

**Modification 0796 – legal text**

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION Y – CHARGING METHODOLOGIES**

*Amend paragraph 1.2.1 as follows:*

- 1.2.1 Transportation Charges in relation to the NTS comprise:
- (a) charges in respect of transmission services (“**Transmission Services Charges**”), comprising:
    - (i) Capacity Charges determined by Auction or Allocation Process pursuant to the provisions of the Code referred to in the Capacity Allocation Table in paragraph 2.2.1;
    - (ii) NTS Entry Capacity Retention Charges as provided for in paragraph 2.10; and
    - (iii) Transmission Services Revenue Recovery Charges as provided for in paragraph 3; and
    - ~~(iv) NTS Entry Transmission Services Rebate Charge as provided for in paragraph 3.4;~~

*Replace paragraph 1.6 with the below:*

- 1.6.1 For the purposes of this Part A-I, in relation to a Gas Year (y):
- (a) "**Allowed Transmission Services Entry Revenue**" (ATSEnR<sub>y</sub>) and "**Allowed Transmission Services Exit Revenue**" (ATSExR<sub>y</sub>) shall be determined, on the basis of the Allowed FY Transmission Services Entry Revenue and the Allowed FY Transmission Services Exit Revenue respectively for the Formula Years which end and start in Gas Year y, as follows:

$$ATSEnR_y = (AFTSEnR_t - TSEnR_{pt}) + ((AFTSEnR_{t+1} * F_{TSEn})$$

$$ATSExR_y = (AFTSExR_t - TSExR_{pt}) + ((AFTSExR_{t+1} * F_{TSEx})$$

- (b) "**Allowed Non-Transmission Services Revenue**" (ANTSR<sub>y</sub>) shall be determined, on the basis of the Allowed FY Non-Transmission Services Revenue for the Formula Year which ends in Gas Year y, as follows:

$$ANTSR_y = (AFNTSR_t - NTSR_{pt}) * (1 / F_{NTS} )$$

- 1.6.2 For the purposes of this paragraph 1.6:

- (a) Formula Years t and t+1 are respectively the Formula Years which end and start in Gas Year y;

- (b)  $AFTSEnR_t$ ,  $AFTSExR_t$ , and  $AFNTSR_t$  are respectively the Allowed FY Transmission Services Entry Revenue, Allowed FY Transmission Services Exit Revenue and Allowed FY Non-Transmission Services Revenue for Formula Year  $t$ ;
- (c)  $TSEnR_{pt}$ ,  $TSExR_{pt}$  and  $NTSR_t$  are respectively the amounts of Transmission Services Entry Revenue, Transmission Services Exit Revenue and Non-Transmission Services Revenue which National Grid NTS estimates will be earned in respect of the part of Formula Year  $t$  which falls prior to Gas Year  $y$ ;
- (d)  $AFTSEnR_{t+1}$  and  $AFTSExR_{t+1}$  are respectively the amounts estimated by National Grid NTS as the Allowed FY Transmission Services Entry Revenue and Allowed FY Transmission Services Exit Revenue for Formula Year  $t+1$ ;
- (e)  $F_{TSEn}$  and  $F_{TSEn}$  respectively are factors which represent National Grid NTS's estimates, for Formula Year  $t+1$ , of the proportions of the Transmission Services Entry Revenue and of the Transmission Services Exit Revenue which will be earned in respect of the part of Formula Year  $t+1$  which falls within Gas Year  $y$ .
- (f)  $F_{NTS}$  is a factor which represents National Grid NTS's estimate, for Gas Year  $y$ , of the proportion of the Non-Transmission Services Revenue which will be earned in respect of the part of Formula Year  $t$  which falls within Gas Year  $y$ .

*Replace the current paragraphs 2.3.1(a) and (b) with the below:*

2.3.1 For the purposes of this Part A-I:

- (a) the Allowed Transmission Services Entry Revenue ( $ATSEnR_y$ ) is determined in accordance with paragraph 1.6.1;
- (b) the Allowed Transmission Services Exit Revenue ( $ATSExR_y$ ) is determined in accordance with paragraph 1.6.1;

*Amend paragraph 3.3.2 and 3.3.3 as follows:*

~~3.3.2 Where National Grid NTS pays or expects to pay the NTS Entry Transmission Services Rebate Charge in respect of the Formula Year which ends in a Gas Year, National Grid NTS shall take account of the amount so payable in deciding whether to determine and apply a revised Entry Transmission Services Revenue Recovery Charge for such Gas Year and (if so) the revised Forecast Entry Revenue Difference for the Gas Year.~~

3.3.23 Where National Grid NTS proposes to revise the Entry Transmission Services Revenue Recovery Charge or Exit Transmission Services Revenue Recovery Charge for a Gas Year pursuant to this paragraph 3.3, National Grid NTS shall, consistent (but subject as provided in paragraph (b) below) with the requirements of Standard Special Condition A4(2)(d) and (e):

- (a) give a first notice setting out the reasons for the revision, the proposed Revision Month and an estimate of the revised Entry Transmission Services Revenue Recovery Charge or Exit Transmission Services Revenue Recovery Charge;

- (b) where it decides to make such revision, give notice (not less than two months before the first Day of the Revision Month, as provided in TPD Section B1.8.2(a)) setting out the Revision Month and the revised Entry Transmission Services Revenue Recovery Charge or Exit Transmission Services Revenue Recovery Charge.

*Delete paragraph 3.4 - NTS Entry Transmission Services Rebate Charge in its entirety*

*Replace the current paragraph 4.7.2(a) with the below:*

4.7.2 For the purposes of this paragraph 4.7, in relation to a Gas Year:

- (a) the Allowed Non-Transmission Services Revenue (ANTSR<sub>y</sub>) is determined in accordance with paragraph 1.6.1;

## UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

### SECTION B – SYSTEM USE AND CAPACITY

*Amend paragraph 1.7.1(a)(i) as follows:*

- (a) **"Transportation Charges"** are:
- (i) charges (other than Energy Balancing Charges or Storage Charges) payable by or to a User in respect of a transportation arrangement under the Code, (subject to paragraph 1.7.8) comprising Capacity Charges, Commodity Charges, Customer Charges, CSEP Charges; and other NTS-related charges being Transmission Services Revenue Recovery Charges, ~~and the NTS Entry Capacity Retention Charges~~ ~~and the NTS Entry Transmission Services Rebate Charge~~; and

*Amend paragraph 2.11 as follows:*

#### **2.11 Entry Charges, General Non-Transmission Services Charges, Entry Transmission Services Revenue Recovery Charges, ~~the NTS Entry Transmission Services Rebate Charge~~, and Capacity Surrender Charges**

2.11.1 Entry-related Transportation Charges are payable in respect of the NTS as follows:

- (a) a User shall pay Capacity Charges ("**NTS Entry Capacity Charges**") to National Grid NTS in respect of its Registered NTS Entry Capacity at Aggregate System Entry Points each Day, in accordance with paragraph 2.11.2 to 2.11.4;
- (b) National Grid NTS shall pay Capacity Surrender Charges to a User, in accordance with paragraph 2.11.5;
- (c) a Shipper User shall pay General Non-Transmission Services Charges as Commodity Charges to National Grid NTS in respect of its use of the NTS for the delivery of gas to the Total System on any Day, in accordance with paragraph 2.11.6, or a charge calculated by reference to Special Condition 2.1 and 2.3 of National Grid NTS's Transporter's Licence;
- (d) a User shall pay to National Grid NTS, or (where the Applicable Daily Rate is negative) National Grid NTS shall pay to the User, the Entry Transmission Services Revenue Recovery Charge in respect of NTS Entry Capacity each Day, in accordance with paragraph 2.11.7;
- ~~(e) if applicable, National Grid NTS shall pay to a User the NTS Entry Transmission Services Rebate Charge, in accordance with paragraph 2.11.8.~~

2.11.2 The NTS Entry Capacity Charge payable by a User in respect of each Day will be determined subject to paragraph 9, for each Aggregate System Entry Point and each class (as described in paragraph 2.1.4) of NTS Entry Capacity, as the amount of the User's Registered NTS Entry Capacity (of the relevant class, and in the case of Quarterly NTS Entry Capacity and Monthly NTS Entry Capacity, applied for pursuant to paragraphs 2.2 and/or 2.3 and/or reserved under paragraph 1.14, and allocated following an invitation date and/or allocated under a PARCA pursuant to paragraph 1.14) multiplied by the Applicable Daily Rate.

- 2.11.3 The Applicable Daily Rate of NTS Entry Capacity Charges shall be:
- (a) in respect of Quarterly NTS Entry Capacity;
    - (i) applied for pursuant to an annual invitation under paragraph 2.2, the rate determined in accordance with Section 2 of the NTS Transportation Charging Methodology; and
    - (ii) applied for, reserved and registered under a PARCA pursuant to paragraph 1.14 the applicable price as set out in the relevant Transportation Statement.
  - (b) in respect of Monthly NTS Entry Capacity applied for pursuant to an invitation under paragraphs 2.2 and 2.3, the bid price tendered by the User in respect of the Monthly NTS Entry Capacity allocated for the relevant calendar month pursuant to paragraph 2.7.2;
  - (c) in respect of Daily NTS Entry Capacity, the bid price tendered by the User in respect of the Daily NTS Entry Capacity allocated for the Day pursuant to paragraph 2.7.2; and
  - (d) in respect of Daily Interruptible NTS Entry Capacity, the bid price tendered by the User in respect of the Daily Interruptible NTS Entry Capacity allocated for the Day pursuant to paragraph 2.7.2.
- 2.11.4 For the purposes of paragraph 2.11.2, the amount of the User's Registered NTS Entry Capacity shall be determined Unadjusted pursuant to paragraph 2.9.4 (but for the avoidance of doubt Unadjusted pursuant to paragraphs 2.8.4, 2.10.8 and 2.17.9).
- 2.11.5 Where National Grid NTS accepts a daily capacity offer pursuant to paragraph 2.10 National Grid NTS will pay to the User a charge ("**Capacity Surrender Charge**") in an amount determined as the amount of NTS Entry Capacity for which the daily capacity offer was accepted by National Grid NTS multiplied by the offer price specified in the daily capacity offer.
- 2.11.6 The General Non-Transmission Services Charge payable by a User in respect of each Day will be determined for each NTS Entry Point, excluding Storage Connection Points, as the User Daily Quantity Input multiplied by the Applicable Commodity Rate for such charge as determined under Section 4 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.
- 2.11.7 The Entry Transmission Services Revenue Recovery Charge payable by a User or National Grid NTS in respect of each Day will be determined for each Aggregate System Entry Point as the User's Fully Adjusted Available NTS Entry Capacity, Excluding Existing Available Holding, multiplied by the Applicable Daily Rate for such charge and such Aggregate System Entry Point as determined in accordance with Section 3 of the NTS Transportation Charging Methodology and set out in the Transportation Statement.
- ~~2.11.8 Where (as provided in Section 3.4.1 of the NTS Transportation Charging Methodology) the NTS Entry Transmission Services Rebate Charge is payable in respect of a Formula Year:~~
- ~~(a) the amount of such charge payable to a User will be determined as the sum of the User's Registered NTS Entry Capacity for all Days of the Formula Year and for all NTS Entry Points multiplied by the applicable rate of such charge as determined under Section 3.4.2 of the NTS Transportation Charging Methodology;~~
  - ~~(b) such charge shall be determined and invoiced as soon as reasonably practicable following the end of the Formula Year.~~
- 2.11.189 NTS Entry Capacity Charges, General Non-Transmission Services Charge, Capacity Surrender Charges, and the Entry Transmission Services Revenue Recovery Charges, ~~and the NTS Entry Transmission Services Rebate Charge~~ will be invoiced and payable in accordance with Section S.