

**APPLICATION FOR CONSENT TO MODIFY THE CODE**  
"Correction to the Calculation and application of VWAPPEC"  
Version 1.0

**Reference:** C036

**Transporter Proposal**

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

The legal text in respect of Modification Proposal **0260 "Revision of the Post-Emergency Arrangements"** that was implemented on 1<sup>st</sup> November 2009 contains an error whereby the System Average Price (SAP) and the Volume Weighted Average Price of Emergency Claims (VWAPPEC) are treated as £sterling rather than pence/kWh.

This error arises in the implemented legal text whereby the calculation of VWAPPEC is calculated as £ sterling rather than pence/kWh. This error has been further compounded with the application of a 'division by 100' that would result in under-payment by the initial cost-apportionment of those Users with a deficit Daily Energy Imbalance.

We therefore wish to seek a consent that will seek to:-

- modify and align the legal text with the original intent in the application of the correct mathematical calculation of a volume weighted average price (VWAPPEC) and;
- ensure that Section Q is consistent with the remaining UNC treatment of SAP (and System Marginal Price buy and sell) by considering SAP and VWAPPEC as p/kWh rather than £ sterling.

As a consequence, the changes to the legal text are proposed in the attached appendix.

**Nature of Modification**

*Please note: The legal text provided is extracted from the Notice of Implementation 0260 and requires amending as indicated (track-marked change) in Appendix A below.*

**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:

A handwritten signature in black ink, appearing to be 'MJD' or similar, written over a horizontal line.

Date:

A handwritten date '21/04/10' in black ink, written below the signature.

**Section Q.4.5.15 and 4.5.16 (Post-Emergency Claims Arrangements)**  
**Revised legal text**

Appendix A

4.5.15 National Grid NTS will, not less than twenty nine (29) days after the Post-Emergency Claims Review Date (the "Post-Emergency Claims Approval Date") calculate a volume weighted average price in pence per kWh ("VWAPEC") for a Day based on all those Post-Emergency Claims that have been directed (or deemed to have been directed) by the Authority for payment. VWAPEC for a Day shall be calculated as follows:

$$((B - C) / A),$$

Where:

A is the sum (expressed in kWh) of the Market Transaction Quantities of all Post-Emergency Claims that have been directed (or deemed to have been directed) by the Authority for payment (taking account of any reduced Market Transaction Quantity, if applicable, in accordance with paragraph 4.5.11);

B is the total aggregate amount payable as directed (or deemed to have been directed) by the Authority in relation to all those Post-Emergency Claims that have been directed (or deemed to have been directed) by the Authority for payment; and

C is the sum of A multiplied by the System Average Price for the Day in question.

4.5.16 Each User that has submitted a Post-Emergency Claim that has been directed (or deemed to have been directed) by the Authority for payment shall be paid by National Grid NTS an amount ("Post-Emergency Claims Payment") equal to the amount determined as:

$$A - (B * C)$$

Where:

A is the total amount payable as directed (or deemed to have been directed) by the Authority for payment in relation to that Post-Emergency Claim;

B is the Market Transaction Quantity (expressed in kWh) of the Post-Emergency Claim in question; and

C is the System Average Price for the Day in question.

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