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TO Entry Commodity Rebate

Following the end of the 2010/11 formula year, National Grid is in a position to finalise the calculation of the NTS TO Commodity Rebate as described in paragraph 3.2 of The Gas Transmission Transportation Charging Methodology (UNC Section Y Part A Section 1).

In the NTS Notice of Revised Gas Transmission Transportation Charges dated 1st April 2011¹ we forecasted a residual TO Entry over recovery of c. £4m for the period 2010/11. However, following a warmer than expected February and March, National Grid collected less TO entry commodity income than forecast. Whilst there has been a small over-recovery on TO entry, the amount is less than the trigger for the rebate (£1m) and consequently there will be no rebate with respect to 2010/11. The total TO over-recovery will be separated into entry and exit adjustments (k-factors) according to TO entry and TO exit allowed and collected income².

If you have any questions about this notice or NTS charges in general, please contact the Charging and Revenue Team on 01926 654633.

Yours sincerely

Adam Brown
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¹ <http://www.nationalgrid.com/NR/rdonlyres/8ADA3416-F4CF-4380-908D-D92395D3BF1D/45720/FinalnoticeofApr11prices.pdf>

² Details given in GCM12 Retrospective Negative TO Entry Commodity Charge & Separate Management of K
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