

31st October 2020

Indicative NTS Charges to apply from 1 April 2021

This notice is issued in line with National Grid Gas' ("National Grid") Transporters Licence in respect of the NTS and our obligations contained in the Uniform Network Code, which requires National Grid to provide indicative notice of changes to its gas transportation charges. This notice details The Indicative General Non-Transmission Services charges from 1 April 2021.

A copy of our document "**Indicative Gas Transportation Charges April 2021**", which contains all charges from 1 April 2021, is available on the National Grid website <https://www.nationalgridgas.com/charging/transmission-system-charges> and should be read in conjunction with this note.

UNC Modification 0678A

UNC Modification 0678A 'Amendments to Gas Transmission Charging Regime' was implemented on 28th May 2020, with an implementation date of 1st October 2020. The charges included in this notice are calculated in accordance with the methodology as prescribed in UNC Modification 0678A.

Indicative General Non-Transmission Services Charges

The indicative **General Non-Transmission Services Charge** for April 2021 is set at **0.0126** p/kWh. The indicative values for years 22-23 to 25-26 are contained in the table below.

	<i>Indicative</i>	<i>Future Year Indicatives</i>			
	Apr 21 – Mar 22	Apr 22 – Mar 23	Apr 23 – Mar 24	Apr 24 - Mar 25	Apr 25 – Mar 26
<i>General Non-Transmission Services</i>	0.0126	0.0122	0.0140	0.0142	0.0136

These Indicative General Non-Transmission Services charges have been prepared based upon National Grid Gas Transmission's RIIO-2 business plan, covering the price control period from 1st April 2021 to 31st March 2026 which was submitted to Ofgem on 9th December 2019, adjusted only to account for the latest Shrinkage Forecast for Apr 21 – Mar 22. Since the RIIO-2 framework will remain under development in 2020, there remains a degree of uncertainty in the allowed revenues and therefore also the indicative charges.

There is also the potential for these indicative General Non-Transmission Services charges to be impacted should one of the alternates to UNC Modification 0728 be implemented, that could introduce a conditional discount for avoiding inefficient bypass of the NTS.

St Fergus Compression Charge

The **Compression Charge** levied at the North Sea Midstream Partners (NSMP) sub-terminal at St. Fergus is forecast to increase to **0.0104** p/kWh. Forecast costs for this compression have increased due to higher gas prices.

Supporting Information

National Grid have published the Transportation Models used to calculate the Final Transmission Services and General Non-Transmission Services prices for October 2020 on the National Grid website at <https://www.nationalgridgas.com/charging/transmission-system-charges>, and will continue to do so for all Final charge setting processes.

There will be an opportunity to discuss these charges at a subsequent NTS Charging Methodology Forum (NTSCMF), details of which can be found at <http://www.gasgovernance.co.uk/ntscmf/>.

If you have any questions, please email our charging team at box.NTSGasCharges@nationalgrid.com.