

UNC 0877:

Alignment of TO Revenue and TO Revenue Adjustment terms to the current Gas Transporter Licence



***Guidance:** These slides are meant to provide a brief overview for the UNC Panel, to introduce what is trying to be achieved, to help them understand and decide the best process to be followed for new modifications. Please aim to be as brief as possible and not justify nor make the case for the Modification.*

Notes are provided in italics and if this template is being used should be removed.

The Joint Office is available to help and support the drafting of any modifications, including guidance on completion of the Modification template and the wider modification process. Contact: enquiries@gasgovernance.co.uk or 0121 288 2107.

Proposer: Ash Adams -National Gas

Panel Date: 16 May 2024

Why change?



- The Transportation Owner Revenue (TORt) and Transportation Owner Correction (TOKt) terms remain in UNC as part of the calculation of the “Average Forecast NTS Capacity Charges” which in turn are used in the calculation of the “Default System Marginal Price”
- These two Licence terms are no longer used in the current version of NGT’s licence.
- An update to the terms is therefore required to ensure there is no confusion in the values which are used in the Default SMP calculation.

Options



- To make an amendment to UNC TPD Section F 1.1.2 (j) to update the out-of-date Licence terms

Solution



- In the current Licence, the TORt term aligns broadly with the TO Recovered Revenue Term (RRt), and the TOKt term is replaced with the Correction term Kt.
- The Recovered Revenue is not known at the time of Default SMP calculation, therefore can not be used .
- The Allowed Revenue term, ARt is a more appropriate term from the current Licence to use.
- The Adjusted Revenue term (ADJRt), which is an Allowed Revenue term, independent of Kt is proposed as the replacement of both the TORt and TOKt terms to simplify the UNC text while also aligning it with the current Licence drafting.

Recommended Steps



- The Proposer recommends that this modification should be:
 - Subject to Self-Governance
 - Proceed to Consultation



Document Control to be removed upon completion of the template.

Document Control Sheet

Document ID	Title	Publication Date
Mod Presentation Template	Mod Presentation Template	
Version	Prepared by	Date Prepared
2.0	Helen Cuin	16 September 2020
Effective Date	Reviewed by	Date Reviewed
16 September 2020	Helen Cuin	14 October 2021
	Approved by	Date Approved
	TBC	TBC

Revision History

Version	Date	Review frequency	Reason for update
2.0	16 September 2020	TBC	Document Control Added