

Modification 0678C

ANNEX C

Transition Document Part IIC – Transition Rules

Insert new paragraph 25 as follows:

25 REVISED NTS TRANSPORTATION CHARGING METHODOLOGY

25.1 Introduction

25.1.1 This paragraph 25 sets out transitional arrangements in respect of Code Modification 0678 (the “**Relevant Modification**”).

25.1.2 In this paragraph 25:

- (a) references to Sections are to Sections of Part A-I of TPD Section Y (introduced by the Relevant Modification) and terms defined in Part A-I have the meanings given therein;
- (b) the “**New Methodology**” is the NTS Transportation Charging Methodology in Part A-I of TPD Section Y, subject to paragraph 25.3.2;
- (c) the “**Modification Direction Date**” is the day on which the Authority gave its direction to make the Relevant Modification;
- (d) the “**Modification Effective Date**” is 1 October in the first Gas Year which starts not less than four months after the Modification Direction Date;
- (e) the “**First Gas Year**” is the Gas Year which starts on the Modification Effective Date.

25.1.3 The FCC Methodology applying at the Modification Effective Date is the methodology attached to the final Modification Report in respect of the Relevant Modification.

25.2 Application of New Methodology

25.2.1 The New Methodology shall apply to determine:

- (a) Reserve Prices, and
- (b) Transmission Services Charges and Non-Transmission Services Charges

to apply in respect of the First Gas Year.

25.3 Basis on which Relevant Modification is effective

25.3.1 The Reserve Prices determined for the First Gas Year shall apply in respect of each Auction and Allocation Process:

- (a) which is initiated (by National Grid NTS sending the relevant invitation to Users) on or after the Modification Direction Date; and
- (b) in respect of NTS Capacity to be allocated for a period commencing on or after the start of the First Gas Year.

25.3.2 Where NTS Entry Capacity at an Intra-System Entry Point was allocated (pursuant to an Auction or PARCA) on or after the Tariff Regulation Effective Date and before the Modification Effective Date, the rule in Section 2.1.4 will not have applied in respect of Capacity Charges (in respect of such NTS Entry Capacity) which accrued before the Modification Effective Date, and nothing in the New Methodology or this paragraph 25 requires any retrospective application of that rule in respect of those Capacity Charges.

25.3.3 Transportation Charges determined under the New Methodology shall be payable, and the provisions of TPD Section B (as modified by the Relevant Modification) for payment of such Transportation Charges apply, with effect from the Modification Effective Date.

25.4 Offtake Reconciliation

25.4.1 For the purposes of any invoice dispute or other dispute, adjustment or reconciliation under the Code relating to any period before the Modification Effective Date, the relevant Transportation Charges shall be those prevailing under the provisions of the Code as in force before the Relevant Modification.

25.4.2 Without limitation, paragraph 25.4.1 applies in respect of Reconciliation Transportation Charge Adjustments pursuant to any Offtake Reconciliation carried out after the Modification Effective Date for which the Reconciliation Metered Period includes any Day or Days before the Modification Effective Date.

25.5 NTS Optional Commodity Rate

25.5.1 For the avoidance of doubt any election ("**NOCR election**") by a User for the NTS Optional Commodity Rate pursuant to TPD Section B (as in force prior to the Relevant Modification) shall lapse and (without prejudice to paragraph 25.4) have no effect on and from the Modification Effective Date.

25.5.2 Where at the Modification Direction Date a User has made a NOCR election which will remain in force on the Day before the Modification Effective Date, National Grid NTS shall notify the User, as soon as reasonably practicable after the Modification Direction Date, that such election will lapse on the Modification Effective Date pursuant to paragraph 25.5.1.

25.5.3 Where following the Modification Direction Date a User makes a NOCR election, National Grid NTS will inform the User, as soon as reasonably practicable after the NOCR election, that such election will lapse on the Modification Effective Date pursuant to paragraph 25.5.1.