

APPLICATION FOR CONSENT TO MODIFY THE CODE
“Corrections to UNC TPD Section F – System Clearing, Balancing Charges
and Neutrality”
Version 1.0

Reference: C045

This document is issued by National Grid in its role as Gas Transporter Licence holder in respect of the NTS (“National Grid”).

Transporter Proposal

Consent to Modify default System Marginal Price Methodology in UNC TPD Section F

The default System Marginal Price Methodology as defined in UNC Modification Proposal 0333A was approved by the Authority on 13th April 2011 and subsequently implemented on 1st October 2011.

Within the methodology introduced to UNC TPD Section F the multiplier used to convert ‘Total System Demand’ from Terawatt Hours (TWh) into Kilowatt Hours (KWh) should read 10^9 (ten to the power of nine) instead of 10^6 (ten to the power of six). As it stands, from October 2012 onwards the methodology will derive default System Marginal Prices in excess of those intended within UNC Modification 0333A. The intention of Modification 0333A is made clear in the working example detailed in the Modification and used to derive the default System Marginal Prices from 1st October 2011 onwards.

The error in the methodology will not affect the default System Marginal Prices applicable from 1st October 2011 as transitional rules apply to this period, however, as explained above the erroneous methodology will be used for the default System Marginal Prices to apply from 1 October 2012 onwards. Therefore this Consent to modify has been raised in good time to ensure that the UNC can be amended well in advance of any application of the relevant methodology.

The UNC Panel have been made aware of the above error, and no objections to raising this request to amend the error have been received.

Nature of Modification

UNC TPD SECTION F – System Clearing, Balancing Charges and Neutrality

Amend UNC TPD Section F, 1.1.2 (h) “Default System Marginal Price Methodology” as follows:

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$$\text{Default System Marginal Price (pence/kWh)} = \left[\frac{\text{Annual Compressor Fuel Cost (£) x 100}}{\text{Total System Demand (TWh) x } 10^{69}} \right] + \text{Average Forecast NTS Capacity Charges (pence/kWh)}$$

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 License, I hereby consent to the above modification to the Code.

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

Signature:



Date:

20/01/12

