

Annex 1: GNI (UK) Proposed Licence Modification

- Proposed deletions are indicated by red text which has been struck through.
 - Proposed additions are indicated by red text highlighted in yellow.
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2.2.1.1 Application of the Revenue Determination Formula during Revenue Recovery Period

- (a) In respect of any period when a Designation Order is not in place in respect of the Network, the Licensee shall use its reasonable endeavours to ensure that in each Gas Year during such period its Total Conveyance Revenue shall not exceed the Total Allowed Conveyance Revenue for that Gas Year.
- (b) In respect of the first Gas Year commencing on or after the Designation Date and each Gas Year or part of a Gas Year thereafter for so long as a Designation Order is and remains in force in respect of the Network, the Licensee shall ensure that its Forecast Required Revenue to be notified to the Authority and the PSA in accordance with paragraphs (c) and (e) shall be calculated in accordance with the Formula.
- (c) No later than the ~~first~~ **fifteenth** Business Day in ~~July~~ **March** in any Gas Year commencing on or after the Designation Date the Licensee shall provide to the Authority its calculation of Forecast Required Revenue for the next Gas Year.
- (d) The Licensee shall provide to the Authority such explanations and information relating to the Licensee's calculation of Forecast Required Revenue as may be required by the Authority.
- (e) No later than the fifteenth Business Day in ~~July~~ **April** in any such Gas Year referred to in sub-paragraph (c) the Licensee shall provide to the PSA the Licensee's calculation of Forecast Required Revenue in respect of the next Gas Year.
- (f) For all purposes the figures for the Licensee's Forecast Required Revenue and Actual Required Revenue in respect of any Gas Year shall be the same, and shall be equal to the figure for the Total Allowed Conveyance Revenue for that Gas Year.

2A.2.3 Duty to provide forecasts and information relating to the calculation of the Postalised Charges

2A.2.3.1 Forecasts and information relating to following Gas Years~~s~~

- (a) For the purpose of Condition 2A.2.5, the Licensee shall use its reasonable endeavours, in each Gas Year, to provide the following forecasts and information in respect of the next Gas Year (“GY”) and each of the following four Gas Years inclusive (“GY+1” to “GY+4” respectively) (the “Forecast Figures”) to the Authority no later than the ~~last~~ **fifteenth** Business Day in ~~June~~ **March**:
 - (i) the total of all Forecast Supplier Quantities in a Gas Year (the “Forecast Annual Quantity”) together with:
 - (aa) an explanation of the reasons why any Forecast Annual Quantity in respect of any of the Gas Years GY+1 to GY+4 are expected to be greater or less than the Forecast Annual Quantity in respect of GY;
 - (bb) a breakdown of the Forecast Annual Quantities in respect of each Exit Point in each relevant Gas Year; and
 - (cc) a breakdown showing the proportions of the Forecast Annual Quantity and aggregated Forecast Supplier Quantities attributable to each Quarter of GY;
 - (ii) the assumptions on which the figures provided pursuant to Condition 2A.2.3.1(a)(i) were based:
 - (aa) which for power stations shall include but not be limited to load factors, generation output and efficiency;
 - (bb) which for Gas Suppliers to distribution networks shall include but not be limited to numbers of consumers and average forecast quantity per consumer;

and in either case shall include an explanation of any material difference between such forecasts for the year GY and the forecast in respect of the then current Gas Year; and

(iii) for each Capacity Product a breakdown in respect of each Entry Point and Exit Point of the Initial Firm Capacity in respect of GY and a forecast of Initial Firm Capacity in respect of GY+1 to GY+4 inclusive, together, with:.

(aa) An explanation of the reasons why any Initial Firm Capacity in respect of any of the Gas Years GY+1 to GY+4 are expected to be greater or less than the Initial Firm Capacity in respect of GY;

(bb) For each Non Annual Capacity Product a breakdown of the Initial Firm Capacity attributable to each Quarter of GY;

(iv) the assumptions on which the figures provided pursuant to Condition 2A.2.3.1(a)(iii) were based:

(b) The Licensee shall use its reasonable endeavours to ensure that all Forecast Figures supplied to the Authority in accordance with Condition 2A.2.3.1(a) are as accurate as possible having regard to the information and forecasts available to the Licensee including that provided by its Gas Suppliers and shall provide to the Authority, with the figures provided under Condition 2A.2.3.1(a)(i) (the “Quantity Figures”), and 2A.2.3.1(a)(iii) (the “Capacity Figures”), a full explanation as to how they have been calculated. In the event that any such Gas Supplier has failed to provide such information prior to the date specified by 2A.2.3.1(a), the Licensee shall ensure that the Quantity Figures and the Capacity Figures are as accurate as possible having regard to the information and forecasts available to the

Licensee and shall inform the Authority which Gas Suppliers have failed to provide the required information.

- (c) The Licensee shall promptly provide to the Authority such further information or explanation and access to relevant documents and records, in each case as the Authority reasonably requires, in relation to the Quantity Figures and the Capacity Figures.
- (d) The Licensee may fulfil its obligations under this Condition 2A.2.3.1 by providing the relevant information in a joint report with one or more other Designated Pipe-line Operators which shall comply with this Condition 2A.2.3.1 in respect of the Licensee and each such Designated Pipe-line Operator.
- (e) If, in the Authority's reasonable opinion, having regard to information and explanations provided by the Licensee and representations made on or before the ~~twelfth~~ **fourth** Business Day in ~~July~~ **April** by parties which the Authority reasonably considers to have sufficient interest in making such representations (such parties to include the Licensee):
 - a Forecast Annual Quantity figure does not represent an accurate estimate taking into proper account all relevant information; and/or
 - a Initial Firm Capacity figure does not represent an accurate estimate taking into proper account all relevant information; and/or
 - the assumptions provided in accordance with Condition 2A.2.3.1(a)(ii) or 2A.2.3.1(a)(iv) are inappropriate;

the Authority may by notice to the Licensee given on or before the ~~thirteenth~~ **fifth** Business Day in ~~July~~ **April** of the relevant Gas Year modify the Forecast Annual Quantity and/or the Initial Firm Capacity figure, such notice to contain an explanation of the reasons for such modification. The modified figure set out in any such notice shall be substituted for and for all purposes treated as the Forecast Annual

Quantity and/or the Initial Firm Capacity figure submitted by the Licensee.

- (f) The Licensee shall, not later than the fifteenth Business Day in ~~July~~ **April** submit the Forecast Figures (adjusted to reflect any modification made by the Authority pursuant to Condition 2A.2.3.1(e)) to the PSA for calculation of the Forecast Postalised Charges in accordance with the PSA Agreement.
- (g) If the Licensee fails to provide the Forecast Figures in accordance with, and/or by the date specified in, Condition 2A.2.3.1(a) the Authority shall be entitled on or after the ~~thirteenth~~ **fifth** Business Day in ~~July~~ **April** by written notice to the Licensee and the PSA to determine the Forecast Figures. Forecast Figures so determined may at the Authority's discretion either:
 - (i) reflect the Actual Figures in respect of the previous Gas Year;
 - or
 - (ii) be such other figures as the Authority reasonably deems appropriate.

2A.2.7 Publication of Postalised Charges

Subject to any contrary requirements in this Condition 2A, the Licensee shall publish in such form and manner as the Authority may direct:

- (a) no later than ~~3 Business Days after notification to it by the PSA of~~ **31st May each year** the Forecast Postalised Charges, or revised Forecast Postalised Charges as calculated under Condition 2A.2.5.3, in respect of the next Gas Year. and each of the following four Gas Years, a statement of such charges; and

- (b) no later than 3 Business Days after notification to it by the PSA of the Year-End Postalised Charges in respect of a Gas Year, a statement of the Year-End Postalised Charges; and
- (c) no later than 3 Business Days after notification to it by the Authority of any amendments to Forecast Postalised Charges required under Condition 2A.2.5.7, a statement of the amended charges.