

## Annex 2: PTL 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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### 3.1.2 Allowed revenue recovery during period of designation

- (a) In respect of any Gas Year (other than, in the case of (i) below, the Gas Year which commenced on 1<sup>st</sup> October 2004) for so long as a Designation Order is and remains in force in respect of all or any part of the Network, the Licensee shall ensure that:
- (i) its Forecast Required Revenue to be notified to the Authority and the PSA in accordance with Conditions 3.1.2(b) and 3.1.2(d) shall be calculated in accordance with Condition 3.1.3; and
  - (ii) its Actual Required Revenue to be notified to the Authority and the PSA in accordance with Condition 3.1.2(e) shall be calculated in accordance with the formula set out in Condition 3.1.4.
- (b) No later than the fifteenth Business Day in ~~June~~ **March** in each Gas Year, the Licensee shall provide to the Authority its calculation of Forecast Required Revenue for the next Gas Year and the following four Gas Years together with such explanation and supporting information as the Licensee considers to be reasonably necessary to permit the Authority to be satisfied that the Forecast Required Revenue is a reasonable forecast in accordance with Condition 3.1.1(b).
- (c) If, by not later than **the fifth business day in April** ~~two weeks after the provision of the calculation of Forecast Required Revenue pursuant to~~

~~Condition 3.1.2(b)~~, the Authority, having considered the Licensee's forecast in light of such information as may be submitted by the Licensee, notifies the Licensee, by notice accompanied by an explanation of its conclusions, that it considers that the forecast supplied is not a reasonable forecast of the Licensee's Forecast Required Revenue for the next Gas Year, the Licensee shall review the forecast in the light of the Authority's explanation and submit a revised forecast to the Authority **no later than the tenth Business Day of April** ~~within fourteen days of the date of the notice~~, which, for the avoidance of doubt, may be the same as the original forecast.

- (d) No later than the fifteenth Business Day in ~~July~~ **April** in each Gas Year the Licensee shall provide to the PSA its calculation of Forecast Required Revenue, pursuant to Condition 3.1.2(b), with any variation made thereto pursuant to Condition 3.1.2(c), in respect of the next Gas Year and the following four Gas Years for the purpose of calculation of the Forecast Postalised Charges in accordance with Part 2A of the Licence.
- (e) No later than the tenth Business Day in November after the end of each Gas Year the Licensee shall provide to the Authority and to the PSA its calculation of Actual Required Revenue and shall, at the same time, provide to the Authority such explanations and supporting information as may be reasonably necessary to permit the Authority to verify that the Actual Required Revenue has been calculated in accordance with the formula set out in Condition 3.1.4.
- (f) No later than ten Business Days after the end of each Quarter, the Licensee shall provide the Authority, other Designated Pipeline Operators and all PS Gas Suppliers with a report setting out any material change to the Licensee's forecast of the revenue it requires comprised in its Forecast Required Revenue for the Gas Year in which the Quarter falls.

## 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.