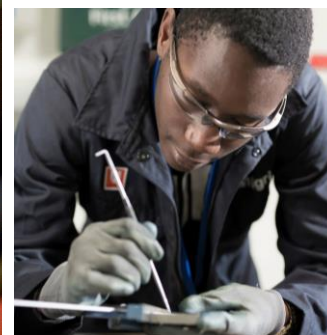


UNC 0662: Revenue Recovery at Combined ASEPs.



Transmission Workgroup

06 September 2018

Mod UNC 0662: Revenue Recovery at Combined ASEPs

- Progress update
 - Text in draft Mod updated to clarify that the scope of 0662 includes both IP and non-IP points and includes entry capacity associated with both decommissioned and abandoned storage projects.
 - Offline bilateral engagement with some effected parties to explore how capacity associated with storage could be identified
 - Impact analysis started

Mod UNC 0662: Revenue Recovery at Combined ASEPs

- Preliminary impact analysis
 - Initial focus on BA IP (as impacted from Oct'19)
 - Oct'19 – Sep'21 important period as Revenue Recovery could still be a significant % of Target Revenue (i.e. the transition period of 0621)
 - Post Oct'21 Revenue Recovery may be a small balancing item if a robust Forecast Contracted Capacity methodology is developed and Target Revenue is largely recovered through capacity sales

Mod UNC 0662: Revenue Recovery at Combined ASEPs

- Depending on what 0621 alternative is chosen the anticipated flow at IPs as a proportion of total flows shall set the required revenues to be collected from IPs.
- Because revenue recovery is still rooted in flows, 0662 will have no impact on revenues collected from shippers not flowing at Bacton IP in transition period

Aggregate Entry Flows

	Total NTS Entry Flows, TWh	BA IP Entry Flows, TWh	% Flow at BA IP
Apr'16-Jun'16	218	6	3%
Jul'16-Sep'16	185	0	0%
Oct'16-Dec'16	279	35	12%
Jan'17-Mar'17	296	23	8%
Apr'17-Jun'17	210	0	0%
Jul'17-Sep'17	191	0	0%
Oct'17-Dec'17	277	28	10%
Jan'18-'Mar'18	321	57	18%

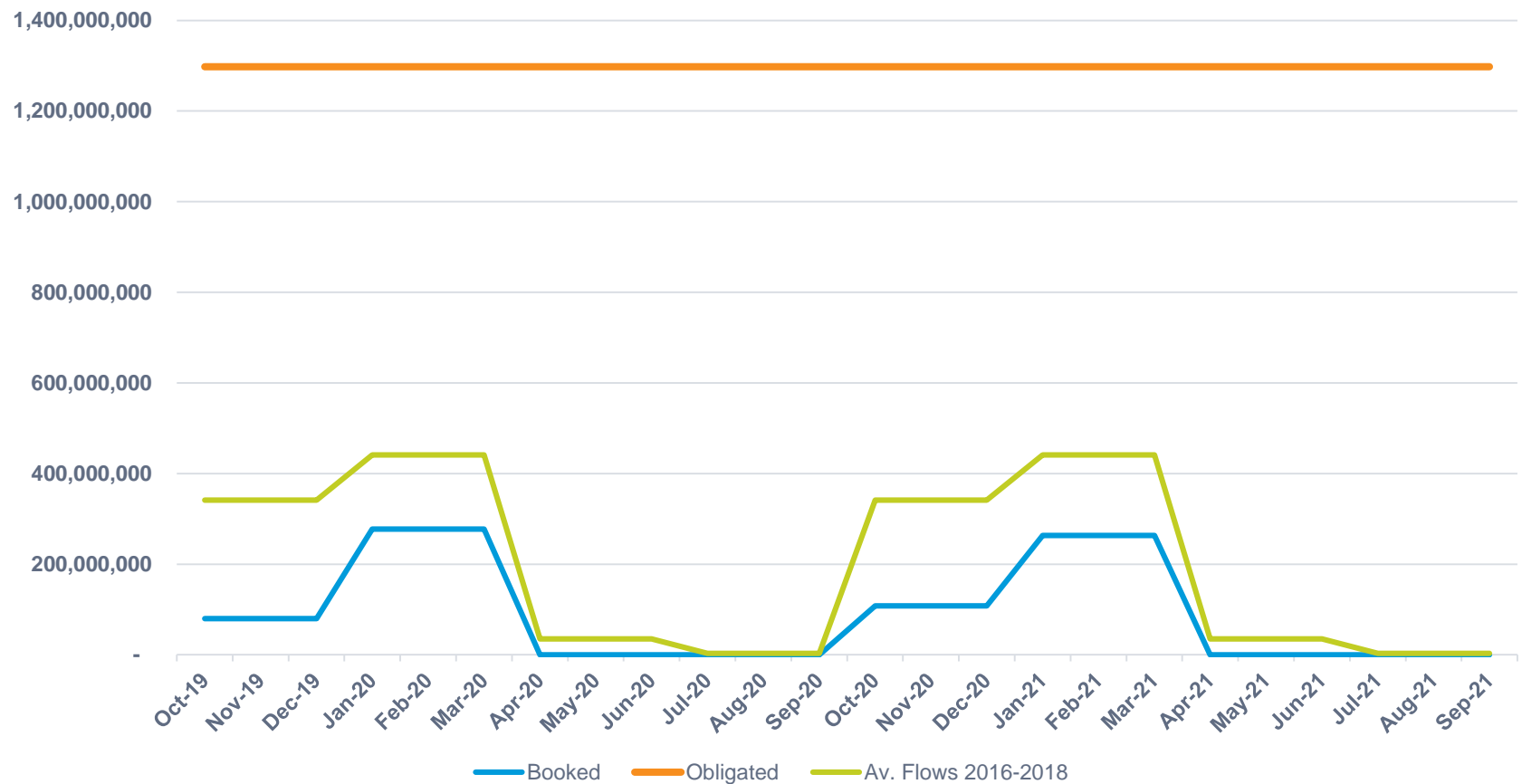
- BA IP Aggregate Entry Flow = 6% per annum of total entry flows
 - This indicates % revenue to be recovered from Transmission Services Revenue Recovery Charge at BA IP for Entry

Mod UNC 0662: Revenue Recovery at Combined ASEPs

- BA IP Entry Capacity bookings
 - only booked for winter quarters
 - 0662 has no impact on revenue recovery for summer quarters 2019 – 2021.

Mod UNC 0662: Revenue Recovery at Combined ASEPs

Bacton IP: Entry Capacity v Av. flows



national**grid**