

**EXPLANATORY TABLE**

**MODIFICATION 0746**

**APPLICATION OF CLARIFICATORY CHANGE TO AQ AMENDMENT PROCESS WITHIN TPD G2.3 FROM 1 APRIL 20**

| Reference                             | Explanation   |
|---------------------------------------|---|
| <b>Transition Document</b>            | -   |
| <b>Part II C – Transitional Rules</b> | -   |
| New paragraph 27 (Heading)            | Capacity Charge adjustment following application of TPD Section G2.3.20 between 1 April 2020 and 13 January 2021  |
| New paragraph 27.1                    | <p>New definitions to support the later drafting, and all designed around (and relating to) the AQ reduction made following acceptance of an AQ reduction request under TPD G2.3.20 on the grounds of new business activity or discontinuing business activity.</p> <p>So a 'relevant AQ amendment' is defined (as is the User submitting the request, the 'relevant User', with the relevant Supply Meter Point being the 'relevant SMP'). Also defined is the date on which the reduction is effective ('relevant date') and the period in respect of which any adjustment applies ('relevant adjustment period') – this provided the 'relevant date' falls within the 1 April 2020 – 13 January 2021 period ('relevant period').</p> <p>The 'relevant period' is back-stopped by the earlier of a change of shipper or AQ revision in the normal course ('relevant event') or in the absence of either by the date the Modification is effective ('implementation date').</p> <p>Finally, the 'relevant SPRD' needs to be defined as it is the relationship between the incoming/outgoing User either side of the Supply Point Registration Date (which triggered the right to request an AQ reduction) against which the 25% Affiliate test is applied.</p> |

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| New paragraph 27.2 | The CDSP will ask the relevant User to confirm (following a reduction to the AQ consequent on a reduction request by the incoming User for 'reason code 3') that it was not a 25% Affiliate of the outgoing User.  |
| New paragraph 27.3 | If the User is unable to confirm, or does not respond to the CDSP's request for confirmation, then the additional Capacity Charges will be payable by the relevant User. The relevant User has 20 SPSBD's to respond.  |
| New paragraph 27.4 | The additional Capacity Charges payable by the relevant User are calculated as being the difference between (A) the charges that would have been payable by the relevant User during the relevant adjustment period based on the AQ applying prior to the reduction (i.e. before the relevant AQ amendment was effective) and (B) the charges that were actually New paragraph 27.1 payable by the relevant User on the basis of the reduced AQ following the relevant AQ amendment. |
| New paragraph 27.5 | Where there is no change of shipper or AQ revision at a relevant SMP in the period between the AQ reduction and the implementation date then the CDSP may revise the AQ with effect from a date it may determine such that it is equivalent to the AQ applying before the relevant AQ amendment.   |
| New paragraph 27.6 | The additional Capacity Charges will be invoiced and will be payable in accordance with the normal UNC processes.  |