

## NTS Exit (Flat) Capacity Charging Methodology

UNC Workgroup 0356 – 07<sup>th</sup> July 2011  
*Exit Price Volatility Analysis*

## Introduction

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- At the 10<sup>th</sup> May 2011 UNC Modification 0356 Workgroup National Grid was asked to *“model scenarios to test volatility [of Exit Capacity Prices] by modelling 2009/10 Indicatives and Actuals using both bookings and forecasts”*.

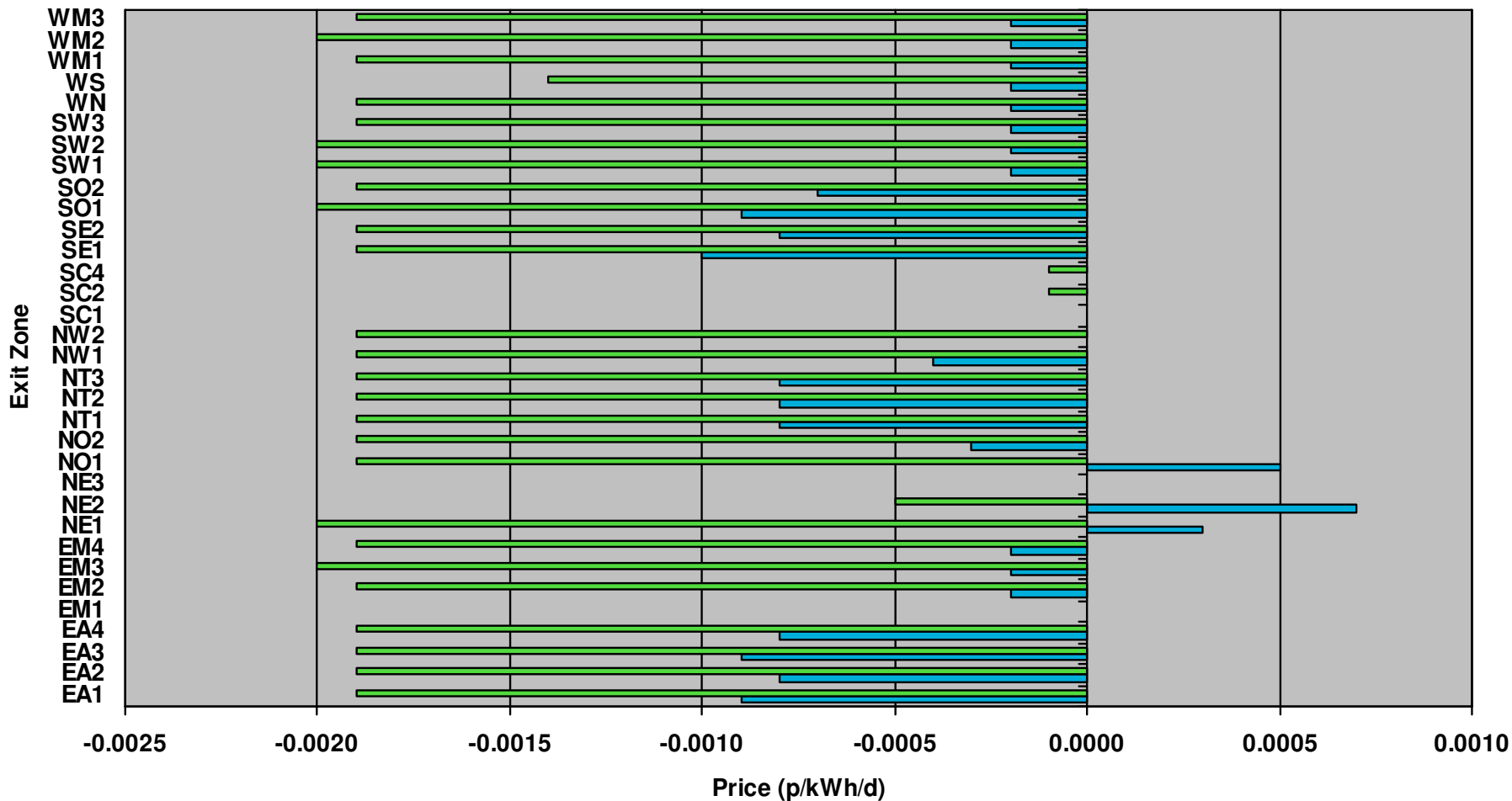
## Comparison of Actual & Indicative Prices

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- Actual exit prices for 1st October 2009 are reflective of updated demand forecast data and allowed revenue changes from the Indicative prices which were published in May 2009.
- The 2008 OCS booking data was used in pro-rating the demand forecast to individual DN exit points.
- The “Indicative” and “Actual” prices, based on changing the DN modelled flows and capacity data to bookings, would use the same OCS booking data from October 2008.
  - There is not, therefore, any change between Indicative and Actual exit prices as a result of a change in the booking level.
  - The “Booked Indicative” and “Booked Actual” exit price comparison is reflective of a change in allowed revenue only.

# 1<sup>st</sup> October 2009 Exit Price change from May 2009 Indicatives

(Exit Zone prices are produced only for presentation purposes to give an indication of the geographic impact)



■ Diff between 09/10 published Indicative & published Actual

■ Diff between 09/10 Booked Indicative & Booked Actual

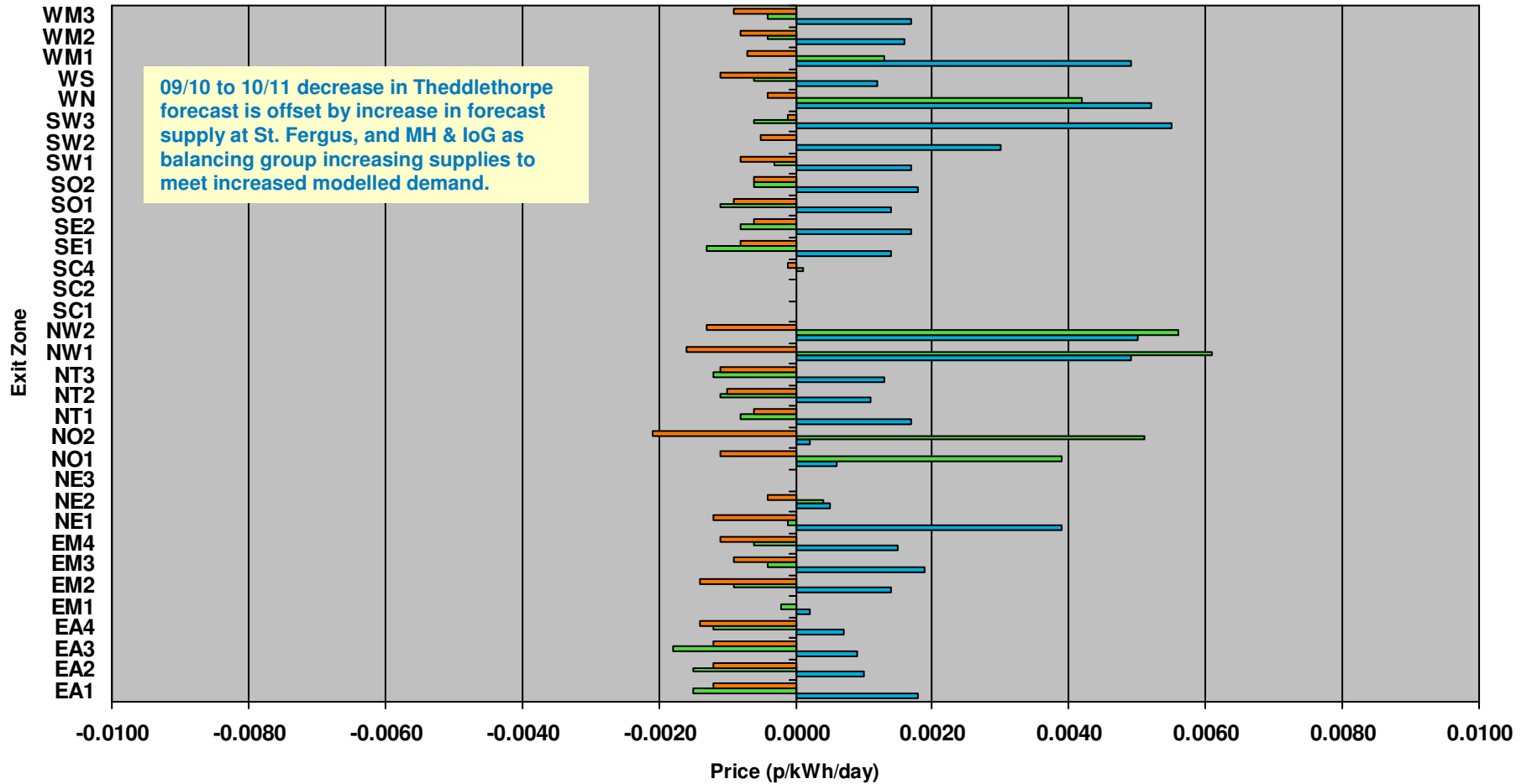
## Further Analysis

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- We have extended the analysis to cover Gas Years 07/08, 08/09, 09/10 & 10/11 to look at year on year changes in Actual NTS Exit Capacity prices.
  - Nodal demand data for actual prices:
    - DNs: 1-in-20 peak day demand level
    - DCs: Booked capacity
- Year on year changes in NTS Exit Capacity prices calculated using booking levels rather than forecasts (“Booked Price”) have been provided for comparison purposes.
  - Nodal demand data for “booked price”
    - DNs: Booked capacity
    - DCs: Booked capacity

# Actual Price year on year volatility

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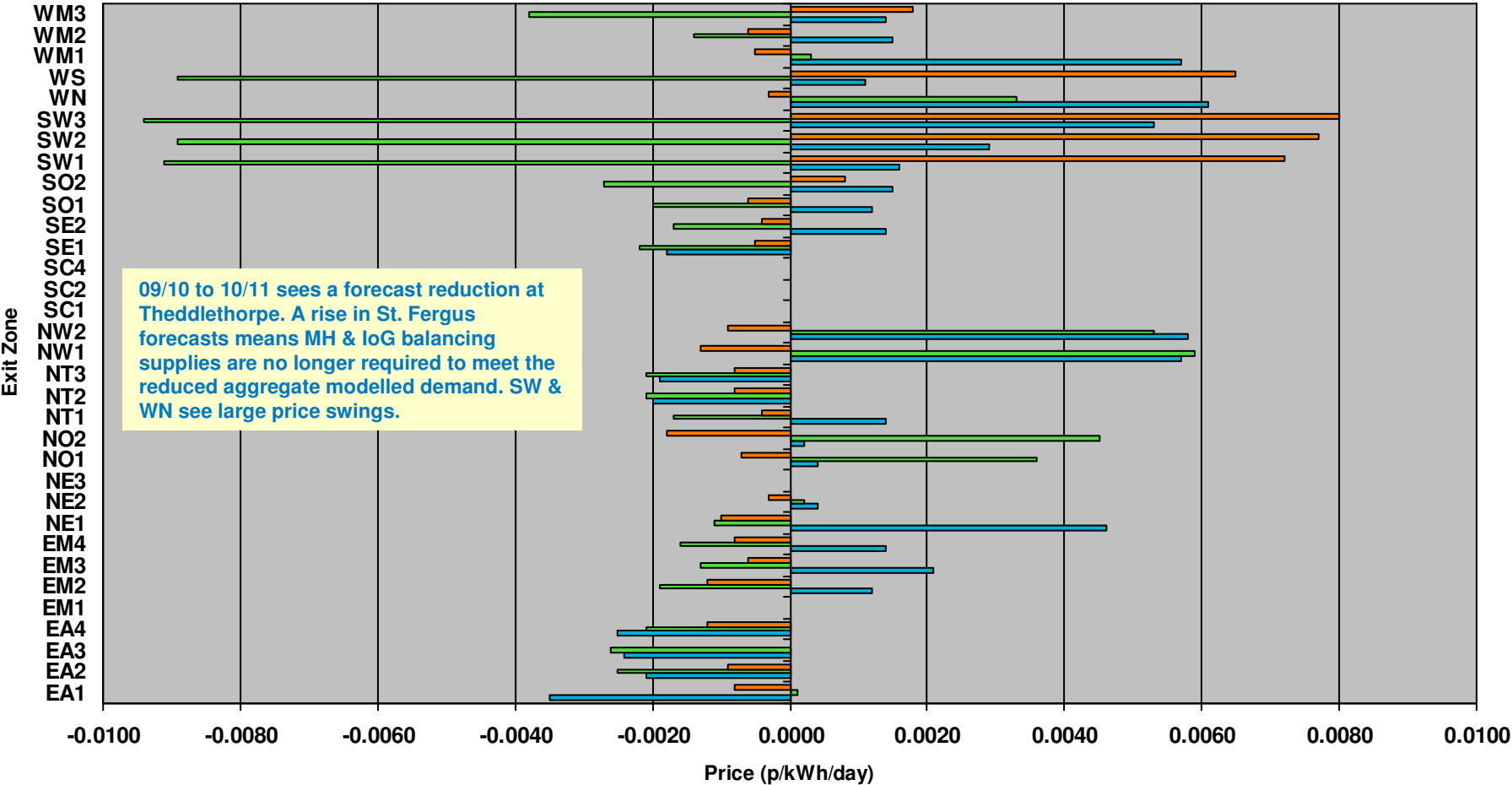


■ 07/08 & 08/09 Actuals Price changes (pre GCM16)  
■ 09/10 & 10/11 Actual Price changes (post GCM16)

■ 08/09 & 09/10 Actuals Price changes (change to GCM16)

# Booked Price year on year volatility

(Exit Zone prices are produced only for presentation purposes to give an indication of the geographic impact)



■ 07/08 & 08/09 Booked Price changes (pre GCM16)  
 ■ 09/10 & 10/11 Booked Price changes (post GCM16)

■ 08/09 & 09/10 Booked Price changes (change to GCM16)