

# NTS Charging Methodology Forum



Teleconference  
19th May 2014

## NTS CMF - Introduction

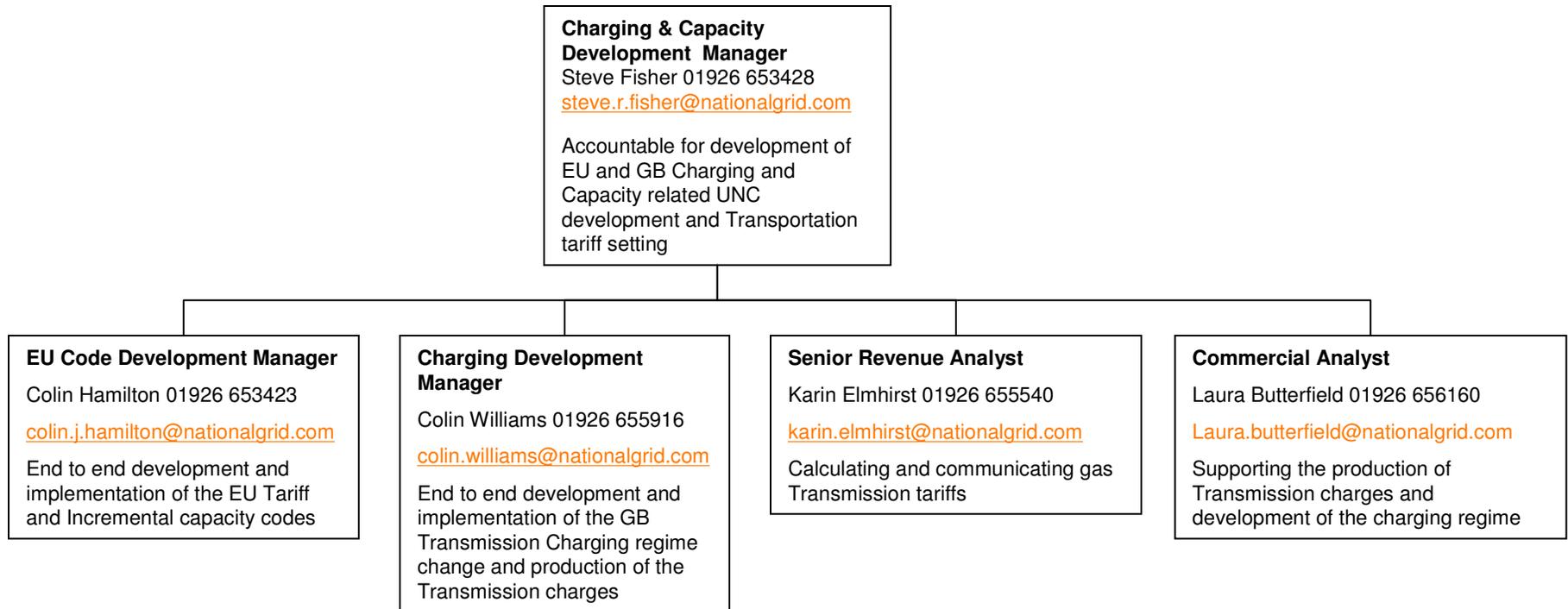
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- National Grid contacts
- National Grid Actions (NTS501 and NTS502)
- Charging information and Publications
- EU Tariff Code Update

## Gas Charging Contacts



# Contacts for Gas Charging Development



## NTS0501

### Lagging of allowed revenues under RIIO-T1



## Items with 2 Year Lag in RIIO-T1

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- Constraint Management (CMCA and CMIR)
- Transportation Support Services (TSSCA and TSSIR)
- K Value (K and SOK)
- Policing Costs (OPTC)
- Licence Fee (LF)
- Rates (RB)
- RIIO Permits (PA)
- Stakeholder Satisfaction (SSO)

## NTS0502

### Data used for setting charges and when published



## Data used for Calculating Charges

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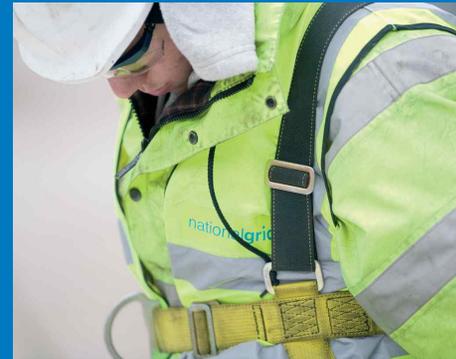
- The timing of modelling and setting charges using the Transportation Model means that only certain data can be used when setting charges
- Network Data including entry and exit points, baselines, obligated levels are all using latest data at the time of setting charges
- We use:
  - Ten Year Statement (issued each December); and
  - Updated Demand values provided in each May

# Summary of data used in setting charges during the year

Entry Capacity			
Auction	QSEC	RMTNTSEC/MSEC	MSEC
Publication	Jan-14	Jun-14	Jul-14
Demand data used	May-13	May-14	May-14
Supply data used	TYS Dec 2013	TYS Dec 2013	TYS Dec 2013

Exit Capacity	
Publication	Beginning of May-14
Demand data used	May-13
Supply data used	TYS Dec 2013

## Charging Information and Publications



## Charging Information and Publications

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- National Grid publishes a number of charging notices, supporting and general information related to Gas Transmission charging
- With each indicative / final charging notice we provide information relating to the reasons for the changes
- We also provide a charging overview document and a guide to using the Transportation Model
  - Is the information we publish, in addition to the charging notices, useful? How do you use this?
  - Is it at a level of detail that is appropriate?
  - Do you have any feedback to help us improve the publications

# Charging Information and Publications

Description	Location on National Grid Website (should link not work please copy and paste these URLs into internet browser)	Content
Indicative Notices	<a href="http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Forecasts/">http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Forecasts/</a>	Current and Historic 150 day advance notices for charge changes to capacity and commodity charges
Final Notices	<a href="http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Current-charges/">http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Current-charges/</a>	Current and historic final notices of charges to be effective,
Charging Statements	<a href="http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Charging-Statements/">http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Charging-Statements/</a>	Current and historic charges applicable. Contains all charges applicable for the given periods
Supporting Information	<a href="http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Tools-and-Models/">http://www2.nationalgrid.com/UK/Industry-information/System-charges/Gas-transmission/Tools-and-Models/</a>	Additional information to help with understanding Transmission charges, any ad hoc information and documents/data to help explain changes in charges. E.g. Overview documents on charging and use of the Transportation Model.

## Charging Information and Publications

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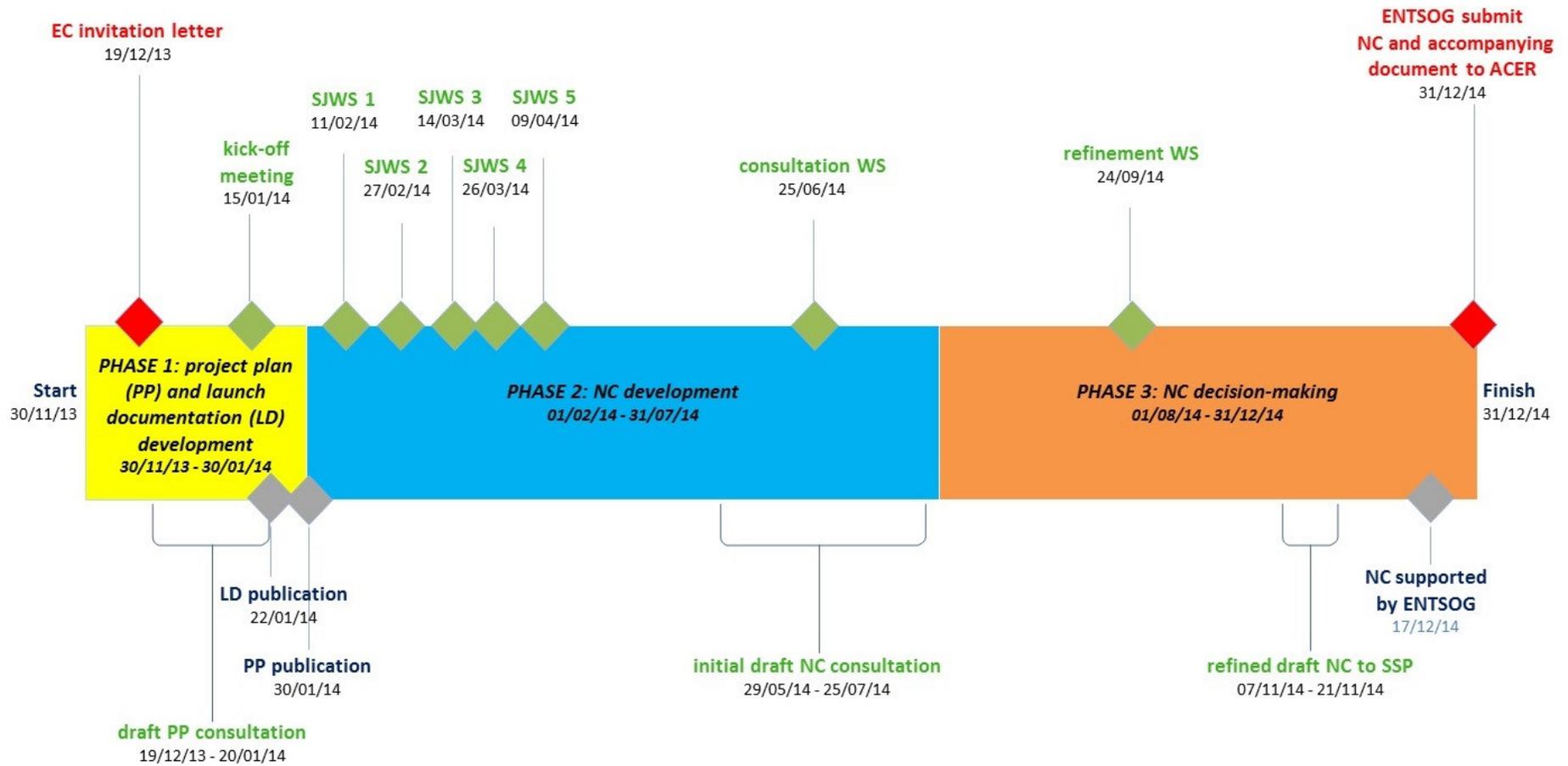
- We want to help shape the content and format of information we provide with your feedback
  - As we develop we would like to bring to NTSCMF for feedback
- Looking at revenue forecasts over RIIO-T1, have you used revenue forecasts for any purpose
- What feedback do you have on how we can help produce information useful to you?
- Please provide to:

[box.transmissioncapacityandcharging@nationalgrid.com](mailto:box.transmissioncapacityandcharging@nationalgrid.com)

## EU Tariff Code update



# Tariff Code Timeline



## Key Dates

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***Draft TAR NC and supporting document are published and the consultation starts***



***Consultation Workshop to discuss the draft TAR NC and get initial feedback from stakeholders***



***Deadline for responses to the draft TAR NC consultation which will then be analysed***

## GB Issues arising from EU Tariff Code

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- Fixed Price vs Floating price at IPs
  - Initial Draft Code from ENTSOG allows both Fixed & Floating
- Short-haul at IPs at risk
- Storage
- Mitigation measures
- Cost allocation methodology selection and test
- Single regulatory account
  - Sub-accounts (e.g. by particular points or charge type) for tracking only