

Exec Summary | 08XX Revision to the Calculation Methodology of the Security Amount for Planning and Advanced Reservation of Capacity Agreement (PARCA)

Agenda Item	Key Messages
Purpose of modification	<ul style="list-style-type: none">▪ This Modification would revise the price used in the calculation of the Security Amount for reservation of Capacity through a Planning and Advanced Reservation of Capacity (PARCA) for Entry and Exit sites, to reflect the overriding Reserve Price and replace the current Weighted Average Price (WAP) methodology.
Impacted parties	<ul style="list-style-type: none">▪ Low: Shipper Users, National Gas Transmission
How does this modification achieve it's purpose and the relevant objectives?	<ul style="list-style-type: none">▪ This revised methodology removes the unintended consequence of Storage sites lowering the overall WAP used to calculate the PARCA Security Amount, due to their 80% Discount on Capacity Charges.▪ Making this update brings the calculation of the Total PARCA Security Amount in line with the prevailing Reserve Price determination ensuring it better reflects prices payable whilst also reflecting NGT's actual costs.
Consumer benefit	<ul style="list-style-type: none">▪ This proposal only updates the price used to calculate the Total PARCA Security Amount. Updating would likely decrease the likelihood of any socialisation of costs meaning any effect on Transportation Charges and therefore to the Consumer extremely unlikely.
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