Block 2 Outputs – 5 Transmission Incentive Fees

Appendix 1 - Proposed GTAC amendments

*Daily Underrun Charge* means the charge payable (or, if applicable under this Code, a credit receivable) for using less capacity on a Day than:

* + 1. under a TSA, the amount of DNC, calculated in accordance with *section 11.4(b)* of this Code; or
    2. under a Supplementary Agreement or Existing Supplementary Agreement if applicable, the MDQ set out in or determined under the relevant agreement, calculated as set out in that agreement; or
    3. under an ICA at a Delivery Point where an OBA applies, the aggregate DNC of all Shippers at that Delivery Point;

# nominations

## First Gas Analysis and Response

* 1. In respect of all Delivery Zones and Individual Delivery Points and in respect of AHPs at applicable Delivery Points and Receipt Points, First Gas will, as soon as practicable and no later than 1 hour after:
     1. the Provisional Nominations Deadline;
     2. the Changed Provisional Nominations Deadline; and
     3. each Intra-Day Nomination Deadline,

analyse Shippers’ NQs (or Shippers’ NQs approved by Interconnected Parties as required) and Shipper’s AHPs, and via OATIS notify each Shipper of its Approved NQs (being that Shipper’s DNC) and also whether there is, or is expected to be, Congestion at a Delivery Point.

# fees and charges

## Daily Overrun and Underrun Charges

* 1. Subject to *section 11.12*, a Shipper shall pay, in respect of a Delivery Zone or Individual Delivery Point and Day:
     1. a charge for any Daily overrun on a Day (*Daily Overrun Charge*), equal to:

DNCFEE × DOQ × F

where:

*DNCFEE* has the meaning set out in *section 11.1*;

*DOQ* (or *Daily Overrun*) is the Shipper’s Daily overrun quantity, equal to the greater of:

* + - 1. DDQDNC - DNC; and
      2. Zero; and
    1. a charge or credit (as applicable) for any Daily underrun on a Day (*Daily Underrun Charge*), equal to:

DNCFEE × DUQ × (F – 2)

where:

*DNCFEE* has the meaning set out in *section 11.1*;

*DUQ* (or *Daily Underrun*) is the Shipper’s Daily underrun quantity, equal to the greater of:

* + - 1. DNC - DDQDNC; and
      2. zero,

and where, for each of *section 11.4(a)* and *section 11.4(b)*:

*DNC* has the meaning set out in *section 11.1*;

*DDQDNC* is the Shipper’s Daily Delivery Quantity shipped using DNC; and

*F* is, for each:

* + - 1. Delivery Zone and non-Congested Individual Delivery Point: 1.5; and
      2. Congested Delivery Point (where First Gas has notified on OATIS in connection with a nomination cycle that there is, or is expected to be, Congestion at a Delivery Point): 7.5,

provided that where it considers the current value of F is not providing Shippers with an appropriate incentive to maximise the accuracy of their NQs, First Gas will notify, and consult with Shippers concerning, the value of F that would, in its view, better achieve that outcome. Unless Shippers provide sufficient evidence to reasonably demonstrate to First Gas that a different course of action would be more effective, First Gas may (but not sooner than 60 Business Days after the date of its notification) increase the value of F for each Delivery Zone and non-Congested Individual Delivery Point, to a maximum of 5. First Gas may only increase the value of F above 5 (or, for a Congested Delivery Point, above 7.5) in accordance with an approved Change Request. First Gas may decrease the current value of F on expiry of 60 Business Days’ notice to Shippers; and

provided further that if any Delivery Point is notified as a Congested Delivery Point in connection with any Intra-Day Cycle, it shall be and remain be a Congested Delivery Point for such Day and the value of F shall be 7.5 accordingly.