

## Attachment #6

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

### 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 1 (a "**NOCC Election**").

8.1.2 For the purposes of this paragraph 1:

- (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.

## 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)(i) 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 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 NTS Exit (Flat) Capacity at the Specified Exit Point subject to such election; and

ARExC is the sum of the User's Registered 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 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 "**Applicable Daily Exit Quantity**" is the quantity determined as:

$$ADQ + \{\max (RExC - UDQO), 0\}$$

where

ADQ is the Applicable Daily Quantity;

RExC is the User's Registered NTS Exit (Flat) Capacity at the Specified Exit Point;

UDQO is the User's UDQO for the Specified Exit Point;

- (e) the "**Residual Daily Entry Quantity**" is the amount (if any) by which the Applicable Daily Entry Quantity exceeds the Applicable Daily Quantity;
- (f) the "**Residual Daily Entry Capacity**" is the amount (if any) by which the Applicable Daily Entry Capacity exceeds the Applicable Daily Quantity;
- (g) 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;
- (h) 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 Exit 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 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 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 Exit Quantity multiplied by the Applicable Daily Rate of the NTS Optional Capacity 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 NTS Entry Capacity at the Specified Entry Point, or
- (b) Registered 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 NTS Capacity pursuant to each such allocation.

**8.4 Annual NOC Charge**

8.4.1 Where a User makes a NOCC Election which is in effect at any time during a Gas Year:

- (a) the User shall pay, for the NOCC Commitment Period, a charge ("**Annual NOCC Charge**") determined in accordance with this paragraph 8.4;
- (b) the combination of Specified Exit Point and Specified Entry Point under the NOCC Election is a "**NOCC Route**";
- (c) the User is a "**NOCC Route User**" in relation to the NOCC Route;
- (d) the "**NOCC Commitment Period**" for the NOCC Route is:
  - (i) if any NOCC User has made a NOCC Election which is in effect at the start of the Gas Year, the whole of the Gas Year;
  - (ii) otherwise, the period from the 1st Day of the month in which the earliest NOCC Election of any NOCC User comes into effect, to the end of the Gas Year;
- (e) the "**NOCC Interim Payment Period**" for the NOCC Route User is the period:
  - (i) from the first Day of the NOCC Commitment Period or if later the first Day of the month in which the User's NOCC Election comes into effect,
  - (ii) to the end of the NOCC Commitment Period.

8.4.2 The NOCC Commitment Period is determined (in accordance with paragraph 8.4.1(d)), and the Annual NOCC Charge is payable in respect of the NOCC Commitment Period, irrespective of whether:

- (a) before the end of the Gas Year, the User terminates the NOCC Election, or (in the case of a Specified Exit Point which is a Supply Point) ceases to be the Registered User; or
- (b) the User or any other User makes within the Gas Year another NOCC Election with the same Specified Exit Point.

8.4.3 The aggregate amount (in £) in respect of Annual NOCC Charge ('ANOCCC'), for a Gas Year and a NOCC Route and for all NOCC Route Users, is calculated as follows:

$$\text{ANOCCC} = \{ \{ 2 * \text{FCC} * \text{NOCC} \} * N \} - \{ \sum_D \sum_U (\text{ROCC}_{\text{Ex}} + \text{ROCC}_{\text{En}}) \}$$

where

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

NOCC is the rate of the NTS Optional Capacity Charge for the Gas Year

N is the number of Days in the NOCC Commitment Period

$\sum_D$  is the sum over all Days in the Gas Year

$\sum_U$  is the sum over all NOCC Route Users

$\text{ROCC}_{\text{Ex}}$  is the amount paid by a NOCC Route User in respect of the NTS Optional Capacity Exit Charge on a Day in the Gas Year;

$ROCC_{En}$  is the amount paid by a NOCC Route User in respect of the NTS Optional Capacity Entry Charge on a Day in the Gas Year;

provided that ANOCCC shall not be less than zero.

- 8.4.4 The amount of the Annual NOCC Charge (' $ANOC_U$ ') payable by each NOCC Route User (U) for a Gas Year and a OCC Route is calculated as follows:

$$ANOC_U = ANOCCC * \sum_D ADQ_U / \sum_D \sum_U ADQ_U$$

where for each NOCC Route User, and each Day in the NOCC Commitment Period,  $ADQ_U$  is the Applicable Daily Quantity;

and where

$\sum_D$  is the sum over all Days in the NOCC Commitment Period

$\sum_U$  is the sum over all NOCC Route Users

- 8.4.5 The User shall pay, on account of the Annual NOCC Charge, two months after each month (M) in the NOCC Interim Payment Period, an amount determined as:

- (a) the amount determined as  $ANOC_U$  in accordance with paragraph 8.4.4 on the basis that  $\sum_D$  is the sum over Days in the NOCC Commitment Period up to and including the last Day of month M, less
- (b) the aggregate amount (if any) payable by that User by way of payments on account under this paragraph 8.4.5 in respect of all (if any) months of the NOCC Interim Payment Period up to and including month M-1.

provided that if such amount is negative for a month no amount shall be payable on account by or to the User (and the negative balance will be settled in a later month or the end-of-year reconciliation under paragraph 8.4.6).

- 8.4.6 After the Gas Year, when the interim payment under paragraph 8.4.5 for the last month of the Gas Year would be determined (and instead of such determination), a reconciliation shall be carried out for each NOCC Route User by calculating  $ANOC_U$  for the NOCC Commitment Period, and deducting all monthly amounts paid or payable on account (for months prior to that month) by the NOCC Route User under paragraph 8.4.5; and a final payment in respect of the Annual NOCC Charge shall be made (by the User or by National Grid NTS, as the case may be) in respect of the difference.