

UNC Modification 0465
Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA),
Weighted Average PARCA Security

Suggested Text

Transportation Principal Document

Section B (20 September 2013 version amendments)

1. Introduction

Amend paragraph 1.2.1 as follows:

- 1.2.1 Users may apply for, reserve and hold capacity in a System ("**System Capacity**") at certain System Points.

Add a new paragraph 1.4(c)

- (c) the User's reserved system capacity "**Reserved System Capacity**", being the Reserved Entry Capacity and/or Reserved Exit Capacity (as defined in paragraph 1.14.4), in relation to a System Point is the NTS Entry Capacity and/or NTS Exit Capacity which the User has reserved (in accordance with this Section B) at that System Point pending registration of that System Capacity. The amount of Reserved System Capacity shall be treated (for the purposes of determining the Available System Capacity only) as if it were registered as held by a User;

Add a new paragraph 1.14

1.14 Reservation of NTS Entry Capacity and/or NTS Exit Capacity through a Planning and Advanced Reservation of Capacity Agreement (PARCA)

- 1.14.1 National Grid NTS may enter into Planning and Advanced Reservation of Capacity Agreements (PARCAs).

- 1.14.2 In order to request that National Grid NTS enters into a PARCA (as defined in paragraph 1.14.3) the PARCA Applicant (as defined in paragraph 1.14.3) is required to complete an application form (the "**PARCA Application**") which National Grid NTS publishes and which may be amended and re-published from time to time following consultation and comply with the application process as set out in paragraph 1.15.

- 1.14.3 For the purposes of the Code a "**PARCA**" is an agreement (in a form published by National Grid NTS and amended and re-published from time to time following consultation) between National Grid NTS and a person who is either:

(a) a User; or

(b) subject to paragraph 1.3, not a User (the "**Reservation Party**")

and together (the "**PARCA Applicant**"),

pursuant to which the PARCA Applicant may reserve Quarterly NTS Entry Capacity at an Aggregated System Entry Point and/or Enduring Annual NTS Exit (Flat) Capacity at an NTS Exit Point; provided that a DNO User shall not be entitled to enter into a PARCA in order to reserve Quarterly NTS Entry Capacity at an Aggregated System Entry Point.

1.14.4 Any Reserved System Capacity reserved by a PARCA Applicant under a PARCA pursuant to this paragraph 1.14 will be reserved in the case of:

- (a) Quarterly NTS Entry Capacity at an Aggregated System Entry Point as reserved entry capacity (the “**Reserved Entry Capacity**”); and/or
- (b) Enduring Annual NTS Exit (Flat) Capacity at an NTS Exit Point as reserved exit capacity (the “**Reserved Exit Capacity**”),

until such time as such Reserved System Capacity becomes Registered to a User or Nominated User(s) (as defined in paragraph 1.14.5) in accordance with the terms of the PARCA. The amount of Reserved System Capacity shall be determined (and may vary from time to time) in accordance with the terms of the PARCA.

1.14.5 Subject to the provisions in the PARCA, and not less than one (1) month prior to the relevant allocation date, the Reservation Party is required under the PARCA to nominate a User or Users (the “**Nominated User(s)**”) to be Registered as holding an amount of Reserved Entry Capacity at an Aggregated System Entry Point and/or an amount of Reserved Exit Capacity at an NTS Exit Point with effect from such date as is specified in the PARCA and shall give notice to such effect to National Grid NTS.

1.14.6 A notice under paragraph 1.14.5 shall specify:

- (a) the identity of the Nominated User(s);
- (b) the amount (in kWh/d) of Reserved System Capacity to be Registered in the name of the Nominated User(s) which shall not exceed the total amount of the remaining Reserved System Capacity; and
- (c) the date, consistent with the terms of the PARCA, from which the Nominated User(s) is/are to be Registered as holding Reserved System Capacity.

Where the Reservation Party wishes to nominate, pursuant to paragraph 1.14.5, more than one (1) Nominated User to be Registered as holding an amount of Reserved Capacity, then (in addition to the requirements set out above):

- (d) the notices given by the Reservation Party under paragraph 1.14.5 in relation to each Nominated User shall be given at the same time; and
- (e) the aggregate amount of the System Capacity to be Registered in the name of the Nominated Users shall equal 100% of the Reserved System Capacity

1.14.7 Following receipt by National Grid NTS of the notice pursuant to paragraph 1.14.5, and provided that such notice has not been rejected by National Grid NTS pursuant to paragraph 14.4.10, National Grid NTS will notify the Nominated User(s) of the contents of such notice as soon as reasonably practicable.

1.14.8 Each Nominated User may within five (5) Business Days of National Grid NTS' notice under paragraph 1.14.7 confirm to National Grid NTS its acceptance of the details in the Reservation Party's notice.

1.14.9 If a Nominated User does not confirm its acceptance to National Grid NTS within the period specified in paragraph 1.14.8, National Grid NTS shall as soon as reasonably practicable notify the Reservation Party of such non-acceptance and request that the Reservation Party resubmits a notice(or notices) pursuant to paragraph 1.14.5 in relation to that amount of Reserved System

Capacity that was to be Registered in the name of the Nominated User which failed to confirm its acceptance as set out above.

1.14.10 National Grid NTS may reject the nomination of a Nominated User(s):

- (a) where any of the requirements of paragraph 1.14.6 are not complied with;
- (b) in accordance with Section V3.

1.14.11 Subject to the provisions in the PARCA, National Grid NTS's Entry Capacity Release Methodology Statement and Exit Capacity Release Methodology Statement and the Code the Reserved System Capacity will be allocated to the User or where the nomination of a Nominated User(s) has not been rejected pursuant to paragraph 1.14.10 to the Nominated User(s) on such date (the "**Registration Date**") as is specified in the PARCA.

1.14.12 In the event that the PARCA is terminated then with effect from the date of such termination:

- (a) any notice given pursuant to paragraph 1.14.5 shall be deemed null and void, and the User or Nominated User(s) (as the case may be) shall not be entitled to be allocated with such Reserved System Capacity; and
- (b) where National Grid NTS determines that such Reserved System Capacity cannot be used for the purposes of another PARCA, the Reserved System Capacity shall cease to be the Reserved System Capacity for the purposes of the Code.

1.14.13 For the avoidance of doubt:

- (a) Reserved Entry Capacity shall not form part of any User's Available Firm NTS Entry Capacity until such time as that Reserved Entry Capacity becomes Registered in accordance with the terms of Section B2; and
- (b) Reserved Exit Capacity shall not form part of any User's Available Firm NTS Exit Capacity until such time as that Reserved Entry Capacity becomes Registered in accordance with the terms of Section B3.

Add a new paragraph 1.15

1.15 The PARCA Application Process

1.15.1 In order to request that National Grid NTS enters into a PARCA, the PARCA Applicant shall complete and submit to National Grid NTS an application (in the form prescribed and published by National Grid NTS and as amended from time to time following consultation) (the "**PARCA Application**") and shall comply with the terms thereof.

1.15.2 In order to complete the PARCA Application the PARCA Applicant shall include such information as National Grid NTS may from time to time reasonably determine, which may include:

- (a) contact details of the PARCA Applicant;
- (b) connection details (including proposed NTS connection site);
- (c) first gas flow date(s) required for commissioning and commercial purposes;
- (d) proposed location of the PARCA Applicant's facility;

- (e) capacity required and/or capacity profiles (if applicable);
- (f) for information purposes only, the indicative ramp rate and notice period requirements;
- (g) where the PARCA Applicant is a DNO User, the associated NTS Exit (Flexibility) Capacity and Assured Offtake Pressure requirements should the Reserved Exit Capacity be allocated;
- (h) a Capacity range may be requested.

1.15.3 National Grid NTS shall within two (2) Business Days from the date of receipt of the PARCA Application provide written notice of receipt of the PARCA Application to the PARCA Applicant.

1.15.4 A PARCA Application shall be a “Competent PARCA Application” where:

- (a) the PARCA Application has been correctly and fully completed;
- (b) the requested technical information has been fully provided; and
- (c) the relevant fee (the "PARCA Application Fee") has been paid and is available to National Grid NTS in cleared funds.

1.15.5 National Grid NTS shall;

- (a) as soon as reasonably practicable;
 - (i) confirm to the PARCA Applicant that it is a Competent PARCA Application (no more than five (5) Business Days after the date that the PARCA Application is deemed to be a Competent PARCA Application) and subject to paragraph 1.16.4 initiate the Phase 1 PARCA Works ; or
 - (ii) advise the PARCA Applicant that the PARCA Application is not a Competent PARCA Application and specify the reasons that the PARCA Application is not a Competent PARCA Application.

1.15.6 A rejection of a PARCA Application under paragraph 1.15.5(a)(ii) shall not prevent a PARCA Applicant from submitting further PARCA Application(s).

1.15.7 The PARCA Applicant may withdraw, by written notification to National Grid NTS, a PARCA Application at any time. Following any such withdrawal, the PARCA Application Fee shall be reconciled against those actual costs (including reasonable overheads) reasonably incurred by National Grid NTS in progressing the PARCA Application and undertaking the Phase 1 PARCA Works. Where National Grid NTS has calculated that its actual reasonably incurred costs;

- (a) are less than the PARCA Application Fee paid by the PARCA Applicant, National Grid NTS shall refund the difference to the PARCA Applicant; or
- (b) are greater than the PARCA Application Fee paid by the PARCA Applicant, National Grid NTS shall invoice the difference and the PARCA Applicant shall pay such difference.

1.15.8 The PARCA Application Fee will be determined in accordance with the TPD Section Y Section 5 paragraph 45(a).

1.16 PARCA Application Window

1.16.1 Within 10 (ten) Business Days of the initiation of the Phase 1 PARCA Works, a PARCA application window (“PARCA Window”) of up to 40 (forty) consecutive Business Days will be triggered, unless the Competent PARCA Application is requesting NTS Entry Capacity and falls within an existing PARCA Entry Window or is requesting NTS Exit Capacity and falls within an existing PARCA Exit Window, in which case no PARCA Window will be triggered. PARCA Windows include PARCA exit windows (“PARCA Exit Window”) which may be triggered by a Competent PARCA Application requesting NTS Exit Capacity and PARCA entry windows (“PARCA Entry Window”) which may be triggered by a Competent PARCA Application requesting NTS Entry Capacity.

1.16.2 If no PARCA Applications requesting NTS Entry Capacity are received within the first 20 (twenty) Business Days of a PARCA Entry Window that PARCA Entry Window will close. If no PARCA Applications requesting NTS Exit Capacity are received within the first 20 (twenty) Business Days of a PARCA Exit Window that PARCA Exit Window will close.

1.16.3

(a) If a PARCA Application requesting NTS Entry Capacity is received within the first 20 (twenty) Business Days of a PARCA Entry Window, National Grid NTS will consider all PARCA Applications requesting NTS Entry Capacity received and deemed to be Competent PARCA Applications by National Grid NTS within that PARCA Entry Window at the same time as the relevant Competent PARCA Application that triggered the opening of that PARCA Entry Window and that PARCA Entry Window will remain open for forty 40 (forty) consecutive Business Days from the date it was triggered.

(b) If a PARCA Application requesting NTS Exit Capacity is received within the first 20 (twenty) Business Days of a PARCA Exit Window, National Grid NTS will consider all PARCA Applications requesting NTS Exit Capacity received and deemed to be Competent PARCA Applications by National Grid NTS within that PARCA Exit Window at the same time as the relevant Competent PARCA Application that triggered the opening of that PARCA Exit Window and that PARCA Exit Window will remain open for forty 40 (forty) consecutive Business Days from the date it was triggered.

1.16.4 National Grid NTS shall not be required to initiate Phase 1 PARCA Works for a PARCA reserving:

(a) NTS Entry Capacity in the period between the date of an annual invitation issued pursuant to paragraph 2.2.2(b) and the final allocation of Quarterly NTS Entry Capacity pursuant to that annual invitation; and

(b) NTS Exit Capacity in the period between the date of the enduring annual capacity notification pursuant to paragraph 3.2.26 and the 30 of September in that same Gas Year.

1.16.5 Where National Grid NTS determines that it will be delayed in initiating Phase 1 PARCA Works due to the terms of paragraph 1.16.4, National Grid NTS will inform the PARCA Applicant accordingly. National Grid NTS will use reasonable endeavours to initiate the Phase 1 PARCA Works under paragraph 1.16.4 as soon as reasonably practicable and in any event for a PARCA reserving NTS Entry Capacity no later than the date of the final allocation in

accordance with paragraph 1.16.4 (a) and for a PARCA reserving NTS Exit Capacity no later than 30 September in that same Gas Year.

1.16.6 Only one PARCA Entry Window and/or PARCA Exit Window will be open at any one time, however a PARCA Entry Window and a PARCA Exit Window may be open at the same time.

1.16.7 Within 10 (ten) Business Days of initiation of the Phase 1 PARCA Works, National Grid NTS will, in addition to the information published under paragraph 1.18.1, publish a notice that a PARCA Window is open for a period of up to 40 (forty) consecutive Business Days, subject to paragraph 1.16.2.

1.16.8 Upon closure of a PARCA Window, National Grid NTS will publish:

- (a) a notice that the PARCA Window is closed; and
- (b) the number of PARCAs requested within that PARCA Window.

1.16.9 The closure of the PARCA Window does not prevent further PARCA Applications being submitted at any other time. Where a PARCA Application is made outside of an open PARCA Window, the date that requested capacity is made available from may be impacted by other PARCAs and Competent PARCA Applications already requested or made and in progress.

1.16.10 Unless otherwise agreed with the PARCA Applicant, the triggering of a PARCA Window shall have no effect on the timescales under paragraph 1.17.1 for completing the Phase 1 PARCA Works for the Competent PARCA Application that triggered the PARCA Window.

1.17 Phase 1 PARCA Works

1.17.1 Where the Phase 1 PARCA Works have been initiated such works shall be completed by National Grid NTS as soon as reasonably practicable and in any event within 6 (six) months from the date of initiation of the Phase 1 PARCA Works.

1.17.2 Following completion of the Phase 1 PARCA Works, National Grid NTS shall submit to the PARCA Applicant a Phase 1 PARCA Works Report, technical options report and the PARCA (based on the PARCA contract which National Grid NTS publishes and which may be amended and re-published from time to time follow consultation) populated with the relevant information from the Competent PARCA Application.

1.17.3 The Phase 1 PARCA Works Report relating to the relevant Competent PARCA Application will include:

- (a) the Registration Date (Note: this may or may not be the same date as requested by the PARCA Applicant in the Competent PARCA Application);
- (b) the quantity of Quarterly NTS Entry Capacity and/or Enduring Annual NTS Exit (Flat) Capacity to be reserved and, if applicable, the capacity range that can be accommodated (which may, or may not be the capacity range requested by the PARCA Applicant under the Competent PARCA Application);
- (c) the profile of the Quarterly NTS Entry Capacity and/or Enduring Annual NTS Exit (Flat) Capacity to be reserved (where applicable) and, if applicable, the Reserved Capacity Tolerance (as defined under the PARCA) that can be accommodated (which may, or may not be the capacity range requested by the PARCA Applicant under the Competent PARCA Application).

- (d) the allocation date, which is the date on which the Reserved Quarterly NTS Entry Capacity and/or Enduring Annual NTS Exit (Flat) Capacity will be Registered by National Grid NTS to the Reservation User or, as the case may be, the Nominated User(s);
- (e) the indicative Quarterly NTS Entry Capacity and/or NTS Exit (Flat) Capacity Charges applicable to the Reserved Capacity;
- (f) the actual costs incurred by National Grid NTS in undertaking the Phase 1 PARCA Works showing whether monies are owed by the PARCA Applicant to National Grid NTS or to be returned by National Grid NTS to the PARCA Applicant;
- (g) the security requirements to further progress the PARCA.
- (h) the PARCA Demonstration Information and PARCA Demonstration Date (both terms as defined under the PARCA) requirements.
- (i) whether there is a need for reinforcement works;
- (j) for information purposes only, indicative ramp rates and pressures which are not legally binding on either party;
- (k) where the PARCA Applicant is a DNO User, the NTS Exit (Flexibility) Capacity quantity and Assured Offtake Pressure that National Grid NTS will provide at the DNO Offtake if the reserved capacity is allocated subject to the terms and conditions of the PARCA.

1.17.4 In order for a PARCA Applicant to reserve Reserved System Capacity, by no later than 28 (twenty eight) Days following receipt of the Phase 1 PARCA Works Report the Applicant shall submit to National Grid NTS;

- (a) the original signed version of the PARCA; and
- (b) the relevant security requirements as identified in the Phase 1 PARCA Works Report.

1.17.5 If the PARCA Applicant has not submitted the original signed version of the PARCA and put in place the relevant security requirements as identified in the Phase 1 PARCA Works Report in the timescale prescribed in paragraph 1.17.4, National Grid NTS shall not be required to counter sign the PARCA.

1.17.6 Subject to paragraph 1.17.5, where the PARCA Applicant has signed and returned an original of the PARCA to National Grid NTS pursuant to paragraph 1.17.4(a), National Grid NTS will sign the PARCA and return a copy of the PARCA to the PARCA Applicant within 2 (two) Business Days of receiving the signed original from the PARCA Applicant.

1.17.7 Reservation of the NTS Capacity will occur where:

- (a) the requirements set out in paragraph 1.17.4 have been satisfied;
- (b) National Grid NTS has signed and returned the PARCA pursuant to paragraph 1.17.6; and
- (c) in respect of Quarterly NTS Entry Capacity only;

- (i) a net present value test, in accordance with the Incremental Entry Capacity Release Statement, that is based upon the quantities of Quarterly NTS Entry Capacity and indicative NTS Entry Capacity Price steps, has been satisfied; or
- (ii) where National Grid NTS determine that no net present value test is required, a quantity of Quarterly NTS Entry Capacity has been requested by the PARCA Applicant in at least 16 (sixteen) Quarters within a 32 (thirty two) consecutive Quarter period.

1.17.8 For the purposes of the Code, the "Phase 1 PARCA Works" are those works deemed necessary by National Grid NTS to process the PARCA Application and to produce and issue the Phase 1 PARCA Works Report, as such works may be specified more explicitly in the PARCA Application.

1.18 PARCA – Information publishing

1.18.1 National Grid NTS shall publish information relating to PARCAs and Reserved System Capacity as follows:

- (a) within 10 (ten) Business Days of initiation of the Phase 1 PARCA Works, National Grid NTS will publish:
 - (i) the geographical area of the NTS Exit Point and/or NTS Entry Point to which the PARCA relates;
 - (ii) an indicative range of Reserved System Capacity to which the PARCA relates based upon the maximum quantity of capacity requested;
 - (iii) the indicative date on which the Reserved System Capacity will be reserved in accordance with the Code and the PARCA; and
 - (iv) the requested Registration Date in respect of the Reserved System Capacity;

and National Grid NTS shall publish updates to any of the above information from time to time as applicable.

- (b) within 10 (ten) Business Days of the reservation of Reserved System Capacity pursuant to a PARCA, National Grid NTS will publish:
 - (i) where substitution is proposed, the quantity (if any) of Unsold Enduring Annual NTS Exit (Flat) Capacity and/or Quarterly NTS Entry Capacity that has been reserved from each donor NTS Exit Point and/or NTS Entry Point and the relevant periods of such reservation;
 - (ii) the geographical area of the NTS Exit Point and/or NTS Entry Point to which the PARCA relates or the NTS Exit and/or NTS Entry Point (if known);
 - (iii) the quantity (if any) of Unsold Enduring Annual NTS Exit (Flat) Capacity and/or Quarterly NTS Entry Capacity reserved at the NTS Exit Point and/or NTS Entry Point and the relevant periods of such reservation;
 - (iv) the total quantity (if any) of Reserved System Capacity reserved at the NTS Exit Point and/or NTS Entry Point,

and National Grid NTS shall publish updates to any of the above information from time to time as applicable.

- (c) National Grid NTS will publish, as soon as reasonably practicable and respecting commercial confidentiality, details of the progress made against the phases of each PARCA. This will include in each case updates on the submission of application for a development consent order (if required), receipt of a development consent order (if required), and calculation of any required revenue drivers;
- (d) within 10 (ten) Business Days of the termination of a PARCA, National Grid NTS will publish the quantity and location of any Enduring Annual NTS Exit (Flat) Capacity and/or NTS Entry Capacity that is no longer reserved pursuant to that PARCA and is therefore being made to Users by means of the other mechanisms set out in paragraph 2 or 3;
- (e) not more than twenty four (24) hours after the time at which National Grid NTS notifies the User or Nominated User(s) of their allocation of Quarterly NTS Entry Capacity pursuant to the PARCA and the Code, National Grid NTS will notify all Users of the following in respect of each calendar quarter:
 - (i) the price (in pence/kWh) payable for NTS Entry Capacity by the relevant User (and the amount of NTS Entry Capacity applied for);
 - (ii) the volume of NTS Entry Capacity allocated;
 - (iii) the volume of Incremental NTS Entry Capacity allocated; and
 - (iv) the amount of Unsold NTS Entry Capacity (if any) at the relevant NTS Entry Point following the allocation;
- (f) not more than twenty four (24) hours after the time at which National Grid NTS notifies the User or Nominated User(s) of their allocation of Enduring Annual NTS Exit (Flat) Capacity pursuant to the PARCA and the Code, National Grid NTS will notify all Users of the following information:
 - (i) the volume of Enduring Annual NTS Exit (Flat) Capacity allocated; and
 - (ii) the incremental volume (being the volume above Baseline NTS Exit (Flat) Capacity) of Enduring Annual NTS Exit (Flat) Capacity allocated.

2. NTS Entry Capacity

Amend paragraph 2.1.2 (a) as follows:

2.1.2 Users may apply for and be registered as holding NTS Entry Capacity:

- (a) as Quarterly NTS Entry Capacity pursuant to an auction in accordance with paragraph 2.2 and/or apply for, reserve and be Registered as holding NTS Entry Capacity as Quarterly NTS Entry Capacity under a PARCA pursuant to paragraph 1.14.

Amend paragraph 2.1.3 as follows:

2.1.3 A User may not apply for or reserve under a PARCA pursuant to paragraph 1.14 or be registered as holding NTS Entry Capacity at an Aggregate System Entry Point in an amount less than 100,000 kWh/Day (the "**minimum eligible amount**").

Amend paragraph 2.1.4 (a) as follows:

2.1.4 In relation to an Aggregate System Entry Point:

- (a) "**Quarterly NTS Entry Capacity**" is Firm NTS Entry Capacity which may be applied for, [or reserved under a PARCA pursuant to paragraph 1.14](#) and registered as held (in a given amount) by a User for each Day in a particular calendar quarter.

Amend paragraph 2.1.5 as follows:

2.1.5 In respect of an Aggregate System Entry Point and in relation to a Day in a calendar month in a Formula Year:

- (a) "**Obligated Entry Capacity**" is the amount of NTS Entry Capacity which National Grid NTS is required to make available to Users pursuant to National Grid NTS's Transporter's Licence as set out in National Grid NTS's Transportation Statement;
- (b) "**Incremental NTS Entry Capacity**" is the amount of Firm NTS Capacity (if any) in excess of the Unsold NTS Entry Capacity which National Grid NTS may (but shall not be required to) invite applications for pursuant to paragraphs 2.2 and 2.3; [and which may be reserved as Quarterly NTS Entry Capacity under a PARCA pursuant to paragraph 1.14](#); and
- (c) "**Unsold NTS Entry Capacity**" is the amount of Firm NTS Entry Capacity that National Grid NTS has [an obligation to make available \(in accordance with the procedures set out in this paragraph 2\) to Users pursuant to Special Condition 5F of National Grid NTS's Transporter's Licence as, in the case of NTS Entry Capacity to be made available under paragraphs 2.2, 2.3 and 2.4 but not paragraph 2.5, set out in National Grid NTS's Transportation Statement](#) for the purpose of:
- (i) paragraph 2.2, in relation to each Day in a calendar quarter (in the case of QSEC) or in a month (in the case of AMSEC);
 - (ii) paragraph 2.3 in relation to each Day in a calendar month;
 - (iii) paragraph 2.4 in relation to a Day;

~~[in each case minus Reserved Entry Capacity for the calendar quarter, calendar month or Day in question an obligation to make available \(in accordance with the procedures set out in this paragraph 2\) to Users pursuant to Special Condition 5F of National Grid NTS's Transporter's Licence as, in the case of NTS Entry Capacity to be made available under paragraphs 2.2, 2.3 and 2.4 but not paragraph 2.5, set out in National Grid NTS's Transportation Statement.](#)~~

Amend paragraph 2.1.12 as follows:

2.1.12 Any price to be specified by National Grid NTS or a User pursuant to any provision of this paragraph 2 [or under a PARCA pursuant to paragraph 1.14](#) shall be expressed in pence/kWh/Day and specified to four decimal places.

Amend paragraph 2.1.13 as follows:

2.1.13 For the purposes of this paragraph 2 and [/or paragraph 1.14 \(as applicable\)](#) in particular in the context of applications for NTS Entry Capacity [or reservation of Quarterly NTS Entry Capacity under a PARCA](#) in accordance with the further provisions of this paragraph 2 and [/or paragraph](#)

1.14 (as applicable), a reference to a 'Capacity Year + n' is a reference to the Capacity Year commencing on either the n anniversary of the first Day of the Capacity Year in which the applications are invited to be made or on the anniversary of the first Day of the Capacity Year in which the PARCA was agreed.

Amend paragraph 2.2.18 as follows:

2.2.18 This paragraph 2.2.18 shall only apply where Quarterly NTS Entry Capacity is requested through a PARCA Application.

~~(a) For the purposes of this paragraph 2.2.18:~~

~~(i) a "New" Aggregate System Entry Point is an Aggregate System Entry Point in respect of which National Grid NTS has not previously held an annual invitation in accordance with the earlier provisions of this paragraph 2.2 or this paragraph 2.2.18;~~

~~(ii) an "initial" quarterly capacity bid is a capacity bid submitted on an initial annual invitation date and a "secondary" quarterly capacity bid is a quarterly capacity bid submitted on a secondary annual invitation date.~~

(a) Where this paragraph 2.1.18 applies, then within 10 (ten) Business Days of initiating the Phase 1 PARCA Works in relation to that PARCA Application, National Grid NTS will invite Users to submit applications for Quarterly NTS Entry Capacity in accordance with this paragraph 2.2.18; provided that no such invitation shall be made:

(i) in the period between the date of an annual invitation issued pursuant to paragraph 2.2.2 and the end of the annual invitation period in accordance with this paragraph 2.2.

(ii) in the period between the date of a previous annual invitation issued pursuant to this paragraph 2.2.18 and the end of that ad-hoc annual invitation period in accordance with this paragraph 2.2.

(b) By not later than the Day falling twenty eight (28) Days before the ~~first initial~~ annual invitation date, National Grid NTS will notify Users of the applicable reserve prices and the step prices that will apply in respect of the ~~New~~ Aggregate System Entry Points for the purposes of the ~~first~~ annual invitation.

(c) National Grid NTS will invite applications (~~"first"~~ annual invitation (for the avoidance of doubt there may be more than one annual invitation)) for Quarterly NTS Entry Capacity at ~~the New~~ Aggregate System Entry Points for each calendar quarter in Capacity Year +2 to Capacity Year +16 (inclusive) for such aggregate amounts of Unsold NTS Entry Capacity only as is specified in the ~~first~~ annual invitation and Users may make applications for NTS Entry Capacity in respect of the ~~New~~ Aggregate System Entry Points in accordance with this paragraph 2.2.18.

(d) National Grid NTS's annual invitation under paragraph 2.2.18(c) will specify:

(i) the date(s) on which applications ("**initial applications**") pursuant to the ~~first~~ annual invitation may be made, which shall be a period of ten (10) consecutive Business Days, (each such date an "~~initial~~" annual invitation date);

~~(ii) the date(s) on which further applications ("**secondary applications**") pursuant to the first annual invitation may be made, which shall be a period of ten (10) consecutive Business Days, (each such date a "**secondary**" annual invitation date);~~

~~(iii) the conditions which must be satisfied before National Grid NTS will invite Users to submit secondary applications;~~

~~(iv)~~ (ii) for ~~the New~~ Aggregate System Entry Points, and in respect of each of Capacity Year + 2 to Capacity Year + 16 (inclusive), the Available Unsold NTS Entry Capacity and the applicable reserve prices for Obligated Entry Capacity (in accordance with the Transportation Statement) (the "**applicable reserve price**");

~~(v)~~ (iii) for ~~the New~~ Aggregate System Entry Points, and in respect of each of Capacity Year + 2 to Capacity Year + 16 (inclusive):

(1) the relevant number of incremental capacity amounts of Quarterly NTS Entry Capacity greater than the Obligated Entry Capacity (the maximum incremental capacity amount being the lower of (1) an amount not less than an amount equal to 150% of Obligated Entry Capacity and (2) an amount determined by the application of National Grid's NTS's Entry Capacity Release Methodology Statement); and

(2) the step price payable by Users for each different incremental capacity amount were National Grid NTS to make such incremental capacity amount available (even though no such incremental capacity will be made available by National Grid NTS in these circumstances) in each case (in accordance with National Grid NTS's Transportation Statement); and

~~(vi)~~(iv) the relevant number for the purposes of paragraph ~~(v)~~ (iii) being twenty (20) except in the event of a ~~New~~ Aggregate System Entry Point where the Obligated Entry Capacity is less than 300,000,000 kWh/Day where the relevant number (being not greater than twenty (20) and not less than five (5)) as set out in National Grid NTS's Transportation Statement.

~~(e) — Provided the conditions referred to in the first annual invitation are satisfied National Grid NTS will by not later than the Day falling twenty eight (28) Days before the first Day on which Users may submit secondary applications re-notify Users of each of the secondary annual invitation date(s), and National Grid NTS's invitation will be in accordance with paragraph 2.2.18(d) and the applicable reserve price shall be the same as that applicable reserve price that applied when Users were invited to submit initial applications.~~

~~(f)~~(e) Users may apply for Quarterly NTS Entry Capacity for a calendar quarter in each of Capacity Year + 2 to Capacity Year + 16 (inclusive) in respect of ~~the New~~ Aggregate System Entry Points on ~~initial~~ the annual invitation dates ~~and on secondary annual invitation dates (and a User who has not submitted an initial application shall not be prevented from submitting a secondary application where National Grid NTS invites secondary applications).~~

~~(g)~~(f) For the avoidance of doubt, and without prejudice to the further provisions of this paragraph 2.2.18, in relation to an first annual invitation:~~(i) paragraphs 2.2.5, 2.2.6, 2.2.8, 2.2.10, and 2.2.11(b) and 2.2.12 shall apply;~~

~~(i) — paragraph 2.2.9 shall apply provided that an initial quarterly capacity bid may not be withdrawn on a secondary annual invitation date;~~

~~(iii) — paragraph 2.2.15 shall apply for which purposes the prevailing relevant step price group shall be determined by reference to the quantities of Quarterly NTS Entry Capacity applied for in aggregate at the New Aggregate System Entry Point by Users up until 17:00 hours on each relevant invitation date).~~

~~(h)~~(g) Without prejudice to paragraph 2.2.18(i), ~~f~~Following the submission of ~~initial~~ applications in relation to ~~the New~~ Aggregate System Entry Points paragraph 2.6 shall apply and National Grid NTS shall allocate NTS Entry Capacity and Users will be registered as holding Quarterly NTS Entry Capacity at the ~~New~~ Aggregate System Entry Point in the amounts so allocated.

~~(i) — Where National Grid NTS invites and Users submit secondary applications in relation to the New Aggregate System Entry Point paragraph 2.6 shall again apply for which purposes the Reserve Price Bid Amount and the relevant step price group shall be determined by reference to initial quarterly capacity bids and secondary quarterly capacity bids and National Grid NTS shall allocate or (as the case may be) reallocate NTS Entry Capacity and Users will be registered as holding Quarterly NTS Entry Capacity in the amounts so allocated or (as the case may be) reallocated.~~

~~(j) — For the avoidance of doubt following the allocation of NTS Entry Capacity under paragraph 2.2.18(i) Users agree to pay by way of NTS Entry Charges for the Quarterly NTS Entry Capacity allocated the step price corresponding to the relevant step price group for the calendar quarter following the second application of paragraph 2.6 irrespective of whether or not the step price is the same as the step price corresponding to the relevant step price group following the first application of paragraph 2.6 in respect of initial applications.~~

~~(k) — Nothing in this paragraph 2.2.18 shall be construed as giving rise to a requirement that National Grid NTS make available NTS Entry Capacity in relation to the New Aggregate System Entry Point on secondary annual invitation dates or that National Grid NTS invite Users to submit secondary applications.~~

Add a new paragraph 2.6.8 as follows:

2.6.8 Where an amount of NTS Entry Capacity became Registered pursuant to paragraph 1.14, the User or Nominated User(s) will, on the date specified in the PARCA, be registered as holding that amount of NTS Entry Capacity specified in the PARCA and/or the confirmed notices issued pursuant to paragraph 1.14.5.

Amend paragraph 2.11.1 as follows:

2.11.1 (a) A User shall, ~~subject to paragraph (b) below,~~ pay Capacity Charges ("NTS Entry Capacity Charges") in respect of its Registered NTS Entry Capacity at Aggregate System Entry Points.

~~(b) — Where:~~

~~(i) — pursuant to paragraph 2.2.18 National Grid NTS allocates Quarterly NTS Entry Capacity for the first time at a New Aggregate System Entry Point from a specific date (the "First Capacity Allocation Date") but fails to accept gas properly tendered for delivery by a User (for the purpose of this paragraph 2.11.1 a "relevant User") at that Aggregate System Entry Point in the period on and following that First Capacity Allocation Date; and~~

~~(ii) — the reason for such failure is the non-commissioning of that Aggregate System Entry Point or any System Entry Point comprised within it; and~~

~~(iii) — the relevant User both holds Registered Quarterly NTS Entry Capacity and does properly tender gas for delivery on the relevant Day(s) at that Aggregate System Entry Point~~

~~then no NTS Entry Capacity Charges shall be payable by that relevant User in respect of such Registered NTS Entry Capacity at that Aggregate System Entry Point for each Day in the period from the First Capacity Allocation Date to the Day immediately preceding that on which National Grid NTS is first able to accept gas properly tendered for delivery by any User. Notwithstanding any other provision of the Code, the provisions of this paragraph (b) shall be the sole and exclusive remedy of Users where National Grid NTS fails to accept gas properly tendered for delivery in the circumstances set out above.~~

~~(b)~~ (b) A User shall pay Commodity Charges ("NTS Entry Commodity Charges") in respect of the flow of gas into the NTS on any day, or a charge calculated by reference to Special Condition 2A and 3A of National Grid NTS's Transporter's Licence.

Amend paragraph 2.11.2 as follows:

2.11.2 The NTS Entry Capacity Charge payable by a User in respect of each Day will be determined for each Aggregate System Entry Point and each class (as described in paragraph 2.1.4) of NTS Entry Capacity, as the amount of the User's Registered NTS Entry Capacity (of the relevant class, and in the case of Quarterly NTS Entry Capacity and Monthly NTS Entry Capacity, applied for pursuant to paragraphs 2.2 and/or 2.3 and/or reserved under paragraph 1.14, and allocated following an invitation date and/or allocated under a PARCA pursuant to paragraph 1.14) multiplied by the Applicable Daily Rate.

Amend paragraph 2.11.3(a) as follows:

2.11.3 The Applicable Daily Rate shall be:

(a) in respect of Quarterly NTS Entry Capacity;

(i) applied for pursuant to an annual invitation under paragraph 2.2, the applicable reserve or cleared price (for the calendar quarter) as determined following the relevant annual invitation date in accordance with paragraph 2.6; and

- (ii) [applied for, reserved and registered under a PARCA pursuant to paragraph 1.14 the applicable price as set out in the relevant Transportation Statement.](#)

Amend paragraph 2.12.3 (a) as follows:

2.12.3 The System Entry Overrun Charge shall be calculated as the amount of the overrun quantity multiplied by whichever is the greatest of:

- (a) $(8 * A)$, where 'A' is the highest price bid price in relation to a capacity bid in respect of which NTS Entry Capacity was allocated following an invitation under paragraphs 2.2, 2.3 and 2.4 [and/or the highest price payable in respect of NTS Entry Capacity allocated under a PARCA pursuant to paragraph 1.14](#); and

Amend paragraph 2.13.3 as follows:

2.13.3 In relation to each Aggregate System Entry Point and a calendar month, National Grid NTS shall pay to each relevant User an amount ("**Capacity Revenue Neutrality Charge**") determined as:

$$\text{RCR} * \text{UFAC} / \text{AFAC}$$

where:

RCR is the Relevant Capacity Revenues;

UFAC is the aggregate sum of the User's Fully Adjusted Firm Available NTS Entry Capacity [\(exclusive of any Reserved Entry Capacity under a PARCA pursuant to paragraph 1.14\)](#) at each Aggregate System Entry Point; and

AFAC is the aggregate sum of all User's Fully Adjusted Firm Available NTS Entry Capacity [\(exclusive of any Reserved Entry Capacity under a PARCA pursuant to paragraph 1.14\)](#) at each Aggregate System Entry Point

in each case as determined at 04:00 hours on the relevant Day.

3. NTS Exit Capacity

Amend paragraph 3.1.3 as follows:

3.1.3 Users may:

- (a) apply for and be registered as holding NTS Exit Capacity as:
- (i) Annual NTS Exit (Flat) Capacity pursuant to an application in accordance with paragraphs 3.2 and 3.4;
 - (ii) Daily NTS Exit (Flat) Capacity pursuant to an invitation in accordance with paragraphs 3.5 and 3.6;
 - (iii) NTS Exit (Flexibility) Capacity in accordance with paragraph 3.7;
- (b) [apply for, reserve and be registered as holding Enduring Annual NTS Exit \(Flat\) Capacity and/or, in the case of DNO Users only, NTS Exit \(Flexibility\) Capacity under a PARCA pursuant with paragraph 1.14](#)

~~(b)~~ (c) offer or agree to surrender NTS Exit Capacity in accordance with paragraph 3.11.

Amend paragraph 3.1.4 as follows:

3.1.4 Subject to paragraph 3.2.15(d), a User may not apply for, [reserve under a PARCA pursuant to paragraph 1.14](#), bid or offer to surrender NTS Exit (Flat) Capacity at an NTS Exit Point in an amount less than 100,000 kWh per day (the "**minimum eligible amount**").

Amend paragraph 3.1.5(c) as follows:

(c) "**Enduring**" Annual NTS Exit (Flat) Capacity is Annual NTS Exit (Flat) Capacity which may be applied for, [reserved under a PARCA pursuant to paragraph 1.14](#) and registered as held (in a given amount) by a User with effect from the Day for which it is allocated pursuant to paragraph 3.2 [and/or under a PARCA pursuant to paragraph 1.14](#), on the basis that the User will continue to hold such amount of capacity subject only to:

- (i) a reduction in accordance with paragraph 3.2;
- (ii) the User ceasing to hold the capacity in accordance with 3.3.7(a);
- (iii) any System Capacity Assignment;

Amend paragraph 3.1.6(b) as follows:

3.1.6 For the purposes of the Code:

(b) in respect of an NTS Exit Point and in relation to a Gas Year:

- (i) the "**Baseline NTS Exit (Flat) Capacity**" is the amount of NTS Exit (Flat) Capacity which National Grid NTS is required to make available to Users in relation to each Day in that Gas Year (or part thereof) pursuant to National Grid NTS's Transporter's Licence and as set out in National Grid NTS's Exit Capacity release obligation summary report;
- (ii) at any time the "**Remaining Available NTS Exit (Flat) Capacity**" in relation to that Gas Year or (as the case may be) a Day in that Gas Year is the amount (if any) by which the Baseline NTS Exit (Flat) Capacity for that Gas Year exceeds the aggregate amount of NTS Exit (Flat) Capacity registered, at that time, as held by Users in relation to that Gas Year or Day ([Reserved NTS Exit Capacity shall be treated \(for the purposes only of determining the Remaining Available NTS Exit \(Flat\) Capacity\) as if it were registered as held by a User](#));

Amend paragraph 3.1.6(d) as follows:

(d) a "**New**" NTS Exit Point is an NTS Exit Point in respect of which Users have not previously been able to submit an application or bid for Annual NTS Exit (Flat) Capacity in accordance with the provisions of paragraphs 3.2.3(a) ~~and~~, 3.4 [and/or under a PARCA pursuant to paragraph 1.14](#).

Amend paragraph 3.1.8 as follows:

3.1.8 For the purposes of this paragraph 3 and in particular in the context of applications and invitations for Annual NTS Exit (Flat) Capacity [or reservation of Enduring Annual NTS Exit \(Flat\) Capacity under a PARCA pursuant to paragraph 1.14](#) in accordance with the further provisions of this paragraph 3 [and/or under a PARCA pursuant to paragraph 1.14](#) a reference to

a 'Gas Year Y+n' is a reference to a Gas Year commencing on the nth anniversary of the first Day of the Gas Year in which such applications are to be made.

Amend paragraph 3.2.12 as follows:

3.2.12 A User may accept an offer made under paragraph 3.2.10 within thirty (30) days of the date on which the offer was made by National Grid NTS or within such other greater period as agreed between National Grid NTS and the User, and where the User accepts an offer the User will be registered as holding the Enduring Annual NTS Exit (Flat) Capacity at the NTS Exit Point with effect from the date(s) specified in the offer (in accordance with paragraph 3.2.10(c)) and /or the date specified under a PARCA pursuant to paragraph 1.14 (the "**Registration Date(s)**").

Amend paragraph 3.2.21 as follows:

3.2.21 National Grid NTS may invite Users to submit a notice of reduction at such other times as it may determine in accordance with the principles in the prevailing Exit Capacity Substitution Methodology Statement, and any such invitation shall specify:

- (a) the period (being a period other than the period referred to in paragraph 3.2.15) during which a User may give a notice of reduction;
- (b) the earliest date on which National Grid NTS may give effect to a reduction; ~~and~~
- (c) the date on which National Grid NTS will notify a User of whether or not it will give effect to a notice of reduction; ~~;~~ and
- (d) where applicable, the NTS Exit Points where such notices of reduction will be Permitted.

Amend the heading to paragraph 3.3 as follows:

3.3 ~~NTS Exit ARCAs and~~ Demonstration Dates

Amend paragraph 3.3.1 as follows:

3.3.1 Not used. ~~National Grid NTS may enter into NTS Exit ARCAs.~~

Amend paragraph 3.3.2 as follows:

3.3.2 Not used. ~~For the purposes of the Code an "NTS Exit ARCA" (which it is anticipated will contain provisions similar to those in paragraphs 3.3.4 to 3.3.7 (inclusive)) is an agreement with a person who is not a User (the "Reservation Party"), under which the Reservation Party is entitled to nominate any User to be registered with effect from such date as is specified in the NTS Exit ARCA, as holding an amount of Enduring Annual NTS Exit (Flat) Capacity (the "Reserved Capacity") in respect of an NTS Exit Point.~~

Amend paragraph 3.3.3 as follows:

3.3.3 Not used. ~~Where National Grid NTS has entered into an NTS Exit ARCA:~~

- (a) ~~the amount of Reserved Capacity shall be treated (for the purposes of determining the Remaining Available NTS Exit (Flat) Capacity) as if it were registered as held by a User;~~
- (b) ~~National Grid NTS will not be required to make Reserved Capacity available to Users in accordance with the other provisions of this paragraph 3;~~
- (c) ~~the Reservation Party may by notice to National Grid NTS nominate a User to be registered as holding Reserved Capacity;~~

- ~~(d) — a notice under paragraph (c) shall specify:~~
- ~~(i) — the identity of the nominated User;~~
 - ~~(ii) — an amount of Reserved Capacity to be registered in the name of the nominated User which shall not exceed the total amount of Reserved Capacity (taking into account any prior notice by the Reservation Party under this paragraph 3.3.3 in relation to the NTS Exit ARCA);~~
 - ~~(iii) — the date, consistent with the terms of the NTS Exit ARCA, from which the nominated User is to be registered as holding Reserved Capacity~~
- ~~and following such notice National Grid NTS will notify the nominated User of the contents of such notice;~~
- ~~(e) — the nominated User may within five (5) Business Days of National Grid NTS's notice under paragraph (d) confirm to National Grid NTS its acceptance of the details in the Reservation Party's notice;~~
- ~~(f) — National Grid NTS may reject the User's nomination:~~
- ~~(i) — where any of the requirements of paragraph (d) is not complied with;~~
 - ~~(ii) — in accordance with Section V3; and~~
- ~~(g) — subject to paragraph (f), a nominated User shall be deemed (including for the purposes of paragraph 3.2.16) to have been allocated Reserved Capacity and accordingly be registered as holding Enduring Annual NTS Exit (Flat) Capacity from the date determined under the NTS Exit ARCA.~~

Section Y (20 September 2013 version amendments)

Add a new Section 5 in PART A as follows:

SECTION 5 – RESERVATION OF CAPACITY THROUGH A PARCA

45. Phase 1 PARCA Works

- (a) The PARCA Application Fee will be:
- (i) based upon estimated costs of completing the Phase 1 PARCA Works; and
 - (ii) the same monetary amount for all PARCA Applicants.
- (b) Actual costs of the Phase 1 PARCA Works will be assessed and the difference (if any) between the PARCA Application Fee and the actual costs incurred by National Grid NTS to complete Phase 1 PARCA Works will either:
- (i) in case the Phase 1 PARCA Works are in excess of the PARCA Application Fee, be invoiced to the PARCA Applicant; or
 - (ii) in case the PARCA Application Fee exceeds the Phase 1 PARCA Works, be refunded by National Grid NTS to the PARCA Applicant.
- (c) The PARCA Application Fee payable by the PARCA Applicant will be reviewed, updated and published on an annual basis to reflect any changes to National Grid NTS costs associated with completing Phase 1 PARCA Works.

46 Phase 2 – Reservation of Capacity under the PARCA

- (a) The amount required to be covered by the PARCA Applicant will be the PARCA security amount ("**Total PARCA Security Amount**"). The PARCA Security Amount will be calculated using the prevailing PSAex or PSAen on the date the PARCA Application is confirmed as a Competent PARCA Application and phased as follows:

(i) for Exit Capacity:

$$\text{Total PARCA Security Amount (£)} = (\text{PSAex} / 100) \times \text{Qex} \times 365$$

Where:

PSAex = the weighted average price of registered annual and enduring NTS Exit (Flat) Capacity, to be 0.0079 (p/kWh/Day), until values are published in the Statement of Gas Transmission Transportation Charges. National Grid NTS is to be required to publish this value in all future Statements of Gas Transmission Transportation Charges and it shall be calculated as:

$$\text{PSAex} = \frac{\sum_{j=1}^n (\text{Exit RegCap}_j * \text{Exit Price}_j)}{\sum_{j=1}^n (\text{Exit RegCap}_j)}$$

Where:

ExitRegCap_j = The Registered Annual plus Enduring Annual NTS Exit (Flat) Capacity, as at the time of publication of actual charges, for each NTS Exit Point j.

ExitPrice_j = The prevailing Applicable Daily Rate, in accordance with The Statement of Gas Transmission Transportation Charges for each NTS Exit Point j.

Qex = the maximum amount of NTS Exit Capacity to be Reserved by the PARCA Applicant (kWh/Day) as specified in the Phase 1 PARCA Works Report

(ii) for Entry Capacity:

$$\text{Total PARCA Security Amount (£)} = (\text{PSAen} / 100) \times \text{Qen} \times 365$$

Where:

PSAen = the weighted average price of Registered Quarterly NTS Entry Capacity, to be 0.0098 (p/kWh/Day) until values are published in the Statement of Gas Transmission Transportation Charges. National Grid NTS is to be required to publish this value in all future Statements of Gas Transmission Transportation Charges and it shall be calculated as:

$$\text{PSAen} = \frac{\sum_{i=1}^n (\text{Entry RegCap}_i * \text{Entry Price}_i)}{\sum_{i=1}^n (\text{Entry RegCap}_i)}$$

Where:

EntryRegCap_i = The Registered NTS Entry Capacity booked through the QSEC and AMSEC processes, as at the time of publication of actual charges, for each ASEP i.

EntryPrice_i = The prevailing MSEC reserve price in accordance with The Statement of Gas Transmission Transportation Charges for ASEP i.

Qen = the maximum amount of NTS Entry Capacity to be Reserved by the PARCA Applicant (kWh/Day) in any one quarter as specified in the Phase 1 PARCA Works Report

(iii) Annual Phasing:

The Total PARCA Security Amount will be phased on an annual basis as an annual requirement in accordance with the following:

Amount of Total PARCA Security Amount for Year Y = Total PARCA Security Amount x 0.25

Amount of Total PARCA Security Amount for Year Y+1 = Total PARCA Security Amount x 0.50

Amount of Total PARCA Security Amount for Year Y+2 = Total PARCA Security Amount x 0.75

Amount of Total PARCA Security Amount for Year \geq Y+3 = Total PARCA Security Amount x 1.0

Where Year Y is the period of 12 (twelve) calendar months from, and including, the calendar month in which the PARCA was countersigned.

(b) Should the PARCA be terminated prior to the allocation of the reserved capacity then the PARCA Applicant will be liable for the PARCA termination amount ("**PARCA Termination Amount**") which is calculated in accordance with paragraph 46 (c).

(c) In the event of a PARCA termination, a PARCA Termination Amount will be invoiced to the PARCA Applicant and will take into account the effective day of the PARCA termination e.g. if PARCA phase 2 began on January 1st 2015 and PARCA terminates 31st January, the no. of days = 31

(i) Termination Amount = min of ((PARCA Security Amount / 1461*) x no. of days) or PARCA Security Amount
Where *1461 = 4 years in days

Where no. of days = number of days between and including the date the PARCA is countersigned and the date the PARCA terminates.

New definitions to be added in the Defined Terms Listing

Competent PARCA Application	TPD B1.15.4
Nominated User	TPD B1.14.4
Phase 1 PARCA Works	TPD B1.17.8
PARCA	TPD B1.14.3
PARCA Applicant	TPD B1.14.3
PARCA Application	TPD B1.14.2
PARCA Application Fee	TPD B1.15.4(c)
PARCA Entry Window	TPD B1.16.1
PARCA Exit Window	TPD B1.16.1
PARCA Termination Amount	TPD Y Section 5 - 46(b)
PARCA Window	TPD B1.16.1
Reserved Entry Capacity	TPD B1.14.4
Reserved Exit Capacity	TPD B1.14.4
Reservation Party	TPD B1.14.3(b)
Reserved System Capacity	TPD B1.4(c)

Transition Document

Insert the following as new paragraph 1.1.9 of Part IIC of the Transition Document:

"1.1.9 TPD Section B3.3: NTS Exit ARCAs and Demonstration Dates

- (a) This paragraph 1.1.9 shall apply from the date on which the Modification giving effect to this paragraph 1.1.9 first has effect.
- (b) National Grid NTS may have, prior to the date specified in paragraph (a), entered into NTS Exit ARCAs.
- (c) For the purposes of the Code an "NTS Exit ARCA" is an agreement with a person who is not a User (the "Reservation Party"), under which the Reservation Party is entitled to nominate any User to be registered with effect from such date as is specified in the NTS Exit ARCA, as holding an amount of Enduring Annual NTS Exit (Flat) Capacity (the "**Reserved Capacity**") in respect of an NTS Exit Point.
- (d) Where National Grid NTS has entered into an NTS Exit ARCA:
- (i) the amount of Reserved Capacity shall be treated (for the purposes of determining the Remaining Available NTS Exit (Flat) Capacity) as if it were registered as held by a User;
- (ii) National Grid NTS will not be required to make Reserved Capacity available to Users in accordance with the other provisions of TPD Section B3;
- (iii) the Reservation Party may by notice to National Grid NTS nominate a User to be registered as holding Reserved Capacity;
- (iv) a notice under paragraph (iii) shall specify:
- (A) the identity of the nominated User;
- (B) an amount of Reserved Capacity to be registered in the name of the nominated User which shall not exceed the total amount of Reserved Capacity (taking into account any prior notice by the Reservation Party under this paragraph (d) in relation to the NTS Exit ARCA);
- (C) the date, consistent with the terms of the NTS Exit ARCA, from which the nominated User is to be registered as holding Reserved Capacity
- and following such notice National Grid NTS will notify the nominated User of the contents of such notice;
- (v) the nominated User may within five (5) Business Days of National Grid NTS's notice under paragraph (iv) confirm to National Grid NTS its acceptance of the details in the Reservation Party's notice;
- (vi) National Grid NTS may reject the User's nomination:
- (i) where any of the requirements of paragraph (iv) is not complied with;

(ii) in accordance with TPDS Section V3; and

(vii) subject to paragraph (vi), a nominated User shall be deemed (including for the purposes of TPD Section B3.2.16) to have been allocated Reserved Capacity and accordingly be registered as holding Enduring Annual NTS Exit (Flat) Capacity from the date determined under the NTS Exit ARCA."