NTS Exit (Flat) Capacity Charging Methodology

UNC Workgroup 0356 - 11th March 2011

Revenue Analysis

Introduction

- At the 8th February 2011 UNC Modification 0356 Workgroup it was agreed that National Grid would provide further analysis of revenue contribution:

  - By class of customer

  - Considering both exit capacity and commodity charges.

Assumptions & Approach

Two pieces of analysis are presented.

- Analysis 1

  - Ten pricing sets based on various pricing methodology options

    - 5 price sets based on variants of NG's proposed methodology - Moffat @ JCS & Capability, Published TYS Demands, All DC's & PG's only "2-shifting" @ 55% Obligation respectively.

    - 4 price sets based on variants of 'As-Is' - Moffat @ balancer (326GWh/d), Moffat @ TYS Forecast, Obligated levels scaled to 2012/13 forecast supply and peak demand respectively.

    - 1 price set based on bookings

  - Actual Bookings applied to price sets in order to generate revenues

Assumptions & Approach

- ## Analysis 2

  - ### Two price sets (methodology options)

    - 'As-Is' prices (published in May 2010)

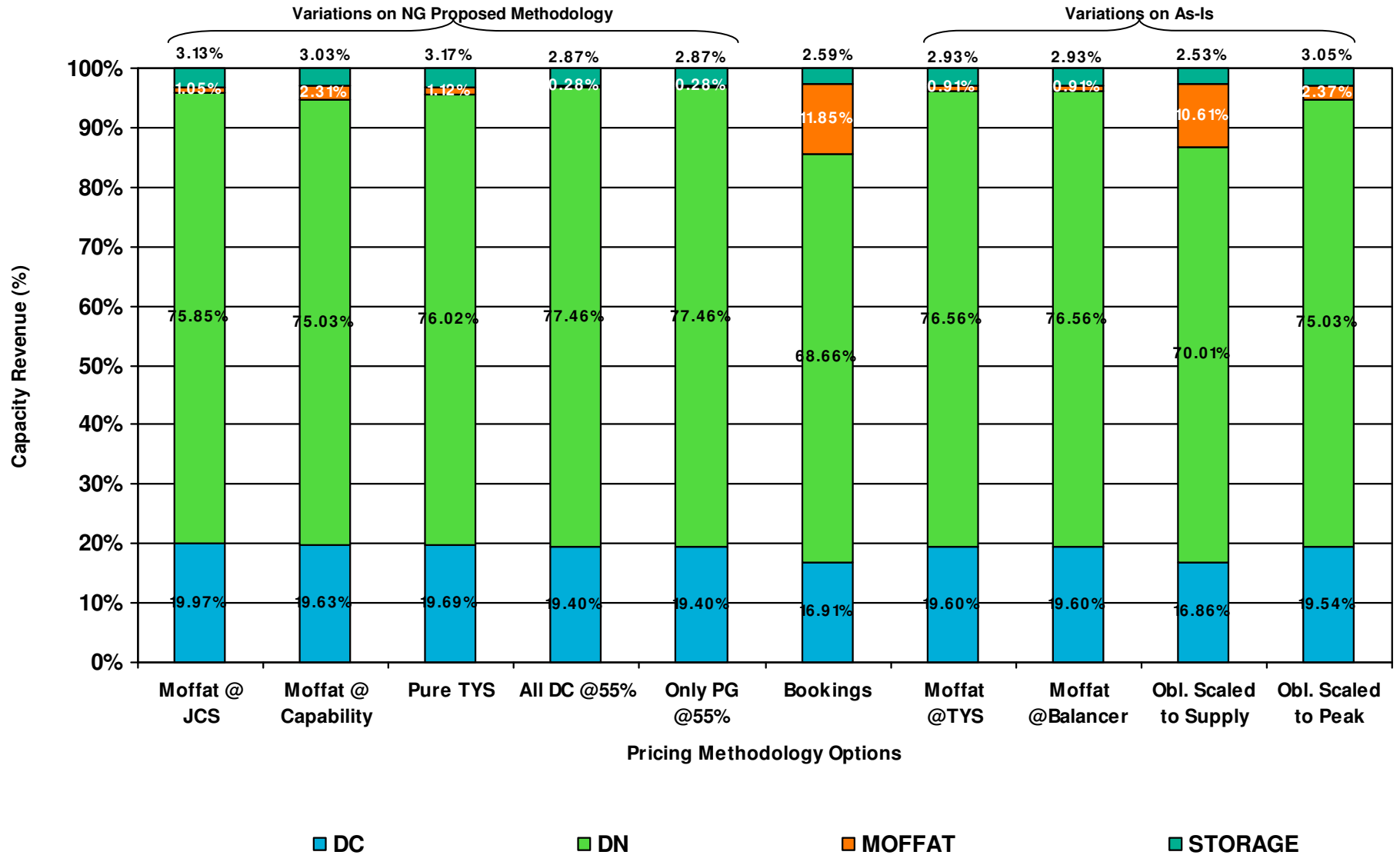   - NG Proposed Methodology prices (UNC 0356)

  - ### Two booking levels applied to price sets in order to generate revenues

    - Actual Bookings

    - Actual Bookings but with Moffat "booking" reduced to TYS 1/20 Peak Forecast Demand

Analysis 1
Capacity Revenues by pricing methodology options
Percentage Contribution by User Group based on current booking levels for 2012/13

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Variations on NG Proposed Methodology | Variations on As-Is

Capacity Revenue (%)

	Moffat @ JCS	Moffat @ Capability	Pure TYS	All DC @55%	Only PG @55%	Bookings	Moffat @TYS	Moffat @Balancer	Obl. Scaled to Supply	Obl. Scaled to Peak
Top	3.13%	3.03%	3.17%	2.87%	2.87%	2.59%	2.93%	2.93%	2.53%	3.05%
	1.05%	2.31%	1.12%	0.28%	0.28%	11.85%	0.91%	0.91%	10.61%	2.37%
DN	75.85%	75.03%	76.02%	77.46%	77.46%	68.66%	76.56%	76.56%	70.01%	75.03%
DC	19.97%	19.63%	19.69%	19.40%	19.40%	16.91%	19.60%	19.60%	16.86%	19.54%

Pricing Methodology Options

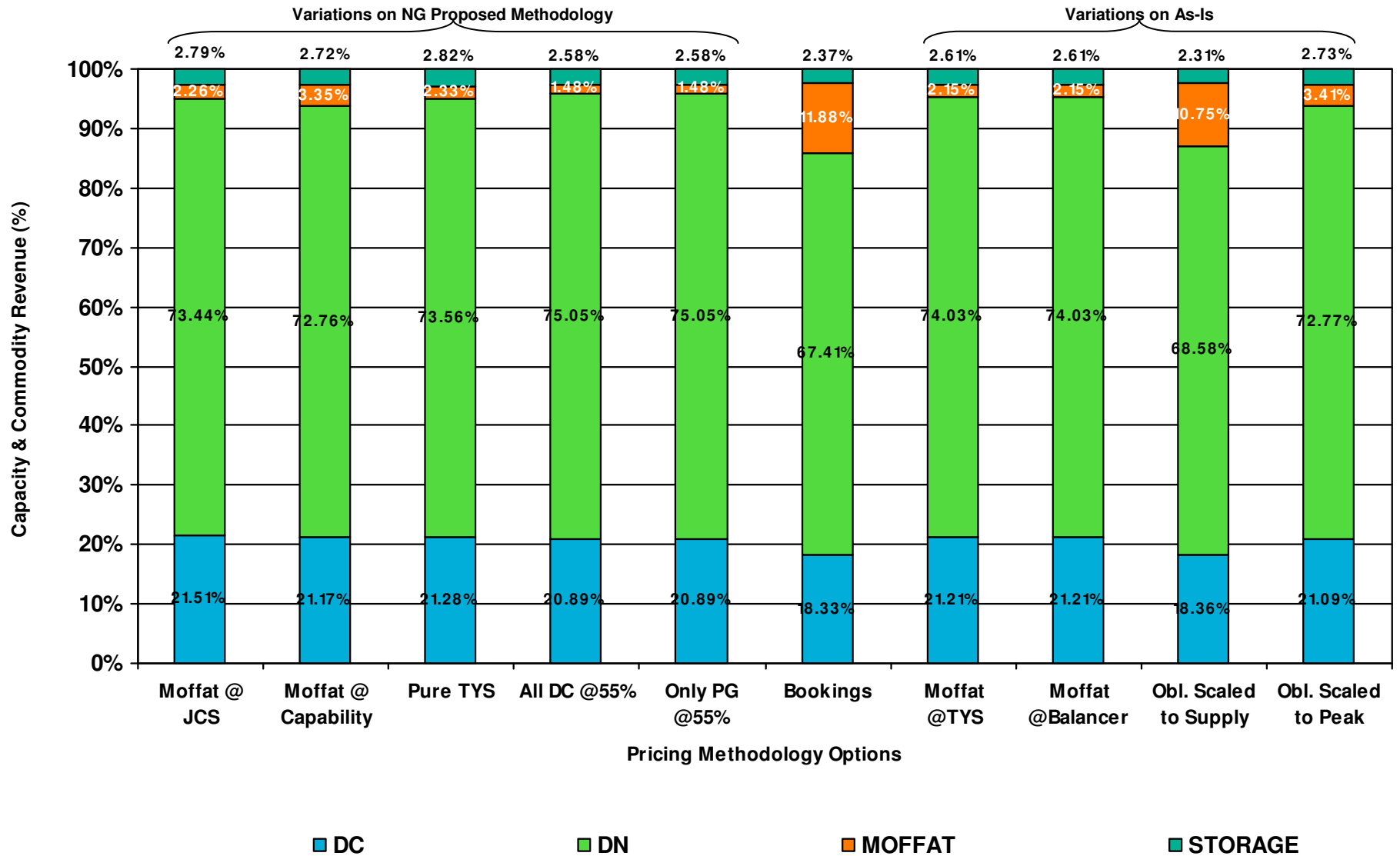◼ DC   ◼ DN   ◼ MOFFAT   ◼ STORAGE

Analysis 1
Capacity & Commodity Revenues by pricing methodology options
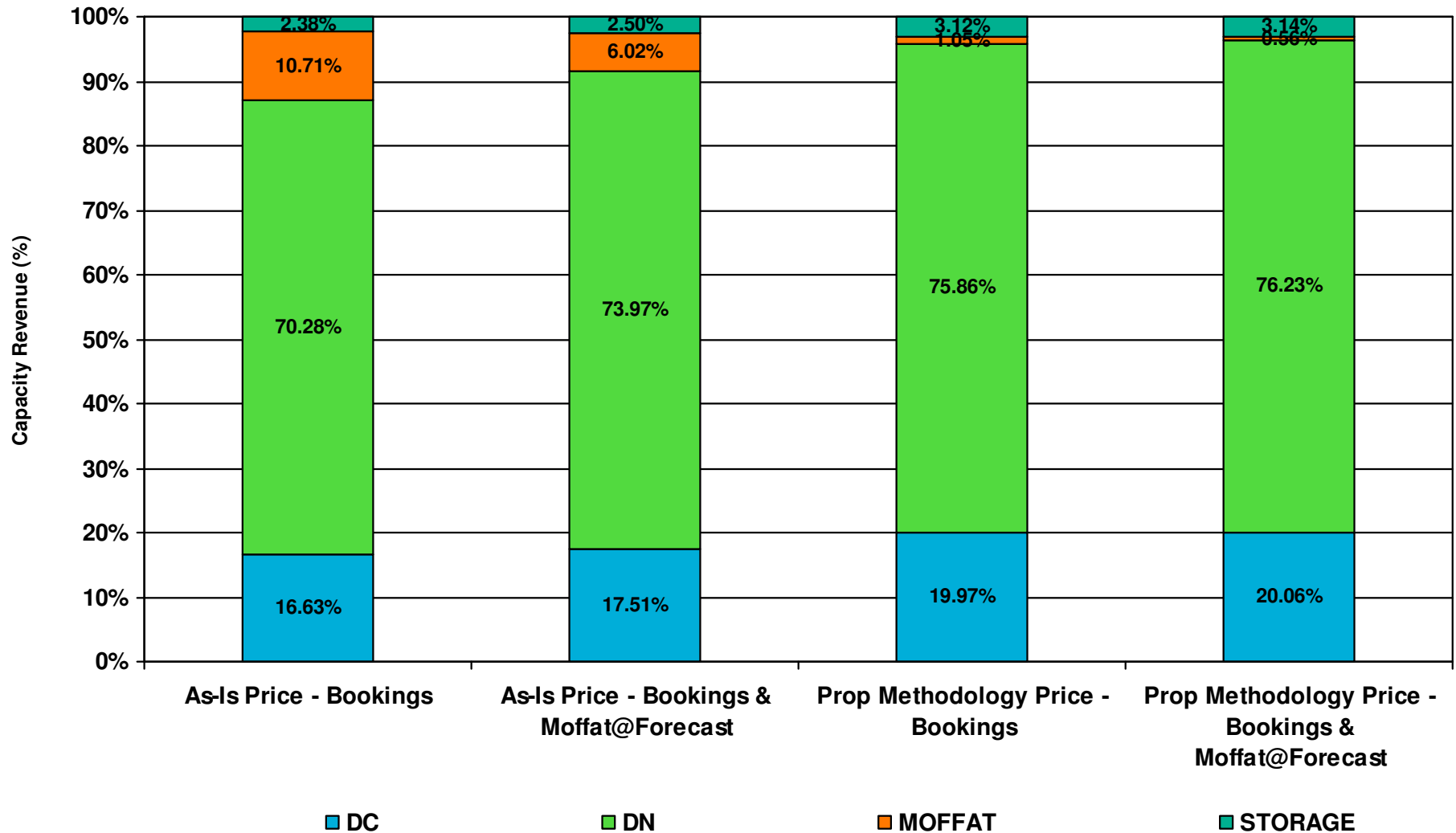Percentage Contribution by User Group based on current booking levels for 2012/13

Analysis 2
Capacity Revenue by pricing methodology options
Percentage Contribution by User Group (2 booking levels)

Analysis 2
Capacity & Commodity Revenue by pricing methodology option
Percentage Contribution by User Group (2 booking levels)

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