quantities derived, on the basis of the NTS OCC Methodology, from the estimated costs of laying and operating a dedicated pipeline of NTS specification, for which the units and values for the Gas Year 2019/20 are set out in the table below. For each subsequent Gas Year the values of A, E1, B and E2 shall be redetermined by adjusting, in the NTS OCC Methodology, the estimated costs by reference to the change in the Consumer Prices Index on the basis set out in the NTS OCC Methodology:

Term	Units	Value for Gas Year 2019/20
A	p/kWh/Day per km	862.64
E1	None	_-0.79
B	p/kWh/Day	735.1
E2	None	-0.7

and where:

M is a measure (expressed in kWh/Day) of maximum offtake rate at the Specified Exit Point, being:

- (a) in the case of a NTS System Exit Point, 24 * the Maximum NTS Exit Point Offtake Rate specified in the Network Exit Agreement;
- (b) in the case of an Interconnection Point, the maximum permitted aggregate rate (expressed in kWh/day) of physical exit flow as specified in the relevant Interconnection Agreement or if not so specified as determined by National Grid NTS;

D is the distance (in accordance with TPD Section B8.1.2(e) from the Specified Exit Point to the Specified Entry Point in km; and

^ means 'to the power of'.

5.2.3 The term **OCR** is determined as follows:

$$OCR = CF * M / FCC$$

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where

M has the meaning in paragraph 5.2.2

FCC is the Forecast Contracted Capacity for the Specified Exit Point for relevant the Gas Year.

5.2.4 The Applicable Daily Rate of the NTS Optional Capacity Charge (**NOCC**, in p/kWh/Day), applying at the Specified Entry Point and the Specified Exit Point, for the relevant Gas Year, is determined as follows:

$$\text{NOCC} = \text{OCR} / 2$$

5.2.5 The "**NTS OCC Methodology**" is the methodology developed and published by National Grid NTS for the purposes of this paragraph 5.2.

5.2.6 The NTS Optional Capacity Charge and Annual NOCC Charge will be treated as a Transmission Services Charge, and revenue derived from the NTS Optional Capacity Charge and Annual NOCC Charge will be treated as Transmission Services Revenue.

5.2.7 For the purposes of paragraph 1.7, for each Gas Year, the Transportation Statement published by National Grid NTS will include the formula for the NTS Optional Capacity Charge.

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