

## **NTSCMF / Sub Group – Formula versus Gas Year**

Some key terms in relation to formula and gas year:

<b>Term</b>	<b>Detail</b>
<b>Formula Year</b>	The Formula Year runs for a 12 month period beginning 05:00 on 1 <sup>st</sup> April (to 04:59 on 1 <sup>st</sup> April in the following calendar year). This is defined in the Gas Transporter Licence and also in Uniform Network Code (as 1 <sup>st</sup> April to 31 <sup>st</sup> March in the following calendar year).
<b>Financial Year</b>	The Financial Year runs from 1 <sup>st</sup> April to 31 <sup>st</sup> March in the following calendar year. This is defined in the Gas Transporter Licence.
<b>Gas Year</b>	The Gas Year runs for a 12 month period beginning 05:00 on 1 <sup>st</sup> October (to 04:59 on 30 <sup>th</sup> September in the following calendar year). This is defined in the Gas Transporter Licence and also in Uniform Network Code (as 1 <sup>st</sup> October to 30 <sup>th</sup> September in the following year).
<b>Tariff Period</b>	The Tariff Period is the period where a particular reference price is applicable, the minimum duration for which is 1 year and the maximum duration is the length of the regulatory period. This is defined in the Tariff Network Code. The working assumption is that the Tariff Period associated to each reference price will match the Gas Year and run from 1 <sup>st</sup> October to 30 <sup>th</sup> September in the following year.

### **Background**

Currently the formula year (financial year) runs from the 1<sup>st</sup> April to 31<sup>st</sup> March and the Gas year (and therefore the proposed Tariff year) runs from 1<sup>st</sup> October to 30<sup>th</sup> September.

### **Summary of Discussion(s)**

- To change the formula year to match the gas year would involve a significant change to the Gas Transporter Licence change, if it is considered worthwhile it may be better to wait and feed the change into RIIO-T2 negotiations. Therefore, any review of the alignment of the formula year and gas year is out of scope for the Gas Charging Review changes for 2019.

### **Conclusion**

- To maintain the Formula year and Gas year as currently defined.
- Recommendation to raise the alignment of formula year and gas year as a future change, potentially in RIIO-T2 discussions.

### **Version Control**

V0.1	Discussion at NTSCMF on 06.12.16
V0.2	Updated after NTSCMF on 11.01.17
V1.0	Agreed at sub-group on 18.01.17