

NTS Optional Commodity Charge (“Shorthaul”) Review Update



NTS Charging Methodology Forum (NTSCMF)
08 July 2016

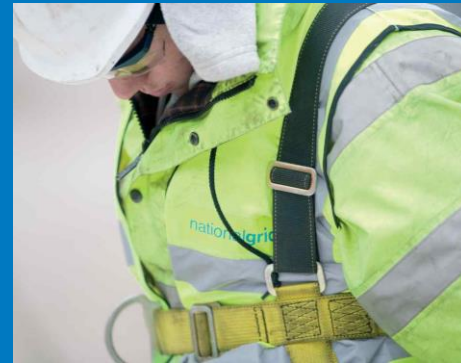
Overview

- Recap of previous meetings
 - NTSCMF Discussions
 - NTSGCD11
 - MOD563S
- Proposed plan and Next Steps

Recap of previous meetings on NTS nationalgrid Optional Commodity Charge (NTS OCC)

Dates	Item	Summary	Outcome (high level)
Sept 2014 to Jul/2015	NTSCMF Shorthaul Review Discussions	National Grid presented analysis highlighting it was in need of review (e.g. cost inputs out of date, influence on other charges out of sync with product's original objectives)	<ul style="list-style-type: none"> - NG and industry agreed that there was benefit in reviewing the NTS Optional Commodity Charge. - Whilst review was considered beneficial there were options as to how it could be updated - Considered a two stage approach, initially updating costs then further improvements later
July 2015 to Nov 2015	NTSGCD11	NTS Charging Discussion document issued by National Grid for comments presenting two options for updating the cost inputs to the NTS OCC	<p>Mixed responses, including:</p> <ul style="list-style-type: none"> - Some concerns on governance; - Mixed levels of support for change ranging from +ve to -ve); - Some suggestions review should be done as part of wider industry developments (e.g. EU Codes); - Some thought impact too material.
Dec 2015 to Feb 2016	MOD563S	Proposed UNC Mod by SSE to move the NTS OCC formula into Section Y of the UNC so updates would become part of UNC change process	<ul style="list-style-type: none"> - MOD563S placed the NTS Optional Commodity charge formula into the UNC. - "Lift and Shift" effectively places fixed price into the UNC. - Updating the shorthaul formula now requires a UNC Change process.

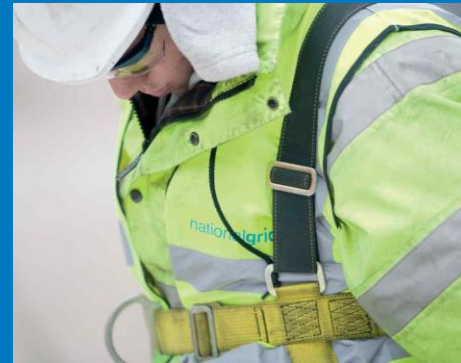
Proposed plan and Next steps



Plan and Next Steps – Making a change

- We still believe that the design of the current product is no longer fit for purpose and requires updating.
- Now that the formula is the UNC, we are proposing a that a review of the NTS OCC be done as part of the GB Gas Charging Review.
- Enables the product to be reviewed as a package within the overall GB Charging Regime and not in isolation.
- Updates and progress of the review will be communicated to industry and stakeholders as part of the GB Gas Charging Review updates.

NTS Optional Commodity Charge Review : Contacts



Contact details

Thomas Dangarembizi (Commercial Analyst)

Email: Thomas.dangarembizi@nationalgrid.com

Tel: 01926 65 3956

Colin Williams (Charging Development Manager)

Email: Colin.williams@nationalgrid.com

Tel: 01926 65 5916

Queries can also be sent to:

box.transmissioncapacityandcharging@nationalgrid.com