

ANNEX C

PREMIER TRANSMISSION LIMITED (PTL) MODIFICATIONS

- Deletions are indicated by ~~red text~~ which has been struck through.
 - Additions are indicated by red text which has been underlined.
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Modifications regarding Seasonal Multiplier Factors

1. Definition of Gas Product Multipliers and Time Factors Table

2A.1.1 Definitions

Gas Product Multipliers
and Time Factors Table

A table ~~published on the Authority's website~~ approved periodically annually by the Authority following consultation, setting out the Capacity Products to be offered by the DPOs and the weightings for Capacity Products to be used in the calculation of the Postalised Charges. The updated Table shall be published by the Licensee.

2. Duty to Provide Seasonal Multipliers to PSA

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

- (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 fifteenth Business Day in 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 fourth Business Day in 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 fifth Business Day in 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 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 fifth Business Day in 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.
- h) Not later than the fifteenth Business Day in April, the Licensee shall provide the approved Gas Product Multipliers and Time Factors Table to the PSA once it has received the updated Table from the Authority.

3. Year End Postalised Charges – deletion of phrase

2A.2.6.3 Year End Postalised Capacity Charges

- (a) The Total Weighted Year-End Capacity bookings for Gas Year “t” for all Firm Capacity products “p” held by Gas Suppliers listed in the Gas Product Multipliers and Time Factors Table for all time periods “d” in Gas Year “t”, shall be calculated according to the following formula:

$$TWC_t = \sum[YEQ_{pdt} \times W_{pdt}]$$

Where:

“TWC_t” is the Total Weighted Year-End Capacity bookings for Gas Year “t”

“YEQ_{pdt}” is the total outturn year-end capacity booking for Capacity Product “p” in time period “d” of Gas Year “t”

“W_{pdt}” is the product weighting for Capacity Product “p” in time period “d” of Gas Year “t” in accordance with the Gas Product Multipliers and Time Factors Table ~~posted by the Authority on its website and updated from time to time.~~

- (b) The Year-End Postalised Annual Capacity Charge to be charged to each Gas Supplier in respect of each kWh/day of Firm Annual Capacity in respect of a Gas Year shall be calculated in accordance with the following formula:

$$YPACapC_t = \frac{PSARR_t * Capacity Percentage * PM_A}{TWC_t}$$

where:

“YPACapC_t” means the Year-End Postalised Annual Capacity Charge in Gas Year “t”; and

“Capacity Percentage” means 75%.

“PM_A” means the annual product multiplier and/or seasonal factor as appropriate for Gas Year “t”, in accordance with the Gas Product Multipliers and Time Factors Table.

“PSARR_t” means the PS Actual Required Revenue for Gas Year “t”.

“TWC_t” means the Total Weighted Year End Capacity bookings for Gas Year “t” as calculated in paragraph 2A.2.6.3(a).

- (c) The Year-End Postalised Non Annual Capacity Charge to be charged to each Gas Supplier in respect of each kWh/day of Firm Capacity at each Entry Point in respect of time period “d” in Gas Year “t” for each Capacity Product “p” shall be calculated in accordance with the following formula:

$$YPNACapC_{pdt} = YPACapC_t \times PM_{pt}$$

“YPNACapC_{pdt}” means the Year-End Postalised Non-Annual Capacity Charge in time period “d” of Gas Year “t” for Capacity Product “p”

“YPACapC_t” means the Year-End Postalised Annual Capacity Charge in Year t; and

“PM_{pdt}” means the product multiplier and/or seasonal factor as appropriate for Capacity Product “p” for time period “d” of Gas Year “t”, in accordance with the Gas Product Multipliers and Time Factors Table.

4. Publication of Seasonal Multiplier Factors

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 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; and
- (d) no later than 31st May each year, the Gas Product Multipliers and Time Factors Table.

Modifications related to Capacity Commodity Split

5. Amend Commodity Percentage

2A.2.5.2 Forecast Postalised Commodity Charge

- (a) Subject to Conditions 2A.2.5.6, 2A.2.5.7, the Forecast Postalised Commodity Charge to be charged in respect of Gas Year “t” to each Gas Supplier in respect of each kWh of gas allocated to each such Gas Supplier under the Network Code in respect of each Exit Point during that Gas Year shall be calculated in accordance with the following formula:

$$\text{FPComC}_t = \frac{(\text{PSFRR}_t * \text{Commodity Percentage})}{(\text{PS Forecast Annual Quantity}_t)}$$

where:

“FPComC_t” means the Forecast Postalised Commodity Charge for Gas Year “t”;

“Commodity Percentage” means 25% up to 30 September 2020, then 15% from 1 October 2020 and 5% from 1 October 2021.

“PS Forecast Annual Quantity_t” means:

the sum of the Forecast Annual Quantities (as that term is defined in each Designated Pipe-line Operator’s Respective Licence) in respect of all PS Gas Suppliers for the relevant Gas Year “t”; and

“PSFRR_t” means the PS Forecast Required Revenue for Gas Year “t”.

- (b) A Monthly Postalised Commodity Payment shall be calculated in accordance with the following formula in respect of gas allocated to each Gas Supplier for Exit in respect of the previous month, the components of which shall be applied in respect of month “m” in Gas Year “t” and shall be payable by a Gas Supplier “s”:

$$\text{MPComP}_{\text{smt}} = \text{FPComC}_t \times \text{MEQ}_{\text{smt}}$$

where

$MPComP_{smt}$ means the Monthly Postalised Exit Commodity Payment payable by a Gas Supplier “s” in respect of month “m” of Gas Year “t”;

$FPComC_t$ means the Forecast Postalised Commodity Charge applicable in respect of Gas Year “t” in accordance with 2A.2.5.2(a); and

MEQ_{smt} means the Exit Quantity allocated to Gas Supplier “s” in respect of an Exit Point and in respect of month “m” of Gas year “t”.

- (c) If the aggregate of the Monthly Postalised Commodity Payments invoiced or to be invoiced to a Gas Supplier “s” in respect of a Gas Year “t” ($\Sigma MPComP_{st}$) is less than the product of $FPComC_t$ multiplied by the Minimum Quantity Value in respect of Gas Year “t” for Gas Supplier “s”, the Licensee shall invoice to Gas Supplier “s” in accordance with the provisions of this Licence, an Auxiliary Payment (referred to as Aux_{st}) calculated by the Licensee as follows:

$$Aux_{st} = (FPComC_t \times \text{Minimum Quantity Values}_t) - \Sigma MPComP_{st}$$

Such Auxiliary Payments shall be included in the invoice for PS Transmission Payments applicable for the last month in Gas Year “t”.

- (d) The Forecast Postalised Commodity Charge invoiced to a Gas Supplier “s” in respect of a Gas Year “t” or month “m” of Gas Year “t” calculated in accordance with Condition 2A.2.5.2 (a) shall be rounded to seven 7 decimal places.

6. Amend Capacity Percentage

2A.2.5.3 Forecast Postalised Annual Capacity Charge

- (a) The Total Weighted Forecast Capacity bookings for year “t” for all Firm Capacity held by Gas Suppliers for all time periods in Gas Year “t”, shall be calculated according to the following formula:

$$TWFC_t = \sum[FQ_{pdt} \times W_{pdt}]$$

Where:

“TWFC_t” is the Total Weighted Forecast Capacity bookings for Gas Year “t”

“FQ_{pdt}” is the total forecast capacity booking for Capacity Product “p” in time period “d” of Gas Year “t”

“W_{pdt}” is the product weighting for Capacity Product “p” listed in the Gas Product Multipliers and Time Factors Table in time period “d” of Gas Year “t”, in accordance with the Gas Product Multipliers and Time Factors Table.

- (b) Subject to Conditions 2A.2.5.6, 2A.2.5.7, the Forecast Postalised Annual Capacity Charge to be charged in respect of each kWh/day of Firm Annual Capacity at each Entry Point and Exit Point in respect of Gas Year “t” shall be calculated in accordance with the following formula:

$$FPACapC_t = \frac{PSFRR_t * \text{Capacity Percentage} * PMA}{TWFC_t}$$

where:

“FPACapC_t” means the Forecast Postalised Annual Capacity Charge in Gas Year “t”; and

“Capacity Percentage” means 75% until 30 September 2020, then 85% from 1 October 2020 and 95% from 1 October 2021.

“PMA” means the annual product multiplier and/or seasonal factor as appropriate for Gas Year t, in accordance with the “Gas Product Multipliers and Time Factors Table”.

“PSFRR_t” means the PS Forecast Required Revenue for Gas Year “t”.

“TWFC_t” means the Total Weighted Forecast Capacity bookings for Gas Year “t” as calculated in Condition 2A.2.5.3(a).

- (c) The Forecast Non-Annual Postalised Capacity Charge to be charged in respect of each kWh/day of Firm Non-Annual Capacity in respect of Gas Year “t” for each NonAnnual Capacity Product “p” shall be calculated in accordance with the following formula:

$$FPNACapC_{pt} = FPACapC_t \times PM_{pt}$$

“FPNACapC_{pt}” means the Forecast Postalised Non Annual Capacity Charge in Gas Year “t” for Capacity Product “p”

“FPACapC_t” means the Forecast Postalised Annual Capacity Charge in Gas Year “t”; and

“PM_{pt}” means the product multiplier and/or seasonal factor as appropriate for Capacity Product “p” for Gas Year “t”, in accordance with the Gas Product Multipliers and Time Factors Table.

This formula shall not apply to VRF Services, the charge for which shall be determined pursuant to the Gas Transmission Charging Methodology Statement as set out in Condition 2A.2.1.8.

- (d) In the event that the Auction Price for the corresponding Capacity Product at the corresponding time period is greater than the Forecast Postalised Annual Capacity Charge or the Forecast Postalised Non-Annual Capacity Charge calculated in accordance with paragraphs (b) and (c) respectively, the relevant auction premium shall be calculated as follows.

The Auction Premium at the auction conducted in Gas Year “a” for each Capacity Product “p” in Gas Year “t” shall be defined as:

$$\text{Pre}_{\text{apt}} = \text{Auc}_{\text{apt}} - \text{FPCapC}_{\text{apt}}$$

“Pre_{apt}” means the Auction Premium for product “p” in Gas Year “t”

“Auc_{apt}” means the Auction Price for Capacity Product “p” in Gas Year “t”

“FPCapC_{pt}” means the relevant Forecast Postalised Annual Capacity Charge or Forecast Postalised Non-Annual Capacity Charge for Capacity Product “p” in Gas Year “t”;

7. Delete Redundant Use of Capacity Percentage

The value of the capacity percentage is not required in this condition as the definition of Capacity Percentage (shown below) states that it should be explained in one place.

“Capacity Percentage”	shall have the meaning ascribed to that term in Condition 2A.2.5.3(b);
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2A.2.6.3 Year-End Postalised Capacity Charges

- (a) The Total Weighted Year-End Capacity bookings for Gas Year “t” for all Firm Capacity products “p” held by Gas Suppliers listed in the Gas Product Multipliers and Time Factors Table for all time periods “d” in Gas Year “t”, shall be calculated according to the following formula:

$$TWC_t = \sum [YEQ_{pdt} \times w_{pdt}]$$

Where:

“ TWC_t ” is the Total Weighted Year-End Capacity bookings for Gas Year “t”

“ YEQ_{pdt} ” is the total outturn year-end capacity booking for Capacity Product “p” in time period “d” of Gas Year “t”

“ w_{pdt} ” is the product weighting for Capacity Product “p” in time period “d” of Gas Year “t” in accordance with the Gas Product Multipliers and Time Factors Table posted by the Authority on its website and updated from time to time.

- (b) The Year-End Postalised Annual Capacity Charge to be charged to each Gas Supplier in respect of each kWh/day of Firm Annual Capacity in respect of a Gas Year shall be calculated in accordance with the following formula:

$$YPACapC_t = \frac{PSARR_t * Capacity Percentage * PM_A}{TWC_t}$$

where:

“YPACapC_t” means the Year-End Postalised Annual Capacity Charge in Gas Year “t”; ~~and~~.

~~“Capacity Percentage” means 75%.~~

“PM_A” means the annual product multiplier and/or seasonal factor as appropriate for Gas Year “t”, in accordance with the Gas Product Multipliers and Time Factors Table.

“PSARR_t” means the PS Actual Required Revenue for Gas Year “t”.

“TWC_t” means the Total Weighted Year End Capacity bookings for Gas Year “t” as calculated in paragraph 2A.2.6.3(a).

- (c) The Year-End Postalised Non Annual Capacity Charge to be charged to each Gas Supplier in respect of each kWh/day of Firm Capacity at each Entry Point in respect of time period “d” in Gas Year “t” for each Capacity Product “p” shall be calculated in accordance with the following formula:

$$YPNACapC_{pdt} = YPACapC_t \times PM_{pt}$$

“YPNACapC_{pdt}” means the Year-End Postalised Non-Annual Capacity Charge in time period “d” of Gas Year “t” for Capacity Product “p”

“YPACapC_t” means the Year-End Postalised Annual Capacity Charge in Year t; and

“PM_{pdt}” means the product multiplier and/or seasonal factor as appropriate for Capacity Product “p” for time period “d” of Gas Year “t”, in accordance with the Gas Product Multipliers and Time Factors Table.