

Summary of comparisons between the UNC0621 modifications on key areas and potential outcomes of the proposals

Version History

Version Number	Date of Issue	Notes	Author
0.1	08/05/2018	Summary Analysis comparing UNC0621/A/B/C/D/E/F/H/J/K	National Grid

Comparisons between the Modifications

The analysis summarised in this section shows:

Area	Detail
Entry Combined Revenues	<ul style="list-style-type: none"> Sum of Transmission Services Entry Revenue from Calculated Capacity reserve prices and any Transmission Services Entry Revenue Recovery Charges Shown by Entry category (Beach Terminal, Interconnection Point, Onshore Field, LNG Importation, and Storage) For Transition and Enduring
Exit Combined Revenues	<ul style="list-style-type: none"> Sum of Transmission Services Exit Revenue from Calculated Capacity reserve prices and any Transmission Services Exit Revenue Recovery Charges Shown by Exit Category (each GDN area, Industrial, Interconnector, Power Station and Storage). For Transition and Enduring
Under Recovery Amounts	<ul style="list-style-type: none"> Anticipated under recovery amounts for each proposal in monetary value For Transition and Enduring
Revenue from Capacity	<ul style="list-style-type: none"> Anticipated % from Capacity Reserve price based charges from each modification Unadjusted (not adjusted for Storage and Interruptible) for Transition and Enduring Adjusted (adjusted for Storage and Interruptible) for Enduring only
Counterfactual comparisons	<ul style="list-style-type: none"> Comparison of UNC0621 to Counterfactual (as outlined in comparison table v0.11) Entry and Exit comparison Combined Revenues Under Recovery amounts Transition and Enduring

The charts for this analysis summarised above are shown in Appendix 1 of this document.

Assumptions made

For Entry Combined Revenues and Exit Combined Revenues the assumptions are:

- These show values for 2017/18 (Current) and each modelled year
- The combined revenue is calculated as the applicable firm capacity price multiplied by the anticipated booking scenario, minus the existing contract volumes (for entry) plus revenue recovery revenue which is the applicable revenue recovery price multiplied by either; the anticipated capacity bookings (for IPs) or average, daily historical flows (for Non-IPs)
- NOTE: these values enable comparisons between alternatives, but since the revenue for existing contracts is excluded, revenues are calculated by point and there is a simplified treatment for the optional charge revenue, the aggregate revenue values should be treated with caution, but the relativities of the values should be consistent.

For Under Recovery Amounts and Revenue from Capacity

- The under recovery shown is the total, IP and Non-IP under recovery for entry and exit. The capacity prices are calculated as per each modification (including any treatment of Historical Fixed Price contracts). Revenues for Historical Fixed Price contracts are included in the overall revenue recovery. These values are extracted directly from each model's run outputs prior to any NTS Optional Charge.
- The values cannot be directly linked back to the revenue sheets (referred to in the Entry Combined Revenues and Exit Combined Revenues) but are expected to be a better representation of the under-recovery than could be derived from these values.

For Counterfactual comparisons the assumptions for each graph are as per the Revenues or Under Recovery amounts highlighted above.

NOTES:

- For UNC0621C the NTS Optional Charge is a different arrangement to all other proposals and is a capacity discount for any eligible quantities. Whilst not modelled here it is expected that it will, for eligible volumes result in additional under recovery to be recovered through the Transmission Services Revenue Entry and Exit Recovery charges. The amount of additional under recovery will depend on the eligible volumes in excess of Existing Contracts (where applicable) and the nominated route whereby it is possible that there could be a capacity discount on Entry and an increase on Exit or vice versa.
 - The summary charts and analysis have been provided at very short notice to the workgroup. The workgroups have discussed variations on similar analysis over the course of developing and discussing the modification proposals. This analysis could only be put together once all the modifications had been finalised (04 May 2018). As such the workgroup has had no time to reflect on these charts and therefore consider if any modifications would be amended.
 - Whilst the analysis here is presented based on the final modifications as of 04 May 2018 it is not anticipated that any of the key issues, messages or commentary and opinions in this report would be materially impacted.
 - Alternative proposals have been developed, raised and amended alongside UNC0621 in the development process.
 - Reflections on this and all the data available, either from the Models or Analysis worksheets or UNC0621 or NTSCMF workgroup discussions can be provided as part of the consultation responses and therefore feed into the Final Modification Report (FMR).
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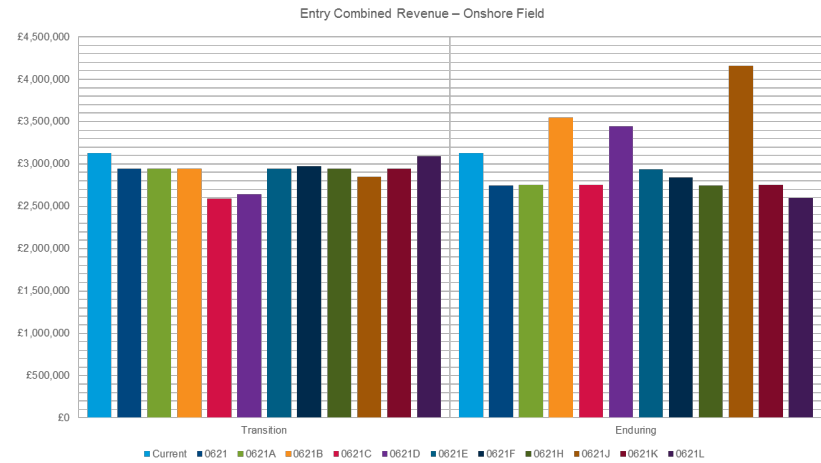
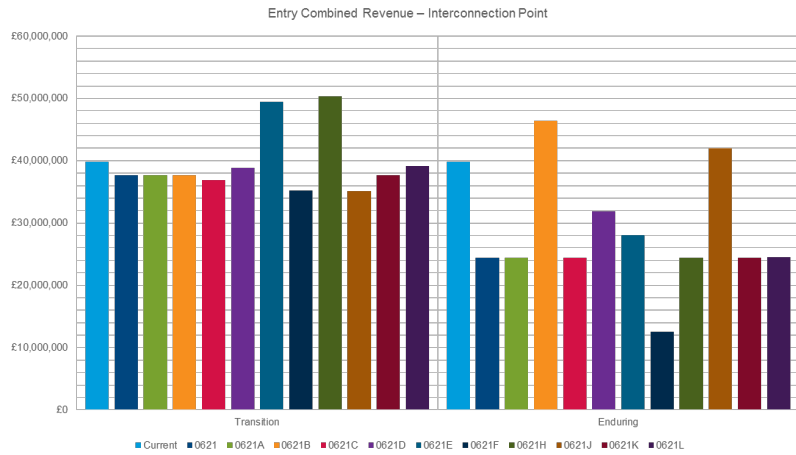
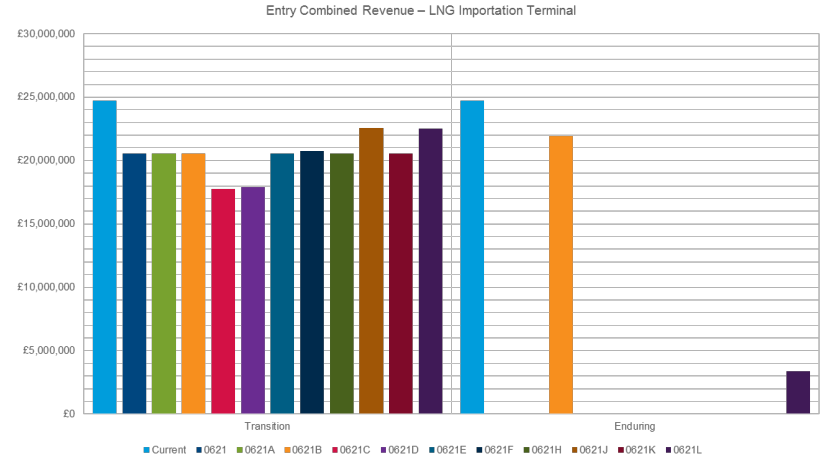
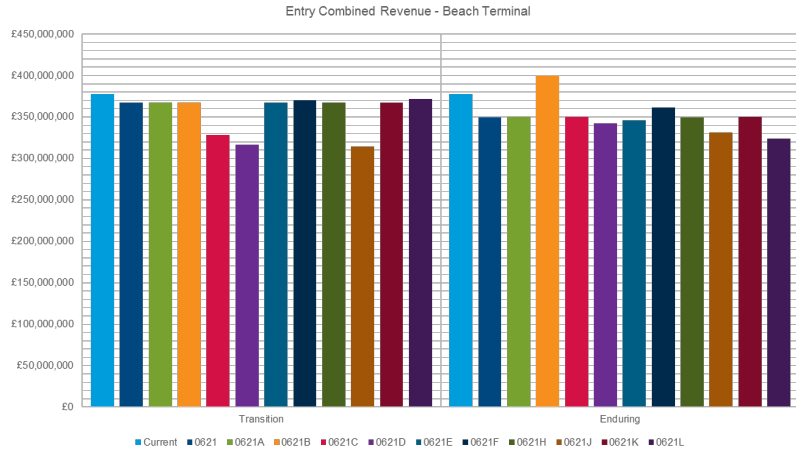
Reference material for models and data

The data behind the charts in Appendix 2 is available on the Joint Office website:

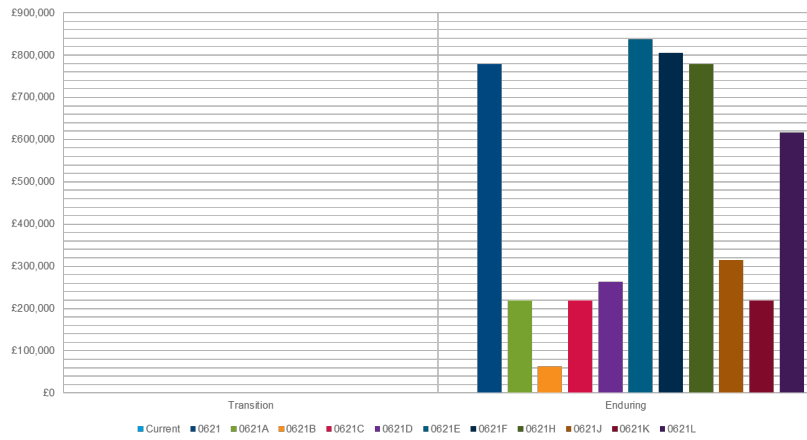
<https://www.gasgovernance.co.uk/0621/Analysis>

Appendix 1 : Comparison of Modifications

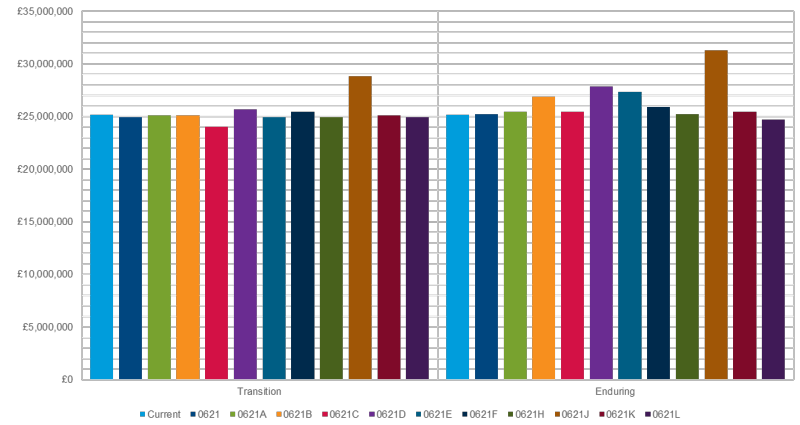
Entry Combined Revenues



Entry Combined Revenue – Storage Site

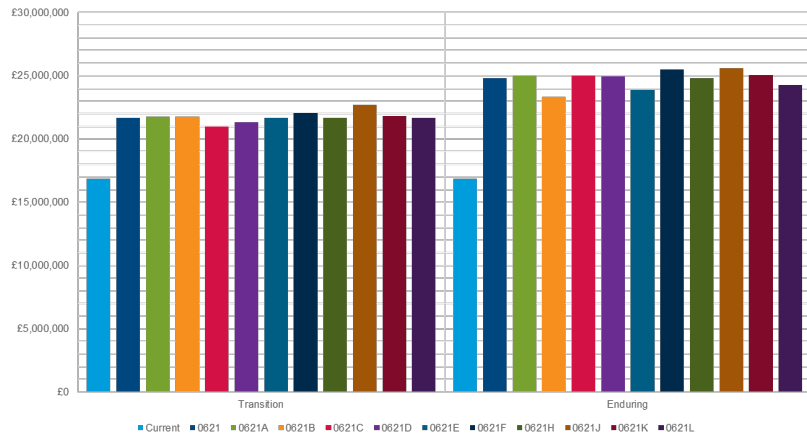


Exit Combined Revenue - GDN (EM)

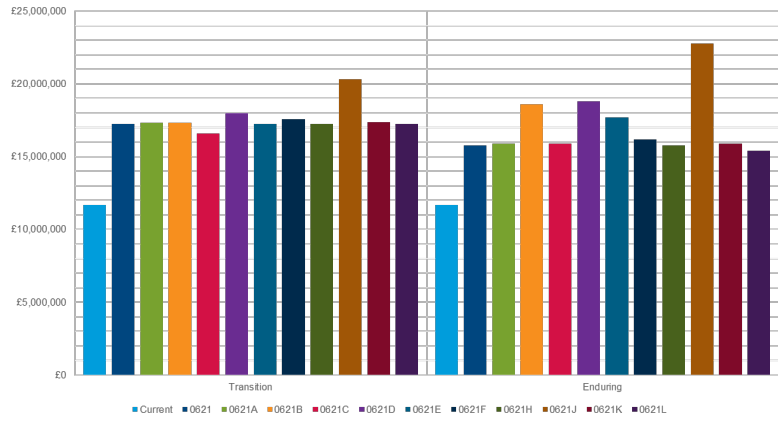


Exit Combined Revenues

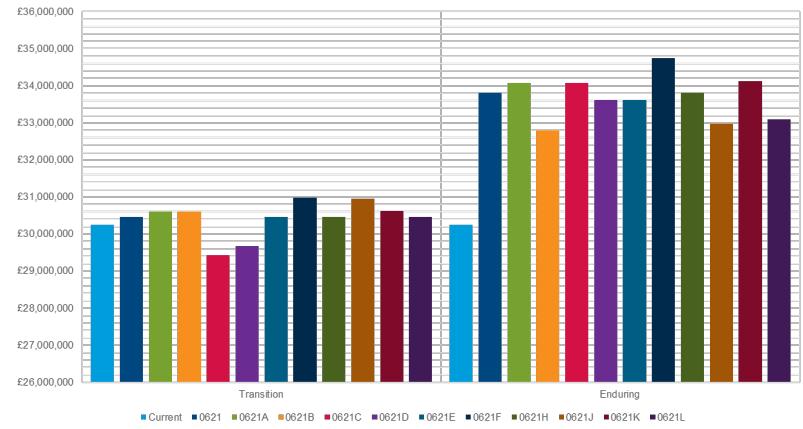
Exit Combined Revenue - GDN (EA)



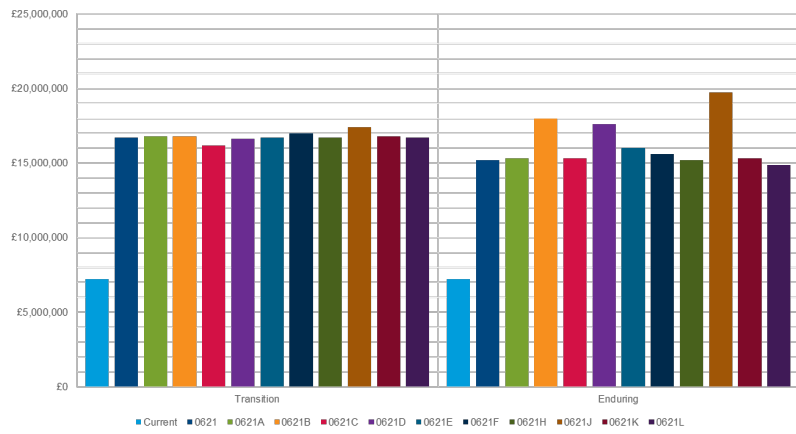
Exit Combined Revenue - GDN (NE)



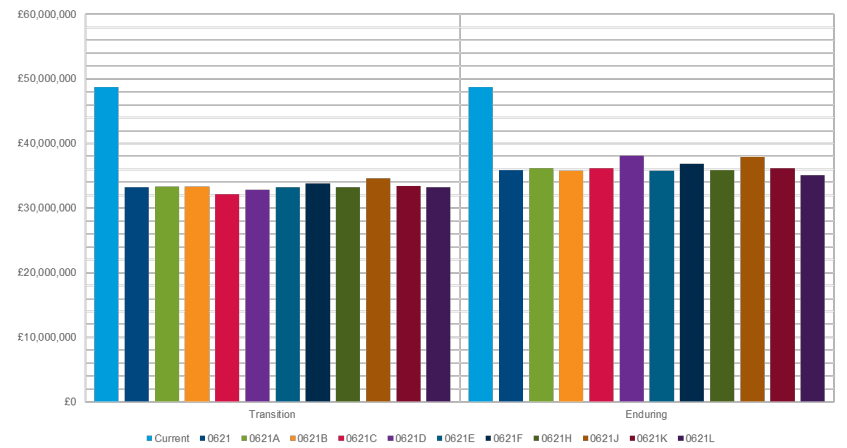
Exit Combined Revenue - GDN (NT)



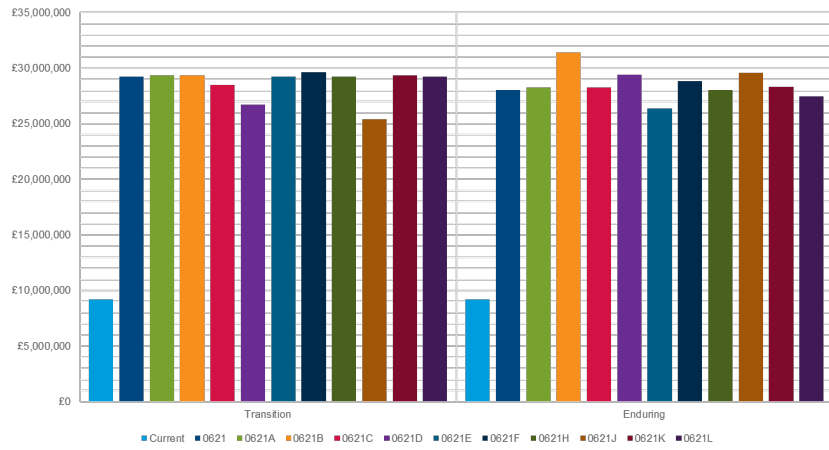
Exit Combined Revenue - GDN (NO)



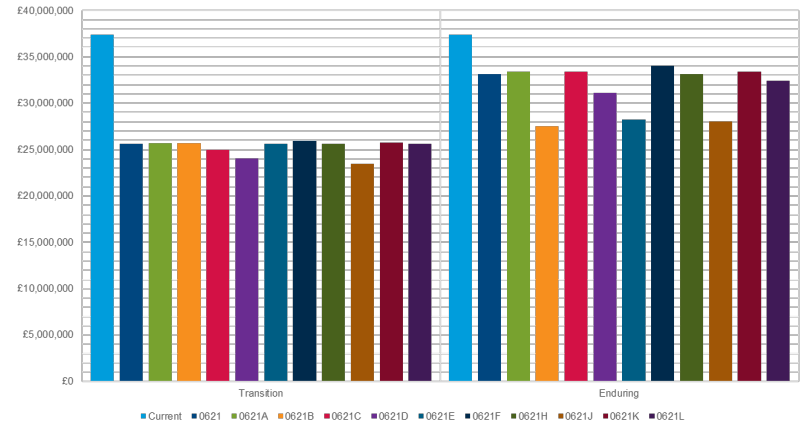
Exit Combined Revenue - GDN (NW)



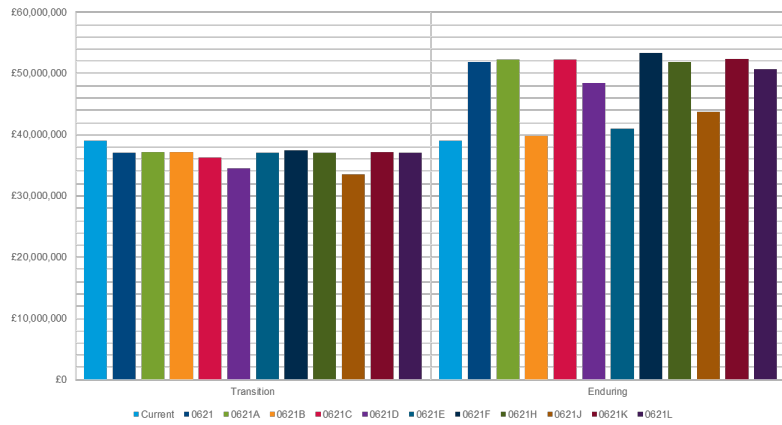
Exit Combined Revenue - GDN (SC)



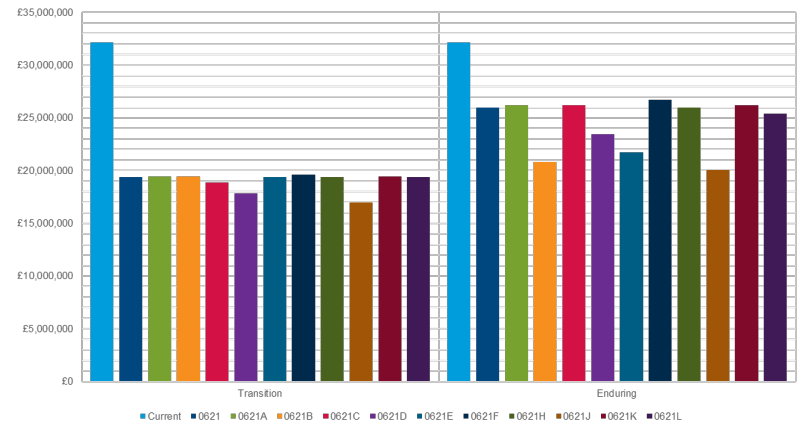
Exit Combined Revenue - GDN (SO)



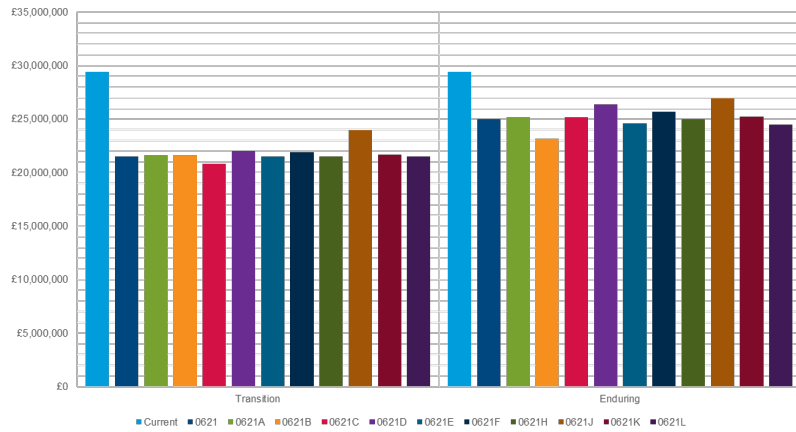
Exit Combined Revenue - GDN (SE)



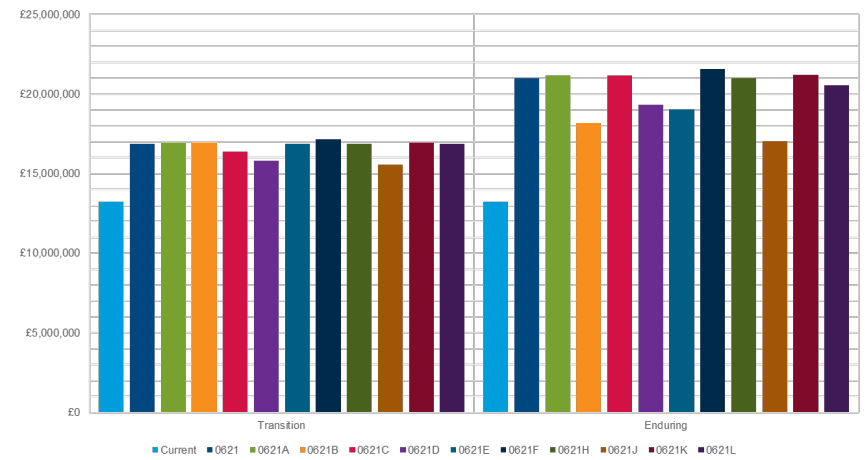
Exit Combined Revenue - GDN (SW)



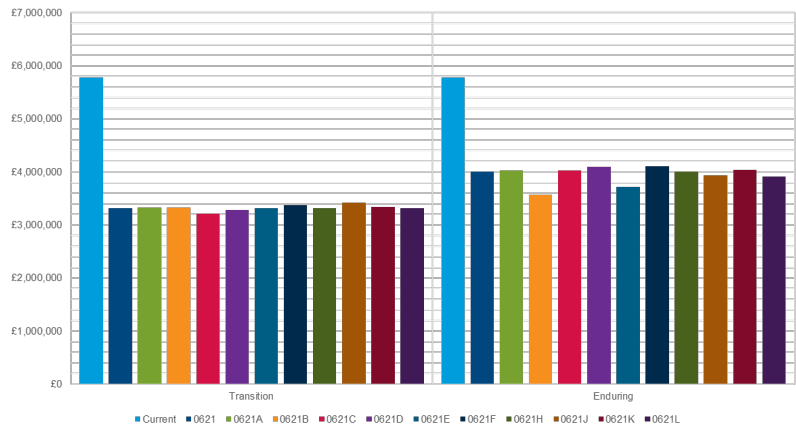
Exit Combined Revenue - GDN (WM)



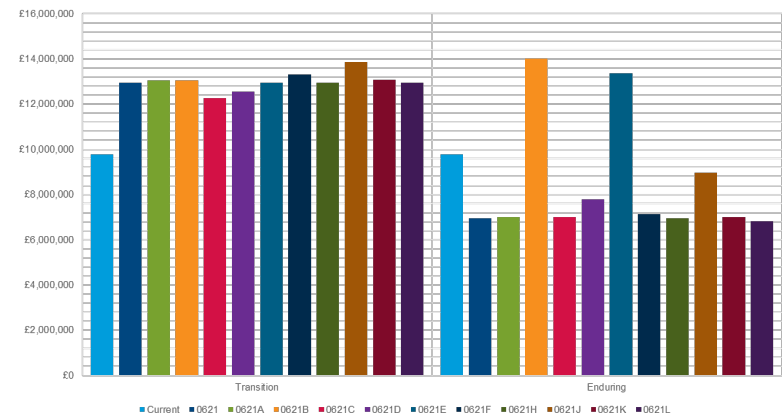
Exit Combined Revenue - GDN (WS)



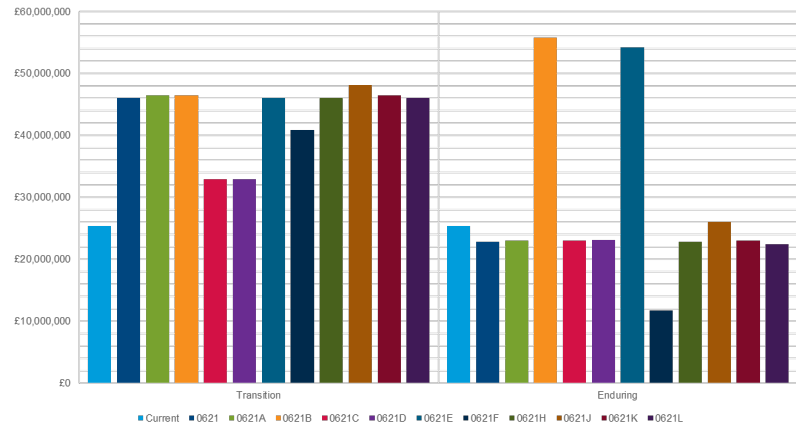
Exit Combined Revenue - GDN (VN)



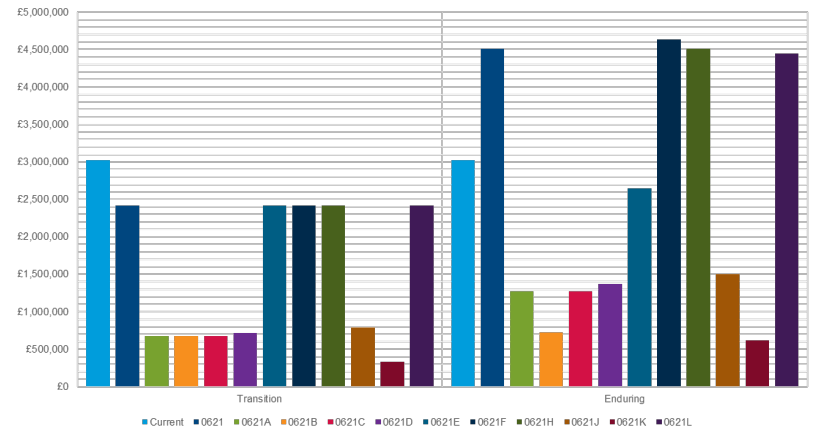
Exit Combined Revenue - INDUSTRIAL



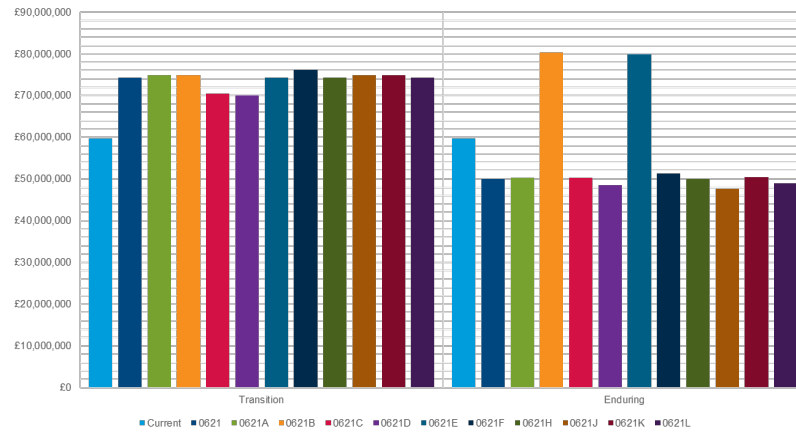
Exit Combined Revenue - INTERCONNECTOR



Exit Combined Revenue - STORAGE SITE

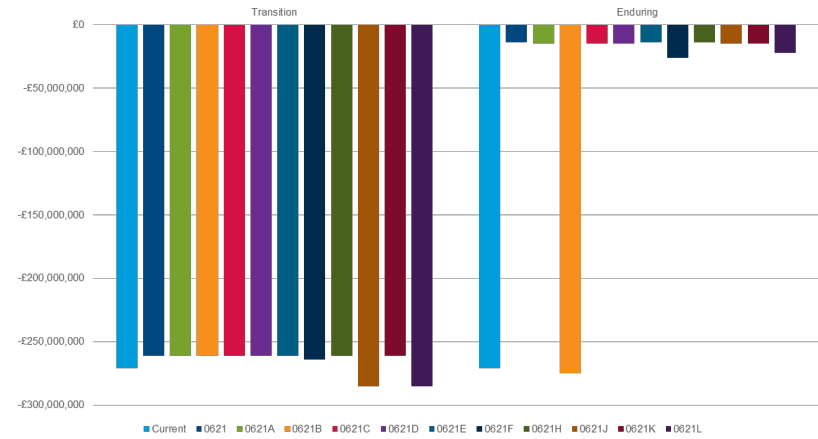


Exit Combined Revenue - POWER STATION

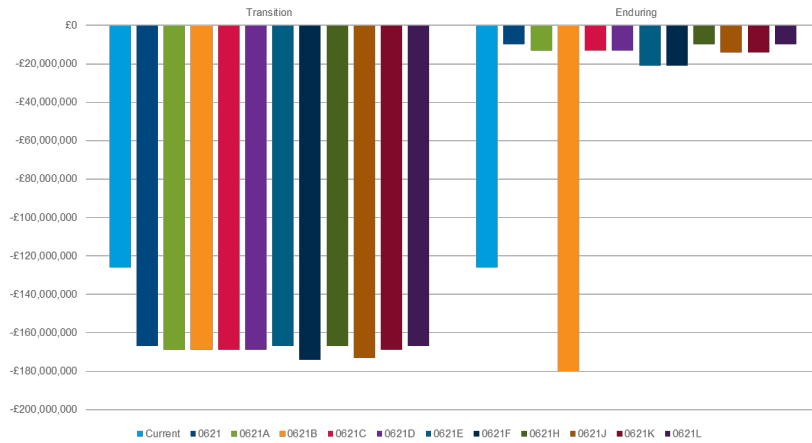


Under Recovery Amounts

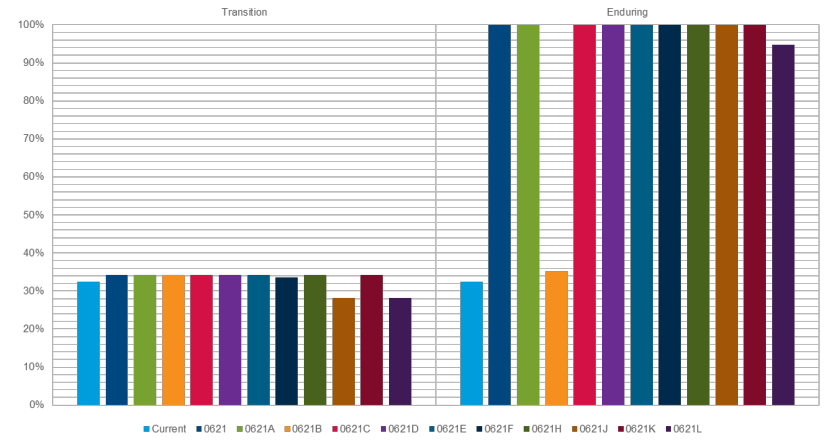
Entry - Under Recovery during (2019/20) and Enduring (2021/22)



Exit - Under Recovery during Transition (2019/20) and Enduring (2021/22)

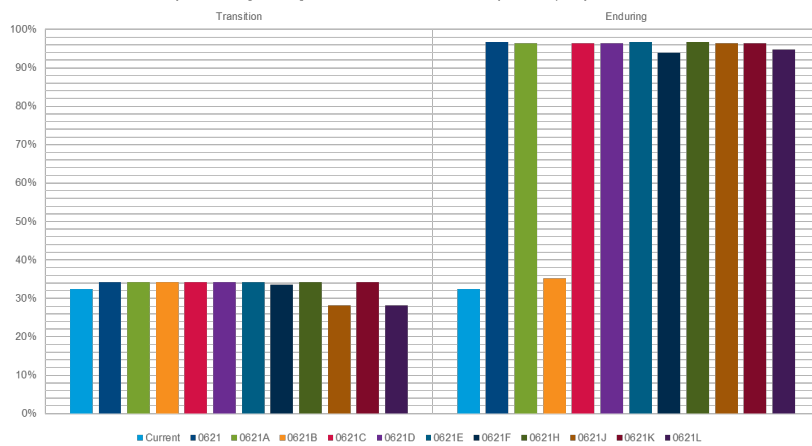


Entry - Percentage of Target Revenue Collected From Adjusted Capacity Reserve Prices

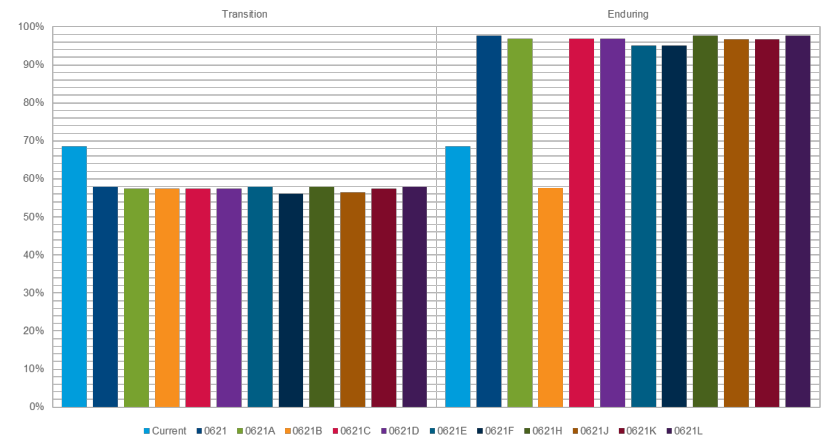


Revenue from Capacity

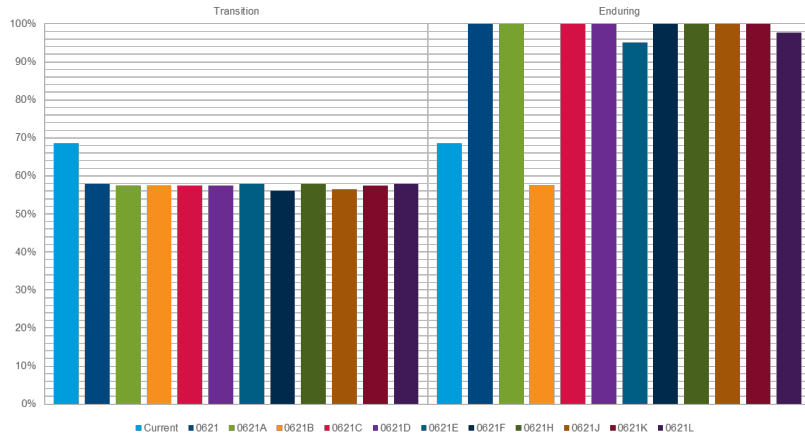
Entry - Percentage of Target Revenue Collected From Unadjusted Capacity Reserve Prices



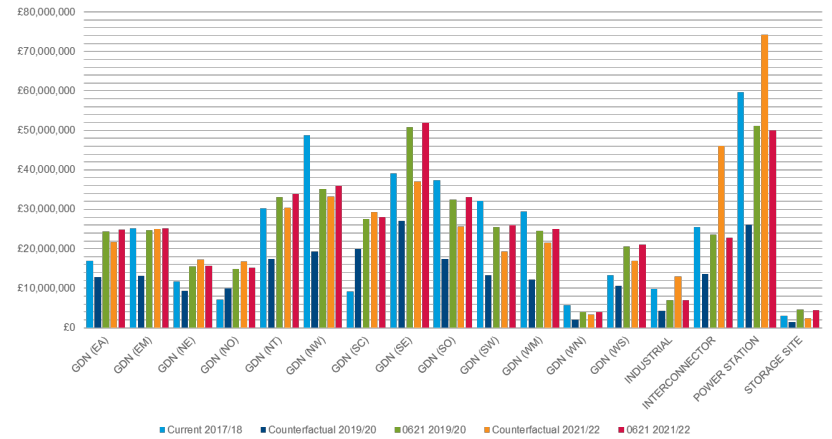
Exit - Percentage of Target Revenue Collected From Unadjusted Capacity Reserve Prices



Exit - Percentage of Target Revenue Collected From Adjusted Capacity Reserve Prices



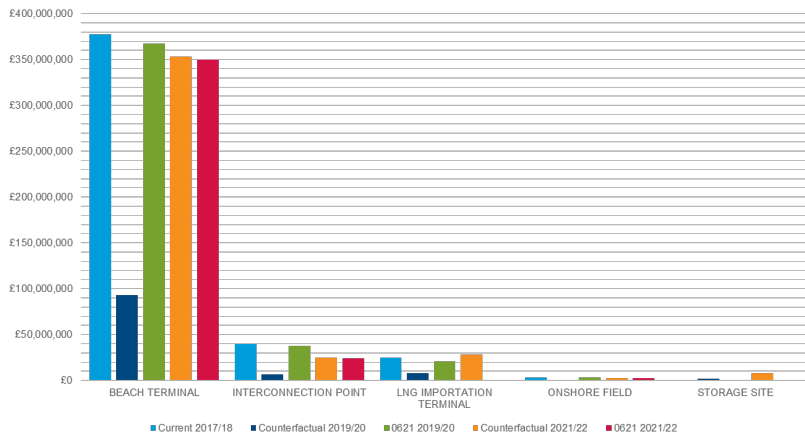
Current, 0621 and Counterfactual (combined) revenue distribution



Counterfactual comparisons

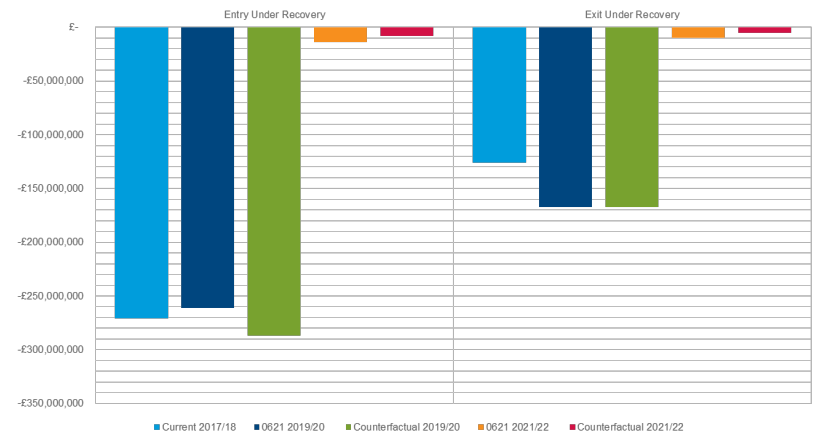
Entry Comparison of UNC0621 to Counterfactual (as outlined in comparison table v0.11)

Current, 0621 and Counterfactual (combined) revenue distribution



Counterfactual (Entry and Exit) Under Recovery Amounts

Current, 0621 and Counterfactual Under Recovery in 2019/20 and 2021/22



Exit Comparison of UNC0621 to Counterfactual (as outlined in comparison table v0.11)

Counterfactual comparison for % Revenue Recovery from Capacity Reserve Prices

Current, 0621 and Counterfactual Revenue Recovered from Capacity Reserve Prices in 2019/20 and 2021/22

