

APPLICATION FOR CONSENT TO MODIFY THE CODE
"0071a User Compensation for NEC Storage Curtailment"
Version 2.0

Reference: C016

Transporter Proposal

This Consent has been prepared by the Joint Office of Gas Transporters on behalf of National Grid NTS, as follows:

The legal text in respect of Modification Proposal **0071a "User Compensation for NEC Storage Curtailment"** that was implemented on 23 December 2005 contains a manifest error which means the effect is the opposite of the proposer's intention. The proposal states that;

"A reconciliation process would adjust the actual amount paid after the end of the NGSE.

If the value of gas in store post a NGSE were greater than the 30 day SAP then the shipper would pay the excess multiplied by the SWCQ for a given day back to the system (i.e. refunds would be made to all shippers via neutrality depending on their usage of the system on that day). If the value of gas in store post an emergency is less than the 30 day SAP then the shipper would get paid the shortfall from the system (i.e. additional payments paid by all shippers via neutrality depending on their usage of the system on that day).

The value of gas in store would be:

30 day SAP_{PE} - 0.0611p"

There is an algebraic error in the implemented legal text that means that the reconciliation will result in an incorrect settlement of the compensation. These could result in either an over or under payment to an affected shipper.

We therefore wish to seek a consent to modify to align the legal text with the proposal now that the implementation date has been confirmed. Please find attached proposed legal text amendments made within the implementation notice.

Nature of Modification

The legal text provided below is extracted from the Notice of Implementation 0071a, and requires amending as indicated:

7.2.7 In addition to the other amounts payable pursuant to this paragraph 7.2, following the determination of the User's Actual Aggregate Storage Curtailment Compensation Quantity and the first 30 consecutive Days following the Day in question on which there was not a Network Gas Supply Emergency (including a Potential Network Gas Supply Emergency), where:

- (a) the Storage Curtailment Reconciliation Price is ~~positive~~ ~~negative~~, National Grid NTS will pay each User that submits a SCCQ Statement as set out in paragraph 7.2.1 an amount determined as the User's Actual Aggregate Storage Curtailment Compensation Quantity multiplied by the Storage Curtailment Reconciliation Price; and
- (b) the Storage Curtailment Reconciliation Price is ~~negative~~ ~~positive~~, each User that submits a SCCQ Statement as set out in paragraph 7.2.1 will pay National Grid NTS an amount determined as the User's Actual Aggregate Storage Curtailment Compensation Quantity multiplied by the Storage Curtailment Reconciliation Price.

Transporter Application

This application contains the Transporters' proposal to modify the Uniform Network Code for which they now seek the consent of the Authority,

Signed for and on behalf of Transporter.

Signature:

Tim Davis
Chief Executive Joint Office of Gas Transporters

Date:

Gas and Electricity Markets Authority Response:

In accordance with Standard Special Condition A11 'Network Code and the Uniform Network Code' of the Gas Transporters Licence, I hereby consent to the above modification to the Code.

Signed for and on Behalf of the Gas and Electricity Markets Authority.

Signature:

Date: