

**MODIFICATION 790 (Urgent)**

**INTRODUCTION OF A TRANSMISSION SERVICES ENTRY FLOW CHARGE**

**EXPLANATORY TABLE**

| <b>Reference</b>                           | <b>Explanation</b>   |
|--|--|
| <b>TRANSPORTATION PRINCIPAL DOCUMENT</b>   | -  |
| <b>SECTION B – SYSTEM USE AND CAPACITY</b> | -  |
| Amended paragraph 1.7.9                    | To include NTS Entry Transmission Services Commodity Charges.  |
| Amended paragraph 2.11.1                   | To include NTS Entry Transmission Services Commodity Charges as one of the types of Entry-related Transportation Charges payable by a Shipper User.  |
| New paragraph 2.11.6                       | To include the basis on which Shipper Users will pay NTS Entry Transmission Services Commodity Charges at Entry Points, i.e. by reference to their UDQIs and the Applicable Commodity Rate.                    |
| Amended paragraph 2.11.10                  | To include NTS Entry Transmission Services Commodity Charges.  |
| Amended paragraph 9.1.1                    | To include NTS Entry Transmission Services Commodity Charges.  |
| Amended paragraph 9.3.1                    | To allow for the application of the Discounted Applicable Commodity Rate to NTS Transmission Entry Services Commodity Charges where a User has made a CNCCD Election in relation to the Nominated Entry Point. |

|   |   |
|---|---|
| Amended paragraph 9.3.1                                   | To explain in what circumstances the User shall pay the Applicable Commodity Rate in relation to NTS Entry Transmission Services Commodity Charges, i.e. without the discount.  |
| <b>SECTION Y – CHARGING METHODOLOGIES</b>                 | -   |
| <b>PART A – NTS CHARGING METHODOLOGIES</b>                | -   |
| <b>PART A-I – NTS TRANSPORTATION CHARGING METHODOLOGY</b> | -   |
| Amended paragraph 1.2.1                                   | To include NTS Entry Transmission Services Commodity Charges.   |
| Amended paragraph 1.7.1                                   | To include NTS Entry Transmission Services Commodity Charges.   |
| Amended paragraph 1.7.2                                   | To include NTS Entry Transmission Services Commodity Charges related information.   |
| Amended paragraph 2.1.3                                   | To remove the reference to Existing Registered Holdings as being relevant to the basis for determining Reference Prices and Reserve Prices for a Gas Year.  |
| Amended paragraph 2.3.1                                   | To delete redundant definitions.  |
| Amended paragraph 2.4.1                                   | To reflect deleted redundant definitions.   |
| Amended paragraph 2.4.3                                   | To include an additional assumption that for the purposes of calculating the aggregate amounts of Transmission Services Revenue estimated to be earned for a Gas Year Capacity Charges for Existing Registered Holdings will be treated as being payable on the basis described in paragraph 2.1.4. |
| Amended paragraph 2.5.1                                   | To delete redundant definitions.  |
| Amended paragraph 2.6.1                                   | To reflect deleted redundant definitions.   |
| New heading paragraph 3                                   | <b>NTS ENTRY TRANSMISSION SERVICES COMMODITY CHARGES</b>  |

|                           |  |
|---------------------------|--|
| New heading paragraph 3.1 | <b>General</b>   |
| New paragraph 3.1.1       | Explains the purpose of the charge is to recover any shortfall in allowed revenue arising from revenue earned through NTS Entry Capacity Charges by reason of setting Reference Prices on the basis described in paragraph 2.4.3 (i.e. on the basis of the revenue scaling factors and the stated assumptions).  |
| New paragraph 3.1.2       | Explains the basis for calculating the NTS Entry TS Revenue Shortfall, broadly the difference between Allowed Transmission Services Entry Revenue and revenues attributable to Existing Registered Holdings based on an estimate of the Capacity Charges actually payable.<br><br>Explains the basis for determining the Forecast Aggregate NTS Entry Quantity, broadly the quantity determined under paragraph 5.7 ignoring Interconnection Points. |
| New heading paragraph 3.2 | <b>Calculation of Charge</b>   |
| New paragraph 3.2.1       | Sets out the calculation of the NTS Entry Transmission Services Commodity Charge for a Gas Year.   |
| New paragraph 3.2.2       | Sets out the calculation of the scaling factor for the Gas Year used in determining the NTS Entry Transmission Services Commodity Charge for the Gas Year.   |
| New paragraph 3.2.3       | Explains the NTS Entry Transmission Services Commodity Charge is a Commodity Charge and payable in relation to Entry Points other than Storage Connection Points and Interconnection Points.   |
| Amended paragraph 4.1.1   | To reflect Forecast Entry Revenue will now comprise revenues from both Capacity Charges and NTS Entry Transmission Services Commodity Charges.   |
| Amended paragraph 5.1.1   | To reflect the CNCCD will also apply to NTS Entry Transmission Services Commodity Charges.   |

|                         |   |
|-------------------------|---|
| Amended paragraph 5.1.2 | Sets out the calculation of the Discounted Applicable Commodity Rate to apply in respect of the NTS Entry Transmission Services Commodity Charge payable in relation to a relevant Entry Point where a CNCCD Election in place. |
| Amended paragraph 5.5.1 | To include the requirement for National Grid NTS to give notice of the Discounted Applicable Commodity Rate applying in relation to a Gas Year.   |