

**Introduction of gas entry charges and products:
 Consultation on changes to High Pressure Conveyance Licences published
 11 February 2015**

Summary of proposed changes to the Gas Conveyance Licences – Part 2A (all high pressure licences)

Condition	Part 2(A) Change
2A.1	Definitions
2A.1.1	<p>Interpretation and Construction.</p> <p>In 2A.1.1 we propose to add a number of new definitions and make amendments to some of the existing definitions as set out below. We also propose to delete a limited number of definitions as we consider these to be redundant. Together these changes are necessary to fully reflect the new entry products in the licence.</p> <p><u>Proposed new definitions</u></p> <p><u>Annual Capacity Product</u> - this new definition has been introduced to refer to the annual product made available by the TSOs and set out in the table in 2A.2.5.1.</p> <p><u>Auction Premium</u> - this definition has been added to define the NI share of the auction premium generated in an auction</p> <p><u>Auction Price</u> – this definition has been added to define the NI share of the clearing auction generated in an auction. We will wish to review the definitions relating to auctions to ensure consistency with the corresponding code definitions.</p> <p><u>Capacity Platform</u> – This refers to the new auction platform, which will be used to sell Capacity, as per the CAM Network Code EU 984/2013.</p> <p><u>Capacity Product</u> – this new definition has been introduced to refer to the products made available by the TSOs and set out in the table in 2A.2.5.1.</p> <p><u>Entry Overrun Charge</u> – this definition has been added to define the new concept of an ‘Entry Overrun Charge.’</p> <p><u>Entry, Entering</u> – This new definition corresponds with the definition “Exit” or “Exiting” already in the licence.</p> <p><u>Exit Ratchet Charge</u> – this definition has been added to define the new concept of an ‘Exit Ratchet Charge.’</p> <p><u>Firm Annual Capacity</u> – This new term has been added to reflect the fact that Firm Capacity now covers both Firm Annual Capacity and Firm Non annual Capacity.</p> <p><u>Firm Non-Annual Capacity</u> – This new term has been added to reflect the fact that Firm Capacity now covers both Firm Annual Capacity and Firm Non annual Capacity.</p>

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	<p><u>Forecast Postalised Annual Capacity Charge</u> – This new definition has been added to reflect the fact that the Forecast Postalised Capacity Charge now covers both the Forecast Annual Postalised Capacity Charge and the Forecast Non-Annual Postalised Capacity Charge.</p> <p><u>Forecast Postalised Non Annual Capacity Charge</u> - This new definition has been added to reflect the fact that the Forecast Postalised Capacity Charge now covers both the Forecast Annual Postalised Capacity Charge and the Forecast Non-Annual Postalised Capacity Charge.</p> <p><u>Gas Product Multipliers and Time factors Table</u> - This new definition defines the document which is published by the Authority setting out the product multipliers and seasonal factors to be used in the calculation of capacity charges and the product weightings to be used in the calculation of total weighted capacity bookings</p> <p><u>Gas Transmission Charging Methodology Statement</u> – This new definition defines the document which is developed by the Licensees and approved by the Authority under condition 2A.2.1.9.</p> <p><u>GS Firm Annual Capacity</u> – This new definition has been added to reflect the fact that GS Firm Capacity now covers both GS Firm Annual Capacity and GS Firm Non-Annual Capacity.</p> <p><u>GS Firm Non-Annual Capacity</u> – This new definition has been added to reflect the fact that GS Firm Capacity now covers both Annual and Non-Annual Capacity.</p> <p><u>Monthly Postalised Capacity Payment (Annual Capacity)</u> – This new definition has been added to reflect the fact that the Monthly Postalised Capacity Payment now covers both Annual Capacity and Non-Annual Capacity charges.</p> <p><u>Monthly Postalised Capacity Payment (Non-Annual Capacity)</u> – This new definition has been added to reflect the fact that the Monthly Postalised Capacity Payment now covers both Annual Capacity and Non-Annual Capacity charges.</p> <p><u>Non-Annual Capacity Product</u> this new definition has been introduced to refer to the non- annual products made available by the TSOs and set out in the table in 2A.2.5.1.</p> <p><u>Total Weighted Forecast Capacity Bookings</u> – This definition replaces PS Initial Firm Capacity in the calculation of the forecast capacity charges and reflects the fact that we intend to weight the forecast capacity bookings.</p> <p><u>Total Weighted Year-End Capacity Bookings</u> – As above, the new definition reflects the fact that we intend to weight the year end capacity bookings.</p> <p><u>VRF Services</u> - we have added a definition for these services reflecting the products available in the table in 2A.2.5.</p> <p><u>Year-End Postalised Capacity Charge (Annual Capacity)</u> - This new definition has been added to reflect the fact that the Year-End Postalised Capacity charge</p>

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	<p>now covers both Annual Capacity and Non-Annual Capacity.</p> <p><u>Year-End Postalised Capacity Charge (Non-Annual Capacity)</u> - This new definition has been added to reflect the fact that the Year-End Postalised Capacity charge now covers both Annual Capacity and Non-Annual Capacity.</p> <p><u>Proposed changes to existing definitions</u></p> <p><u>Actual Firm Capacity</u> – This definition has been updated to add a reference to Entry Points.</p> <p><u>Buy-back capacity</u> – we have amended this definition to remove reference to the daily product as this is no longer a defined term in the licence.</p> <p><u>Capacity Reconciliation Payment</u> – In light of the fact that a capacity reconciliation payment is calculated for each of annual and non-annual capacity, we have amended this definition to refer to the relevant condition of the licence where the payments are calculated.</p> <p><u>Firm Capacity</u> – This definition has been updated to ensure that it incorporates both annual and non-annual capacity.</p> <p><u>Forecast Postalised Charge</u> – This definition has been updated to ensure that charges for all the new capacity products are included within the scope of forecast postalised charges.</p> <p><u>Gas Year</u> – This definition has been updated to reflect the change in the gas day from 06.00 to 05.00 as required by Article 3(7) of the CAM Network Code EU 984/2013.</p> <p><u>GS Firm Capacity</u> – The changes proposed to this definition ensure that the definition covers both GS Firm Annual and GS Firm Non annual Capacity in respect of both entry and exit points.</p> <p><u>Monthly Postalised Capacity Payment</u> – The changes proposed to this definition ensure that the definition covers both monthly postalised capacity payments in respect of annual and non-annual capacity.</p> <p><u>Oversubscription Capacity</u> – We propose a minor change to this condition to delete redundant references to Exit points and incorporate reference to Entry Points.</p> <p><u>Postalisation conditions</u> – drafting in this definition which refers to the STC/VRF services has been removed as it is redundant in light of the other changes proposed to Part 2A.</p> <p><u>PS Transmission Payments</u> – This definition has been updated to incorporate Entry Overrun Charges by reference to Condition 2A.2.1.7(c).</p> <p><u>Quarter</u> – This definition has been updated to reflect the change in the gas day from 06.00 to 05.00 as required by Article 3(7) of the CAM Network Code EU 984/2013.</p>

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	<p><u>Reconciliation Payment Formulae</u> - this definition has been updated to incorporate an updated condition reference.</p> <p><u>Year-End Postalised Capacity Charge</u> – this definition has been updated to incorporate a reference to Entry and an updated condition reference.</p> <p>There are other minor changes to existing definitions for the purpose of updating condition references.</p> <p><u>Proposed definitions to be deleted</u></p> <p><u>Daily Capacity</u> – This definition is no longer required given the other licence changes proposed to incorporate the daily product at entry into the postalised regime.</p> <p><u>MDQ</u> – This definition is not required as condition 2A.2.1.5 states that this term will have the meaning given to it in the Network code.</p> <p><u>PS Initial Firm Capacity</u> – This definition has been superseded by the new defined term ‘Total Weighted Forecast Capacity’</p> <p><u>UC Exit Point</u> - This definition is no longer required given the other licence changes proposed to incorporate the daily product at entry and VRF services into the postalised regime.</p> <p><u>UC Gas Supplier</u> - This definition is no longer required given the other licence changes proposed to incorporate the daily product at entry and VRF services into the postalised regime.</p>
2A.1.2	No change.
2A.1.3	No change.
2A.1.4	<p>Units of Measurement</p> <p>This has been updated to reflect the Interoperability Code requirements, which stipulate that the invoicing should be in kWh or kWh/day as opposed to the current unit of charge stated in the Licence which is MWh or MWh/day.</p>
2A.2	Postalisation Charges
2A.2.1	<i>Charges on the Designated Network</i>
2A.2.1.1	No change.
2A.2.1.2	No change.
2A.2.1.3	No change.
2A.2.1.4	No change.
2A.2.1.5	Sub-conditions 2A.2.1.5 (a) - (d) have been deleted. These were inserted in 2012 when changes were made to the licence to incorporate short term and VRF products. As the licence changes now proposed fully incorporate these products into the postalised regime, these sub-sections are now redundant.
2A.2.1.6	<p>The terms firm and interruptible have been removed from sub-condition 2A.2.1.6(a) and the majority of 2.1.6(b) deleted.</p> <p>This drafting was inserted in 2012 when changes were made to the licence to incorporate short term and VRF products. As the licence changes now proposed fully incorporate these products into the postalised regime, this drafting is now redundant.</p>
2A.2.1.7	The old text in this condition has been deleted. This were inserted in 2012 when

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Condition	Part 2(A) Change
	<p>changes were made to the licence to incorporate short term and VRF products. As the licence changes now proposed fully incorporate these products into the postalised regime, these sub-sections are now redundant.</p> <p>In their place, the drafting permits the licensee to charge suppliers an ‘Entry Overrun Charge’ and/or an ‘Exit Ratchet Charge’ as provided for under the terms of the Network code and the Gas Transmission Charging Methodology Statement (GTCMS) approved by the Authority.</p>
2A.2.1.8	<p>Sub- condition 2A.2.1.8(a) & (b) have both been deleted. 2A.2.1.8(c) has been largely retained and renumbered as 2A.2.1.8(b)</p> <p>These were inserted in 2012 when changes were made to the licence to incorporate short term and VRF products. As the licence changes now proposed fully incorporate these products into the postalised regime, these sub-sections are now redundant.</p> <p>In their place the drafting at 2A.2.1.8(a) and (b) deals with the charge for VRF services.</p> <ul style="list-style-type: none"> • 2A.2.1.8(a) states that the charge for VRF will be that set out in the GTCMS. • 2A.2.1.8(b) contains the drafting in the old 2A.2.1.8(c) with any redundant drafting deleted
2A.2.1.9	<p>This Condition now contains the obligation on the Licensee to publish the Charging Methodology Statement which was previously in 2A.2.1.10.</p> <p>The obligation has been updated to reflect the fact that the charge in respect of ‘Entry Overrun Charges’ ‘VRF services’ will be set out in the GTCMS approved by the Authority.</p>
2A.2.1.10	<p>The text here was previously in 2A.2.1.11 with no material change to the content.</p>
2A.2.1.11	<p>The text here was previously in 2A.2.1.12 with no material change to the content.</p> <p>The old conditions 2A.2.1.13-2A.2.1.16 have been deleted. These were inserted in 2012 when changes were made to the licence to incorporate short term and VRF products. As the licence changes now proposed fully incorporate these products into the postalised regime, these sub-sections are now redundant.</p>
<i>Capacity increase through oversubscription and buy back scheme</i>	
2A.2.1.12 - 2A.2.1.21	<p>The sub-conditions containing the licence obligations in respect of the oversubscription and buy back scheme have been re-numbered.</p> <p>No material change to the content is proposed. We have proposed consequential changes to delete references to ‘exit point’ and ‘UC exit point’, replacing these with ‘entry point.’ This reflects the fact that the Gas Regulation does not require OS services to be provided at exit points.</p>
2A.2.2 <i>Charging Methodology for the conveyance of gas</i>	
2A.2.2.1 - 2A.2.2.5	<p>No material change to the content of this section is proposed.</p> <p>We have proposed a consequential change to 2A.2.2.1 to include the word ‘Entering’ so that the licensee may charge its suppliers for both entering and exiting gas and holding capacity on the designated network.</p> <p>Otherwise there is an updated condition reference in 2A.2.2.3</p>

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Condition	Part 2(A) Change
2A.2.3	<i>Duty to provide forecasts and information relating to the calculation of Postalised Charges.</i>
2A.2.3.1	No changes proposed
2A.2.3.2	Condition (a)(iii) has been updated to reflect the fact that ‘Actual Firm Capacity’ information will need to be provided for both entry and exit points and for each firm entry product provided.
2A.2.3.3	No changes proposed.
2A.2.4	<i>Duty to co-operate with PSA and other designated Pipe-line Operators</i> No change.
2A.2.5	<i>Forecast Postalised Charges.</i>
2A.2.5.1.	The first paragraph of this condition has been numbered as 2A.2.5.1. A table has been added to this sub-condition which sets out the capacity products for which Forecast Postalised Charges will be calculated. The new products at entry are required by the CAM Network Code EU 984/2013. Separate products are required at Moffat and Gormanston because capacity at these entry points will be auctioned separately.
2A.2.5.2	The calculation of the Forecast Postalised Commodity Charge and the Monthly Postalised Commodity Charge are now set out in 2A.2.5.2. There are no material changes to the existing licence requirements. We propose to delete redundant drafting related to the term “Commodity Percentage” and to make other minor changes for clarity such as the addition of the term Aux _{st} pertaining to the Auxiliary Payment. This term is defined in sub-paragraph (c).
2A.2.5.3	<p>We propose to delete the existing condition which sets out the calculation of the Forecast Postalised Capacity Charge. In its place we propose a new condition 2A.2.5.3 which sets out how the forecast postalised charge will be calculated for the products listed in the table at 2A.2.5.1. The calculation varies depending on whether the product is an annual or a non-annual product.</p> <p>It should be noted that the calculation of the forecast charge for VRF services is not set out in 2A.2.5.3. Instead it is set out in the GTCMS as per condition 2A.2.1.8.</p> <p>The drafting proposed in 2A.2.5.3(a) sets out how the total weighted forecast capacity bookings will be calculated for gas year “t”. We propose that the product weighting for each of the products listed in the table 2A.2.5.1 will be set out in a table (the Gas Product Multipliers and Time Factors Table) published separately from the licence by the Authority. We propose to publish this separately as this allows for flexibility to vary the weightings as necessary. Other than in exceptional circumstances, we would expect to update this once every year when calculating the forecast postalised charges.</p> <p>2A.2.5.3(b) then applies the total weighted forecast capacity bookings calculated for gas year “t”, together with the capacity percentage and total forecast postalised system required revenues, to calculate the forecast charge for annual capacity. In the relevant equation the term PMA denotes the product multiplier for annual capacity. In the case of annual capacity this will be set equal to 1 in the table.</p> <p>2A.2.5.3(c) then takes the forecast annual charge for capacity and applies the relevant product multiplier and seasonal factor to generate a forecast charge for each non-annual product (except VRF).</p>

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Condition	Part 2(A) Change
	<p>As with the product weightings, we propose that the multipliers/seasonal factors for each of the non-annual products listed in the table 2A.2.5.1 will be set out in the Gas Product Multipliers and Time Factors Table published separately from the licence. We expect that the multipliers and seasonal factors will be published prior to each gas year alongside the forecast tariffs. In our Conclusions Paper on the Introduction of Gas Entry charges we stated that we will establish the level of multipliers and seasonal factors to apply in the gas year 15/16 during the postalised tariff calculation process in June/July 2015 and that we will review the appropriateness of applying the multipliers/seasonal factors applicable in Ireland to the NI regime in order to minimise the impact of any divergence on the SEM.</p> <p>2A.2.5.1(d) The forecast capacity charge for each product constitutes the NI share of the auction reserve price for that product. However, in the event that an auction premium is payable (because the clearing price at the auction is greater than the reserve price for an auction) then subcondition 2A.2.5.1(d) includes proposed drafting for the calculation of the auction premium. This calculation applies to both annual and non-annual capacity products.</p> <p>It should be noted that an auction premium may be payable in respect of capacity products purchased in the gas year in which they are used (monthly, daily, within day and VRF) and may also be payable for products purchased in advance of the gas year in which they are used (under proposed arrangements, this can happen with annual and quarterly products). Also, given that the same strip of capacity (e.g. capacity relating to a future gas year) may be offered in multiple auctions, more than one auction premium can be generated for a capacity product used in Gas Year “t”. In order to explicitly take account of these factors, the calculation of the auction premium in 2A.2.5.1(d) refers to Gas Year “a”.</p> <p>In the case of annual or quarterly capacity bought in an auction in advance of the gas year, the premium will be the difference between the reserve price in that auction and the clearing price.</p>
<p>2A.2.5.4</p>	<p>This new condition outlines the process for calculating monthly invoices to shippers for <u>capacity</u> products. The calculation is in principle very similar to the calculation for commodity products currently in 2A.2.5.2(b). The key difference is that we propose to calculate the monthly payment for annual capacity and non-annual capacity separately.</p> <p>In relation to annual capacity charges the equation in 2A.2.5.4(b) takes account of the fact that annual capacity for a particular gas year could have been booked in more than one auction (gas capacity being offered under CAM up to 15 years in advance). We also propose that one-twelfth of the auction premium (if any) relevant to that annual capacity is charged each month.</p> <p>In order to arrive at the total payable for non-annual capacity in a month, the calculation in 2A.2.5.4(c) will be performed for each non-annual product the shipper has utilised and these charges will be summed. The TSOs will need to consider when they will invoice for quarterly capacity (i.e. once per quarter or once per month).</p> <p>The proposed definition of Pre_{pmt} at the end of 2A.2.5.4 indicates that the auction premium to be included in the charge may arise before and during the</p>

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Condition	Part 2(A) Change
	<p>gas year. This is because quarterly capacity is purchased before the gas year, but the other non-annual products are purchased during the gas year. This condition therefore needs to cover both circumstances where premia could arise. It would be useful to have comments on whether the drafting is sufficiently clear in relation to the treatment of quarterly capacity, and for alternative drafting which makes this point clearer if this is not the case.</p>
<p>2A.2.5.5</p>	<p>This new condition outlines the new process for calculating the <u>total monthly invoices</u> to shippers. The total monthly invoice will be made up of:</p> <ul style="list-style-type: none"> a) The Total Forecast Postalised Charges by Supplier, known colloquially as the Gas Costs. These are calculated as the sum of capacity and commodity charges, exit ratchet charges and entry overrun charges; b) + VAT; c) + the termination payment allocated to the supplier for the period; d) + the amount of debt payment allocated to the supplier for the period; e) + Auxiliary payment; f) + Overrun charges g) + Exit ratchet charges.
<p>2A.2.5.6</p>	<p>The numbering of the condition related to Emergency Events has changed. Otherwise we have made minor changes to this condition to allow for adjustment to the forecast figures within the gas year. This provides more flexibility if an unforeseen event occurs. We would welcome views on this proposed change.</p>
<p>2A.2.5.7</p>	<p>The term PS Initial Firm Capacity has been removed from the Condition as this is now redundant due to the concept of total weighted capacity.</p>
<p>2A.2.6</p>	<p><i>Year-end postalised charges.</i></p>
<p>2A.2.6.1</p>	<p>A minor change is proposed to this Condition to add a reference to the table in 2A.2.5.</p>
<p>2A.2.6.2</p>	<p>This condition sets out how the year-end commodity charge will be calculated. The calculation is largely unchanged from the current condition 2A.2.6.1 except that termination payments and supplemental payments have been removed from the calculation as these are now included in the reconciliation process.</p>
<p>2A.2.6.3</p>	<p>We propose to delete the existing condition which sets out the calculation of the Year-end Postalised Capacity Charge.</p> <p>The revised calculation of the year-end capacity charges follows the format for the calculation of forecast capacity charges.</p> <p>The drafting proposed in 2A.2.6.3(a) sets out how the total year-end weighted forecast capacity bookings will be calculated for gas year “t”. The formula follows is largely the same as that in 2A.2.5.3(a) except that the inputs required are the year-end actual figures.</p> <p>It should be noted that we propose to take account of the application of the Exit Ratchet via the calculation of the total year-end weighted forecast capacity bookings. The application of the Exit ratchet will result in an increase in annual capacity booked which will be reflected in the actual TWC_t for that Gas Year. The actual weighted capacity booked will increase over the forecast and therefore act to reduce the year-end capacity charge, assuming all other factors stay constant. Exit Ratchet charges will be invoiced monthly where applicable each month as proposed in 2A.2.5.5(b).</p> <p>2A.2.6.3(b) then applies the total year-end weighted forecast capacity bookings</p>

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Condition	Part 2(A) Change
	<p>calculated for gas year “t”, together with the capacity percentage and total actual postalised system required revenues, to calculate the year-end charge for annual capacity.</p> <p>2A.2.6.3(c) calculates the year-end charge for non-annual capacity by multiplying the year-end charge for annual capacity relevant product multiplier/seasonal factor.</p>
2A.2.6.4	<p>The <u>reconciliation process</u> is set out in 2A.2.6.4 and 2A.2.6.5. The key changes are in the capacity reconciliation section and we are also proposing that the licence sets out the total reconciliation payment is calculated for each Gas Supplier (2A.2.6.5).</p> <p>For annual capacity and each non-annual capacity product, a reconciliation unit charge is calculated. The relevant equations are set out in 2A.2.6.4(a) and 2A.2.6.4(b). These include a term for the auction premium to ensure that the NI TSO share of the auction premium is returned to customers and not retained by the TSOs. It should be noted that where bids at auction result in an auction premium then this will be payable in the monthly invoices. The NI share only of the premium will then be included in the calculation of the reconciliation unit charge such that this will be reduced for all gas suppliers, including those who secured capacity in auctions where a premium was not paid.</p> <p>The relevant reconciliation unit charge is then multiplied by the amount of capacity for each product held by an individual Gas Supplier (2A.2.6.4(c) and 2A.2.6.4(d).</p> <p>The proposed changes replicate the current calculation for capacity reconciliation payments except that the calculation is explicitly split into two steps and both these steps are replicated for annual and non-annual products.</p> <p>The commodity reconciliation payment is calculated in 2A.2.6.4(d) and is unchanged from the version currently in the licence at 2A.2.6.3(b).</p>
2A.2.6.5	<p>The current licence does not sum up the total reconciliation payment either due to or from shippers, but this step is performed in the postalisation model.</p> <p>We propose to add a new 2A.2.6.5 to calculate a total reconciliation payment. This allows us to take account of entry overrun charges paid by suppliers during the year. These charges effectively constitute an over recovery of revenue by the TSOs against the forecast required revenues and we wish to return them to customers such that they serve to reduce the bullet payment.</p>
2A.2.6.6	<p>There is a numbering change to the Condition, but no material change to the content.</p>
2A.2.7	<p><i>Publication of Postalised Charges</i> No change.</p>
2A.3	Recovery of PS Non-Payments
2A.3.1	No change.
2A.3.2	No change.
2A.3.3	Non-Payment by other Designated Pipe-line Operators’ Suppliers has been updated to allow for Entry as well as Exit.
2A.3.4	No change.
2A.4	The Postalised System Administrator
2A.4.1	No change.
2A.4.2	No change.

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Condition	Part 2(A) Change
2A.4.3	No change.
2A.4.4	No change.
2A.4.5	No change.
2A.5	The Trustee
2A.5.1	No change.
2A.5.2	No change.
2A.5.3	No change.
2A.5.4	No change.
2A.5.5	No change.
2A.6	Distribution from the PoT Account and Designated Pipe-line Operators Agreement
2A.6.1	No change.
2A.6.2	No change.
2A.7	New Licence Requirements relating to the Network Code.
2A.7.1	No change.
2A.7.2	No change.
2A.7.3	No change.
2A.7.4	No change.

Summary of proposed changes to the Gas Conveyance Licences – revenue conditions (PTL, BGTL, and BGE(UK))

PTL revenue conditions – condition 3.1

	The Forecast Required Revenue
3.1.3 b (ii) (gg)	We propose to delete this term as it is not appropriate to deduct revenues from short term or VRF products once these products are fully incorporated into the postalised regime by virtue of the modifications proposed to Part 2A.
	Actual Required Revenue
3.1.4 b 3.1.5	As above we propose to delete the term related to short term and VRF revenues from the ARR formula as it is not appropriate to deduct revenues from these products from the ARR once these products are fully incorporated into the postalised regime.
3.1.7	Authority Direction and Definitions
3.1.7.2	This modification deletes the definition of STC/VRF revenues as it is now redundant for the reasons explained above.
3.1.8	UC Charges
3.1.8A	We propose to delete condition 3.1.8A in its entirety as it is redundant given that these products will be fully incorporated into the postalised regime by virtue of the modifications proposed to Part 2A.
3.1.8B (a) (i)	This modification deletes the reference to OS Services at Exit Points as this is no longer appropriate with the introduction of the new products at entry points.
3.1.8B (b) (i)	This modification deletes the reference to the charge for daily capacity as it is now redundant for the reasons explained above.
3.1.8.2	We propose to replace PS Initial Firm Capacity with Total Weighted Capacity (TWC_t), in order to align this with the amendments proposed to Part 2A.
3.1.8.3	We propose to delete references to STC and VRF revenues from this condition as these products will be fully incorporated into the postalised regime by virtue of the modifications proposed to Part 2A.

The changes proposed to the BGTL licence mirror those for PTL with the exception of changes related to revenue from the Stranraer exit point which are only applicable in the PTL licence.

BGE(UK) revenue conditions – condition 2.2

2.2.19	This modification deletes the definition of STC/VRF revenues as it is now redundant by virtue of the modifications proposed to Part 2A which incorporate these products into the postalised regime.
2.2.21	We propose to delete 2.2.21 in its entirety as it is no longer appropriate to set STC/VRF revenues at zero once these products are incorporated into the postalised regime by virtue of the modifications proposed to Part 2A.
2.2.22	STC/VRF Revenue Information
2.2.22.1 and 2.2.22.2	Likewise we also propose to delete 2.2.22 in its entirety as there is now no need for BGE(UK) to report STC/VRF revenues in this manner or for the Authority to approve them.
	Annex A: Actual Required Revenue Formula
1	In light of the changes described above we propose to delete the term C_t in the ARR formula. Given the changes separately proposed to Part 2A this will ensure that BGE(UK) retains the revenue it is entitled to from these products.