

## Attachment #9

**UNC reference:** TPD Section B and TPD Section Y (new paragraphs)  
**Subject:** Capacity Surrender and Publication  
**Relevant alternates:** 0678F (Storengy)

### Section B - new paragraph 2.18

#### **2.18 CANCELLATION OF RELEVANT 2018 NTS ENTRY CAPACITY**

2.18.1 In this paragraph 2.18:

- (a) "**Relevant 2018 NTS Entry Capacity**" is Quarterly NTS Entry Capacity at an Intra-System Entry Point which was allocated to a User in the period from 12 February 2018 and 20 December 2018;
- (b) the "**Cancellation Condition**" in relation to any Quarter (Q) in a Gas Year (Y) and any User holding Relevant 2018 NTS Entry Capacity at an Intra-System Entry Point in that Gas Year, is that

$$\{A > (B + C)\}$$

where

- A. is the Applicable Daily Rate of the Capacity Charge payable by the User (in Quarter Q) in respect of the Relevant 2018 NTS Entry Capacity, provisionally determined in accordance with Section 2.1.9(a) of the NTS Transportation Charging Methodology;
- B. is the Applicable Daily Rate of the Capacity Charge that would have been payable by the User (in Gas Year Y) for the Relevant 2018 NTS Entry Capacity on the basis of the NTS transportation charging methodology applying in the period referred to in paragraph 2.18.1(a);
- C. is an amount calculated as  $0.05 * B * (1 + RPI)$ ; where RPI is the change (expressed in a decimal) in average RPI for the calendar year ending in Gas Year Y-1 from average RPI for calendar year 2018 (where average RPI for a calendar year is the average of the monthly values of the Retail Price Index for all months in that calendar year).

2.18.2 Where the Cancellation Condition is met in relation to any Quarter in a Gas Year (Y):

- (a) National Grid NTS will, not less than 20 Business Days before the date on which (pursuant to TPD Section B2.2.1(d)) it invites applications for Quarterly System Entry Capacity for the period from Gas Year Y+1 to Y+17, publish a notice stating that the Cancellation Condition is met in relation to that Quarter, and inviting Users holding Relevant 2018 NTS Entry Capacity for that Quarter at the Intra-System Point to cancel all or part of the NTS Entry Capacity;
- (b) a User may by notice to National Grid NTS given within 10 Business Days after the notice in paragraph (a), cancel all or part of the Relevant 2018 NTS Entry Capacity (in an equal amount for each Day of the relevant Quarter) at an Intra-System Entry Point in that Quarter.

2.18.3 A User may not cancel Relevant 2018 NTS Entry Capacity for a Quarter in an amount greater than the lowest amount of the User's Available NTS Entry Capacity for any Day in the Quarter as determined as at the date of the User's notice of cancellation.

2.18.4 Where a User cancels any amount of Relevant 2018 NTS Entry Capacity at an Intra-System Entry Point:

- (a) the User's Registered NTS Entry Capacity shall be reduced by the amount cancelled for each Day in the relevant Quarter;

- (b) accordingly the User shall not be liable for Capacity Charges in respect of the amount of NTS Entry Capacity cancelled;
- (c) in calculating the amount of the User's Available NTS Entry Capacity for a Day in accordance with paragraph 5.3.2, the amount of cancelled NTS Entry Capacity shall be deducted.

**Section Y - new paragraph 2.1.10**

2.1.10 In accordance with TPD Section B2.18 a User may (where the Cancellation Condition in that Section is met) cancel Relevant 2018 NTS Entry Capacity (as defined in that Section); and accordingly (for each NTS Entry Point in relation to which that Section applies in any Quarter in a Gas Year):

- (a) National Grid NTS shall on a provisional basis (and prior to any cancellation under that Section) determine and publish Reserve Prices in accordance with this paragraph 2;
- (b) the Cancellation Condition shall apply on the basis of the provisional Reserve Prices so determined;
- (c) following the exercise of the right of cancellation under that Section, National Grid NTS shall redetermine (on a definitive basis) and publish Reserve Prices in accordance with this paragraph 2 taking account of such cancellation in the determination of Forecast Contracted Capacity.

**Transition Document – new paragraph 25.3.6**

25.3.6 For the First New Period, if the First Publication Date is later than the date by which, in accordance with TPD Section B2.18.2(a), National Grid Gas would be required to publish notice ('cancellation invitation notice') inviting cancellation of NTS Entry Capacity for Quarters in the First New Period:

- (a) National Grid NTS will publish the cancellation invitation notice as soon as practicable after the First Publication Date;
- (b) Section 2.1.10 shall apply on the basis that the publication under paragraph 25.2.3 is the provisional publication referred to in Section 2.1.10(a);
- (c) for the purposes of paragraph 25.3.2(a) the First Publication Date is the definitive publication referred to in Section 2.1.10(c).