Gas Transmission

NTSCMF

Forecasted Contract Capacity (FCC) Methodology Review for Gas Year 2022/23

01 March 2022

nationalgrid



Amendments to FCC Methodology for 2022/23 Gas Year

Proposed:

- Exit FCC to be amended from Annually calculated to Monthly calculated and summed to annual
- GDNs use the latest published Long Term Development Statement (LTDS) which are available on the GDN's website instead of the latest published FES forecast for the GDN 1 in 20 peak gas demand data.

Current - Entry FCC Methodology – no changes proposed

Calculated Monthly - By Entry Point

Forecast Flow by Entry
Point

- Average of 5 years historic flow data by each Entry Point for each month (Y-2 Y-6).
- Convert into an average capacity (kWh/d) for each month.
- Normalised for each month based on monthly forecast demand.
- Values removed from any sites no longer operational.

Capacity Forecast by Entry Point

- Capacity utilisation average value calculated for each Sector / Entry
 Point Type and applied to relevant Entry Points for each month.
 (Calculated only for Entry Points where no excess of Existing Contract
 Capacity).
- Total Average applied to Entry Points where no sites without Existing Contracts.

Future Bookings /
PARCA > Capacity
Forecast by Entry Point

- Future Bookings value used for any Entry Point with capacity bookings for year Y greater than the calculated capacity forecast (includes Existing Contract Capacity).
- PARCA value used where at Stage 2 for relevant year Y

Totalled across all Entry Points to calculate a kWh/d FCC

Exit FCC Methodology – proposed changes

Calculated Monthly Annually – By Exit Point

Forecast Flow by Exit
Point

Storage

Direct Connects (PS/Ind) Interconnectors,

GDN

Capacity Forecast by Exit Point

Future Bookings /
PARCA > Capacity
Forecast by Exit Point

1 in 20 PEAK

- Average of 5 years actual historic flows by each Exit Point for each month (Y-2 – Y-6).
- Convert into an average capacity (kWh/d).
- Normalised for forecast demand by industry sector.
- Values removed from any sites no longer operational.
- Capacity utilisation value identified for each Exit Point for each month, based on data from October 2020.
- Applied to the forecast flow value for the Exit Point to reflect level of capacity above flow.
- Any individual Exit Point value greater than 2, overwritten with sector average.
- Future Bookings value used for any Exit Point with capacity bookings for year Y greater than the calculated capacity forecast, that has either User Commitment or has been purchased via AFLEC.
- PARCA value used where at Stage 2 for relevant year Y
- Application of GDN 1 in 20 PEAK Undiversified forecast from the applicable GDN's LTDS for year Y.
- Allocated by Exit Point based on GDN Booking Profile.

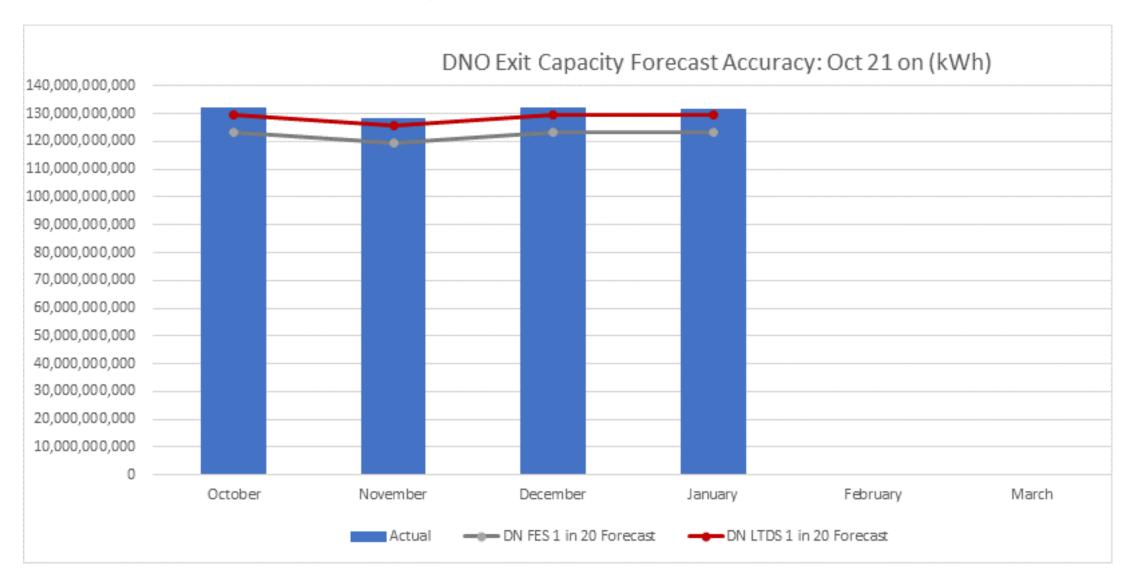
GDN Proposal

Propose to use the latest published Long Term Development Statement (LTDS) which are available on the GDN's website instead of the latest published FES forecast for the GDN 1 in 20 peak gas demand data.

The LTDS are produced at each LDZ by the GDN's and National Grid NTS will use the capacity bookings at each Exit point within the LDZ for the previous Gas Year to pro rate the total LDZ value to the Exit Point for future Gas Year(s), which is the same process used for the FES forecast proration.

The LTDS values are more closely aligned to the capacity bookings made by the GDN's so would propose this change as this would make the FCC at GDN's more accurate.

GDN Proposal – analysis of LTDS compared to FES



FCC Methodology Review Timeline

Task	Date
NTSCMF discussions	11 January, 01 February and 01 March 2022
FCC Methodology Consultation	03 March 2022 – 24 March 2022
Publication of the FCC Methodology	31 March 2022
FCC Methodology used for charge setting	May 2022

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