

CONSULTATION DOCUMENT

**Modification Proposals to the Gas Transmission
Transportation Charging Methodology**

**NTS GCM 05 Re-Consultation:
NTS Exit (Flat) Capacity & Exit Reform**

23rd January 2009

Table of Contents

1	EXECUTIVE SUMMARY	1
	Implementation.....	3
	Indicative Prices	3
	Future Proposals.....	3
2	INTRODUCTION	4
	Enduring Annual NTS Exit (Flat) Capacity.....	4
	Annual NTS Exit (Flat) Capacity	4
	Daily NTS Exit (Flat) Capacity.....	4
	Off-Peak Daily NTS Exit (Flat) Capacity	4
3	BACKGROUND	5
4	DISCUSSION AND ISSUES	6
	The Licence & Revenue Foregone	6
	Transportation Model Inputs	6
	Treatment of Bi-directional System Points.....	7
	Price Control Boundary Issues.....	8
	Interruption	8
	Offtake Specific v Exit Zone Prices	8
	SO & TO Commodity	9
	Implementation.....	9
5	NATIONAL GRID'S PROPOSAL	10
	Implementation.....	11
	Indicative Prices	11
	Future Proposals.....	11
6	JUSTIFICATION	12
	Assessment against Licence Objectives.....	12
	Assessment against EU Gas Regulations	13
7	AREAS FOR CONSULTATION	14
	APPENDIX A – LICENCE IMPLICATIONS OF EXIT REFORM	15
	APPENDIX B – INDICATIVE NTS EXIT (FLAT) CAPACITY PRICES	17
	APPENDIX C – INDICATIVE NTS EXIT (FLAT) COMMODITY PRICES	26
	APPENDIX D - TIMELINES	27

1 Executive Summary

This document is issued by National Grid in its role as Gas Transporter Licence holder in respect of the NTS (“National Grid”).

This document sets out for re-consultation revised proposals for amending the Gas Transmission Transportation Charging Methodology (the “NTS Charging Methodology”) in respect of the introduction of NTS Exit (Flat) Capacity Charges and the removal of interruptible credits. These proposals have been revised and are being brought forward for re-consultation in relation to the direction for implementation of UNC Modification Proposal 0195AV which is introducing NTS Exit Reform.

The closing date for submission of your responses to this consultation is **Friday 20th February 2009**

GCM05: National Grid proposes through this consultation document that:

- A consistent approach to the setting of actual, indicative and auction reserve prices for NTS Exit (Flat) Capacity is taken
- Nodal, offtake specific, NTS Exit (Flat) Capacity prices are set
- Interruption credits are removed from the NTS Charging Methodology
 - Bilateral contracts, leading to surrender charges, would result from the UNC Modification Proposals
- NTS Exit (Flat) Capacity Prices are calculated using the prevailing Charging Methodology for NTS Exit Capacity Prices
- The Transportation Model is used for estimating Long Run Marginal Costs (LRMCs) for the purposes of determining Annual/Enduring Annual NTS Exit (Flat) Capacity prices and reserve prices for daily firm NTS Exit (Flat) Capacity auctions based on a single year network model and supply/demand forecast for the relevant Gas Year;
 - For Annual/Enduring Annual NTS Exit (Flat) Capacity, charges will be set for the forthcoming Gas Year based on the supply data, baselines and network model for that year;
 - For daily firm reserve prices, the reserve price will be set based on the Enduring Annual NTS Exit (Flat) Capacity charge in place for that Gas Day.
 - For Off-Peak Daily NTS Exit (Flat) Capacity auctions, the reserve price will be zero.
- Defined inputs to the Transportation Model
 - Network ~ the network model comprising the nodes and pipe lengths would represent the Year of capacity release. The model would represent committed projects as indicated by the Ten Year Statement. Where network models are generated for indicative prices for the first application sufficient pipe to allow connection of all new entry and exit points would be included.

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- Supply Data ~ Ten Year Statement (No Change)
 - Supply Balancing ~ Merit order (No Change ~ subject to review)
 - Demand Data ~ flow data will be based on Baseline and incremental exit capacity levels other than bi-directional system points which will be assumed to be in supply mode and hence will have a zero exit flow. Capacity data will be the baseline quantities. Sites representing incremental capacity release will have the capacity level (but not the flow level) capped at the baseline level as this is the level of capacity that represents TO revenue; capacity in excess of this level represents SO revenue.
 - Target revenue ~ TO revenue calculated in accordance with the Charging Methodology and NTS Licence (No Change)
 - Expansion factor ~ calculated in gas year N-4 based on the costs of constructing NTS capacity for 1st October in gas Year N. (e.g. the expansion factor for gas year starting 1st October 2012 would be set in the summer of 2009 and would apply for setting prices for all applications and auctions for gas year starting 1st October 2012 including daily auctions)
 - Anuitisation factor ~ Implied by the NTS Licence (allowed rate of return, operating expenditure allowance and anuitisation period) at the time of setting prices. (No Change)
 - The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges
 - The SO NTS Exit (Flat) Commodity charge maps onto and replaces the existing SO NTS Exit Commodity charge.
 - A new TO Exit (Flat) Commodity charge is introduced in addition to the SO Exit (Flat) Commodity charge
 - The level of the TO Exit (Flat) Commodity charge would be set to seek to adjust the level of TO collected exit revenue if there is forecast to be under recovery.
 - The NTS TO Exit (Flat) Commodity charge will have an identical structure and application to the NTS SO Exit (Flat) Commodity charge

Implementation

It is proposed that these arrangements are implemented with effect from 1st April 2009. Implementation of UNC 0195AV requires an initial application in the summer of gas year 2009 for capacity from 1st October in gas year 2012 and then summer year N for gas year starting 1st October N+4. As a consequence there would be a phased implementation as indicated by the timelines in Appendix D - Timelines.

Indicative Prices

Indicative capacity and commodity prices are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices and Appendix C – Indicative NTS Exit (Flat) Commodity Prices.

Future Proposals

Further proposals might be required to cover NTS TO Exit over recovery as a consequence of revenue from daily exit capacity auctions. Over recovery might be managed by a reduced or negative TO Exit Commodity Charge however National Grid's reasonable endeavours obligation to only set commodity charges twice a year on 1st April and 1st October might not be sufficiently flexible. It may be more appropriate to investigate rebate mechanisms consistent with those introduced for NTS TO Entry revenue over recovery.

2 Introduction

- 2.1 This document is issued by National Grid in its role as Gas Transporter Licence holder in respect of the NTS (“National Grid”). This document sets out for consultation proposals for amending the Gas Transmission Transportation Charging Methodology (the “NTS Charging Methodology”) in respect of the introduction of NTS Exit (Flat) Capacity Charges and the removal of interruptible credits.
- 2.2 These proposals are being brought forward in relation to the direction for implementation of UNC Modification Proposal 0195AV which is seeking to introduce NTS Exit Reform.
- 2.3 In regards to the primary ‘flat’ capacity product 0195AV introduces four capacity products, albeit with slightly different arrangements, and this document covers the pricing of those products. The products are;
- Enduring Annual NTS Exit (Flat) Capacity
 - Annual NTS Exit (Flat) Capacity
 - Daily NTS Exit (Flat) Capacity
 - Off-Peak Daily NTS Exit (Flat) Capacity
- 2.4 The document also covers NTS Exit (Flat) Commodity charge setting.

Enduring Annual NTS Exit (Flat) Capacity

- 2.5 Users will be able to apply for such rights via an annual window in Summer of Gas Year N for Gas Year N+4 onwards. Ad-hoc applications can also be requested.

Annual NTS Exit (Flat) Capacity

- 2.6 Users will be able to apply for such rights in Summer of Gas Year N for Gas Years N+1, N+2 and N+3 via an annual process.

Daily NTS Exit (Flat) Capacity

- 2.7 Users will be able to bid for such rights ahead of and during the Gas Day via daily auctions.

Off-Peak Daily NTS Exit (Flat) Capacity

- 2.8 Off-Peak Daily NTS Exit (Flat) Capacity would be released. Users will be able to bid for such rights ahead of the Gas Day via daily auctions. The available amount would be made up of
- “Use it or lose it” (UIOLI),
 - discretionary release, and
 - "Daily Off-peak NTS Exit (Flat) Capacity" - this will be auctioned on D-1 but only on days where forecast demand at 13.30 D-1 is less than 80% of 1 in 20 peak day demand. The amount available would include the Maximum Supply Point Offtake rate multiplied by 24 minus Firm sold.

3 Background

- 3.1 Three National Grid gas charging discussion papers (GCD01, GCD02 & GCD03) were issued and consulted on between October and November 2006 in relation to the UNC 0116 Modification Proposal and variants.
- **NTS GCD 01** covered NTS Exit (Flat) Capacity and the generation of Prevailing¹ NTS Exit (capacity) Capacity prices and Annual and Daily reserve prices.
 - **NTS GCD 02** covered NTS Exit (Flexibility) Capacity and Commodity including reserve prices for annual and daily auctions and a new SO Flexibility Commodity Charge.
 - **NTS GCD 03** covered TO under and over-recovery mechanisms
- 3.2 As a consequence of the discussions and given the potential timelines for the first NTS Exit (flexibility) Capacity auctions, the GCM04 pricing proposal was issued and consulted on over February and March 2007. GCM04 proposed a zero reserve price for NTS Exit (Flexibility) Capacity for the annual and daily auctions. Following the submission of a report containing this proposal to the authority, GCM04 was not vetoed and hence now forms part of the NTS Charging Methodology. This section of the methodology has subsequently become redundant due to the successful appeal of the Authority decision to direct implementation of UNC Modification Proposal 0116V.
- 3.3 Respondents to GCD01 were supportive of the setting of NTS TO Exit (Flat) Capacity charges based on the Transportation model approach. Support for the approach was subject to the adjustment of Exit Capacity charges and reserve prices to aim to recover the total TO Exit Capacity target allowed revenue through NTS Exit (Flat) Capacity charges.
- 3.4 In light of the responses to GCD01 and UNC Modification Proposals UNC0195 & 0195AV, National Grid raised and consulted on charging methodology proposal GCM05 on 18th July 2008. GCM05 proposed the adjustment of Exit Capacity charges and reserve prices to aim to recover the total TO Exit Capacity target allowed revenue through NTS Exit (Flat) Capacity charges.
- 3.5 In its 19th January 2009 decision letter on 0195AV, Ofgem made the following comments; *“Alongside the modifications to the UNC being considered here, NGG are currently consulting on the proposals to modify the gas transmission transportation charging methodology. Under the Transmission Licence, revenue forgone (ie capacity charges from interruptible shippers had they been firm) is collected as SO incentive revenue. Once an enduring offtake regime is in place, these revenues will become part of the Transmission owner (TO) revenues. We do not consider it appropriate that those shippers that book firm exit capacity should have to bear all of the cost of the forgone revenue through increased exit capacity charges. Instead, it would be more appropriate that any shortfall between allowed exit revenue and exit capacity charge revenues is recovered through a commodity charge so that all users of the system (both firm and interruptible) contribute towards the transmission system costs and would expect the current charging consultation to reflect these views.”*

¹ Prevailing NTS Exit (Flat) Capacity under the 0116 suite of UNC proposals equates to Enduring NTS Exit (Flat) Capacity under 0195AV.

4 Discussion and Issues

The Licence & Revenue Foregone

- 4.1 Interruptible supply points do not currently attract NTS Exit Capacity charges
- 4.2 Definition: 'Charges Foregone' are defined within the NTS Transportation Licence as those NTS Exit Capacity charges that Interruptible supply points would pay if they were Firm
- 4.3 Charges Foregone are (up to exit reform) included within the NTS Licence as SO allowed revenue and as TO actual (collected) revenue i.e. an increase in SO allowed revenue is cancelled out by an effective reduction in TO allowed exit revenue
- 4.4 Post Exit Reform there would be no 'Charges Foregone'.
- If all 'interruptible' demand converted to firm, in theory this would mean that NTS Exit (Flat) Capacity charges could remain unchanged.
 - In practise there may still be a change in prices as a consequence of the geographical redistribution of costs caused by higher supplies required to meet higher demand within the model.
 - If all 'interruptible' demand utilised off-peak capacity, this could mean that NTS Exit (Flat) Capacity charges would increase.
 - This would be avoided by setting NTS Exit (Flat) Capacity charges on baseline capacity levels and recovering the costs associated with unsold baselines through commodity charges.
- 4.5 Indicative prices for exit points based on baseline capacity levels are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices.
- 4.6 There would be a consequential decrease in SO Commodity charges relative to the prevailing arrangements as a result of the removal of 'revenue foregone' allowed SO revenue. The impact of the removal of revenue foregone on the SO Commodity charge would be a reduction of 0.0034 p/kWh based on the data used for the indicative charges in Appendix B – Indicative NTS Exit (Flat) Capacity Prices. The impact of the proposal on TO Exit (Flat) Commodity charges based on a range of firm capacity bookings is shown in Appendix C – Indicative NTS Exit (Flat) Commodity Prices.
- 4.7 Exit reform related Licence changes are detailed in Appendix A – Licence Implications of Exit Reform.

Transportation Model Inputs

- 4.8 The options for setting NTS Exit (Flat) Capacity charges were discussed with the industry via GCD01 and at the Gas Transmission Methodologies Forum (TCMF). GCD01 set out a number of options with support only expressed for the use of the Transportation Model. National Grid continues to believe that the use of the Transportation Model to set NTS Exit (Flat) capacity charges is the most appropriate method and this section covers the Transportation Model input data that would be required.

4.9 Change to Transportation Model input data

- Network
 - The network model comprising the nodes and pipe lengths should represent the Year of capacity release. The model should represent committed projects as indicated by the Ten Year Statement. Where network models are generated for indicative prices for the first application sufficient pipe to allow connection of all new entry and exit points would need to be included.
- Supply
 - Using supply data from the Ten Year Statement would be consistent with the prevailing NTS Charging Methodology.
- Demand
 - Booked exit capacity was viewed as the most appropriate option however Ofgem raised concerns that this may lead to those relying on off-peak capacity not paying an appropriate proportion of TO costs. Lower firm booking would result in higher charges whereas higher firm bookings would result in lower charges.
 - Modelling and adjusting charges to baseline exit capacity would ensure stable charges and would ensure that those exit points relying on off-peak capacity would attract a more appropriate level of TO costs.
- Balancing S&D
 - This proposal will be based on the prevailing methodology; a merit order approach, where supplies are used one-by-one to reach the modelled demand level. Alternative options, such as scaling all or groups of supplies may lead to more stable prices and will be investigated. Any charging methodology change brought forward in this area to change the prevailing exit charging methodology would then apply to the enduring charging methodology. If supplies are insufficient to meet demand, Interconnector UK (ICUK) forecast flows are increased up to ICUK capability to achieve a supply & demand match.
- Expansion Factor
 - Calculation in the year of commitment would allow prices to be forecast more easily hence increasing transparency and would be consistent with the construction time-line.
- Anuitisation Factor
 - The anuitisation factor should be that implied by the Licence. There is an issue in that indicative prices will be generated in one price control period for the following price control period however the assumption that no change would be made seems appropriate as any change would be speculative. This will also keep allowed revenue inline with the anuitisation factor.

Treatment of Bi-directional System Points

- 4.10 The underlying assumption will be that bi-directional system points will be treated as supplies within the model but baseline exit capacity will be included to ensure that prices can be adjusted appropriately to recover allowed revenue.

- 4.11 If bi-directional sites were to be included within the Transportation Model as exit flows there is a risk that the costs associated with local pipe work (i.e. those pipes that would flow towards the system point in exit mode but away from the system point in entry mode) would be included in both the entry and the exit prices hence leading to double counting.
- 4.12 National Grid will monitor the operation of bi-directional sites and keep this assumption under review.

Price Control Boundary Issues

- 4.13 Indicative annual prices would be published and required for defining financial user commitment. At times, these will be set for exit capacity in the following price control period and hence the allowed revenue will be unknown. In this scenario the allowed revenue, for the purposes of price setting only, could be calculated from rolling forward the prevailing price controls.

Interruption

- 4.14 Interruption credits are currently paid based on 1/15th of the firm capacity charges that would otherwise apply at an interruptible exit point, for each day of interruption in excess of 15 days.
- 4.15 Interruption credits are removed as part of 0195AV and hence this aspect will be removed from the NTS Charging Methodology. Alternative future firm curtailment requirements for capacity management purposes would be contracted for bi-laterally and the arrangements for payment are covered by 0195AV.
- 4.16 Off-Peak Daily NTS Exit (Flat) Capacity would be released via three mechanisms;
- “Use it or lose it” (UIOLI),
 - discretionary release, and
 - "Daily Off-peak NTS Exit (Flat) Capacity" - this will be auctioned on D-1 but only on days where forecast demand at 13.30 D-1 is less than 80% of 1 in 20 peak day demand. The amount available would include the Maximum Supply Point Offtake rate multiplied by 24 minus Firm sold.
- 4.17 As the cost of making the capacity available would already have been met, a zero reserve price should reflect the costs incurred and be consistent with the Licence relevant objectives for the Charging Methodology. No payment would be made for the scale back of Off-Peak Daily NTS Exit (Flat) Capacity.

Offtake Specific v Exit Zone Prices

- 4.18 As a consequence of the UNC Modification Proposals, other than 0116A, NTS exit zone prices would no longer be set and prices would be set on an offtake specific basis. Capacity at DN offtakes would be acquired and paid for by the DNOs and the DNOs would need to recover these costs through their transportation charges.
- 4.19 For comparison with prevailing NTS Exit Capacity prices, indicative NTS Exit (Flat) Capacity prices have been generated on a flow weighted average NTS exit zone basis, in accordance with the prevailing methodology for setting charges for DN exit points. National Grid anticipates that DNOs would bring forward DN Charging Methodology proposals as required to implement the consequences of Exit Reform. There is the potential for NTS exit zones to be retained within the DN Charging Methodology.

SO & TO Commodity

- 4.20 The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges;
- 4.21 A new SO Exit (Flat) commodity charge would be required to map onto and replace the current SO Exit Commodity charge.
- 4.22 A new additional TO Exit (Flat) Commodity charge would be required to offset under recovery arising from any shortfall between NTS Exit (Flat) Capacity charges and TO Exit allowed revenue. If NTS Exit (Flat) Capacity charges were set to recover TO Exit allowed revenue from the baseline capacity levels, a TO Exit (Flat) Commodity charge would need to be set to offset the lower level of revenue recovery resulting from unsold baseline capacity.

Implementation

- 4.23 In relation to a given gas year N (1st October to 30th September)
- Indicative prices for gas year N would be required for the initial application period for Enduring Annual NTS Exit (Flat) Capacity in gas year N-4.
 - Subsequent years would require either indicative prices to be generated for annual capacity in gas years N-3, N-2 and N-1
 - Finally enduring prices, which would also represent daily reserve prices, would be generated in gas year N-1 for gas year N.
- 4.24 A timeline for the generation of indicative and actual prices is contained within Appendix D - Timelines.
- 4.25 Indicative capacity and commodity prices are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices and Appendix C – Indicative NTS Exit (Flat) Commodity Prices.

5 National Grid's Proposal

5.1 National Grid proposes that:

- A consistent approach shall be taken for the generation of actual, auction reserve and indicative prices as required
- Nodal, offtake specific, NTS Exit (Flat) Capacity prices are set
- Interruption credits are removed from the NTS Charging Methodology
 - Bilateral contracts, leading to surrender charges, will result from 0195AV as required
- NTS Exit (Flat) Capacity Prices are calculated using the prevailing NTS Charging Methodology for NTS Exit Capacity Prices
- The Transportation Model is used for estimating Long Run Marginal Costs (LRMCs) for the purposes of determining Annual/Enduring Annual NTS Exit (Flat) Capacity prices and reserve prices for daily firm NTS Exit (Flat) Capacity auctions based on a single year network model and supply/demand forecast for the relevant Gas Year;
 - For Annual and Enduring Annual NTS Exit (Flat) Capacity, charges will be set for the forthcoming Gas Year based on the supply data, baselines and network model for that year;
 - For daily firm reserve prices, the reserve price will be set based on the Prevailing NTS Exit (Flat) Capacity charge in place for that Gas Day.
 - For Off-Peak Daily NTS Exit (Flat) Capacity auctions, the reserve price will be zero.
- Defined inputs to the Transportation Model
 - Network ~ the network model comprising the nodes and pipe lengths would represent the Year of capacity release. The model would represent committed projects as indicated by the Ten Year Statement. Where network models are generated for indicative prices for the first application sufficient pipe to allow connection of all new entry and exit points would be included.
 - Supply Data ~ Ten Year Statement (No Change)
 - Supply Balancing ~ Merit order (No Change ~ subject to review)
 - Demand Data ~ flow data will be based on baseline and incremental exit capacity levels other than bi-directional system points which will be assumed to be in supply mode and hence will have a zero exit flow. Capacity data will be the baseline quantities. Sites representing incremental capacity release will have the capacity level (but not the flow level) capped at the baseline level as this is the level of capacity that represents TO revenue; capacity in excess of this level represents SO revenue.
 - Target revenue ~ TO revenue calculated in accordance with the NTS Charging Methodology and NTS Licence (No Change)

- Expansion factor ~ calculated in gas year N-4 based on the costs of constructing NTS capacity for 1st October in gas Year N. (e.g. the expansion factor for gas year starting 1st October 2012 would be set in the summer of 2009 and would apply for setting prices for all applications and auctions for gas year starting 1st October 2012 including daily auctions)
- Anuitisation factor ~ Implied by the NTS Licence (allowed rate of return, operating expenditure allowance and anuitisation period) at the time of setting prices. (No Change)
- The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges;
 - a new SO Exit (Flat) commodity charge will map onto and replace the current SO Exit Commodity charge and
 - a new additional TO Exit (Flat) Commodity charge will be required to offset under recovery arising due to any shortfall between NTS Exit (Flat) Capacity charges and TO Exit allowed revenue.
 - The level of the TO Exit (Flat) Commodity charge would be set to seek to adjust the level of TO collected exit revenue if there is forecast to be under recovery .
 - The NTS TO Exit (Flat) Commodity charge would have an identical structure and application to the NTS SO Exit (Flat) Commodity charge.

Implementation

It is proposed that these arrangements are implemented with effect from 1st April 2009. Implementation of UNC 0195AV requires an initial application in the summer of gas year N for capacity from 1st October in gas year N+4 e.g. summer 2009 for gas year starting 1st October 2012. As a consequence there will be a phased implementation as indicated by the timelines in Appendix D - Timelines.

Indicative Prices

Indicative capacity and commodity prices are included in Appendix B – Indicative NTS Exit (Flat) Capacity Prices and Appendix C – Indicative NTS Exit (Flat) Commodity Prices.

Future Proposals

Further proposals might be required to cover NTS TO Exit over recovery as a consequence of revenue from daily exit capacity auctions. Over recovery might be managed by a reduced or negative TO Exit Commodity Charge however National Grid's reasonable endeavours obligation to only set commodity charges twice a year on 1st April and 1st October might not be sufficiently flexible. It may be more appropriate to investigate rebate mechanisms consistent with those introduced for NTS TO Entry revenue over recovery.

6 Justification

Assessment against Licence Objectives

- 6.1 The National Grid plc Gas Transporter Licence in respect of the NTS requires that proposed changes to the NTS Charging Methodology shall achieve the relevant methodology objectives.
- 6.2 Where transportation prices are not established through an auction, prices calculated in accordance with the methodology should:
- 1) Reflect the costs incurred by the licensee in its transportation business;
 - 2) So far as is consistent with (1) properly take account of developments in the transportation business;
 - 3) So far as is consistent with (1) and (2) facilitate effective competition between gas shippers and between gas suppliers.
- 6.3 National Grid believes that GCM05 would achieve the relevant objectives.
- 6.4 The prices generated from the Transportation Model are reflective of both the costs that have been incurred in making physical system capacity available (through the assumptions in the Expansion Constant) and the actual marginal costs that would be incurred by capacity release relative to the prevailing system capacity. Calculating prices on a single year analysis with a Transportation Model will therefore result in Users paying differentially for the capacity they hold and potentially use during the relevant Gas Year.
- 6.5 Commoditising the TO costs associated with unsold baseline capacity should ensure that these costs are recovered from all consumers and hence those utilising off-peak capacity, which will in part be facilitated by unsold baseline capacity, will attract a more appropriate level of TO costs.
- 6.6 It is National Grid's view that the objective of NTS Exit (Flat) Capacity prices is to provide price signals to Users in relation to the relative cost associated with providing capacity at different locations around the network. The advantage of the proposed Tariff model approach, where exit prices are adjusted (additive), is that it preserves the locational price differentials between Exit points and hence preserves the relative cost-reflectivity. Adjusting prices based on baseline capacity will also ensure that costs are not subject to the level of capacity booking and hence are more stable.
- 6.7 It is National Grid's view that competition can be promoted in terms of the development of the NTS Charging Methodology by making it simple and easy to understand such that prices can be replicated and forecast by Users. The Transportation Model has significant benefits in term of transparency and predictability. Using a single year model allows the prices for the remaining years of the ten year plan to be forecast by both National Grid and the wider industry. It is anticipated that this feature of the methodology would give greater confidence to Users and reduce risk associated with price uncertainty hence promoting competition and reducing barriers to entry. National Grid believes the use of a single charging model (Transportation Model) will allow it to make more consistent estimates of LRMCs and therefore avoid undue preference in capacity pricing. The single charging model also allows both National Grid and Users to easily make quick assessments of the value of capacity, therefore enabling the user to make informed decisions about purchasing capacity.

Assessment against EU Gas Regulations

6.8 EC Regulation 1775/2005 on conditions for access to the natural gas transmission networks (binding from 1 July 2006) are summarised below.

- The principles for network access tariffs or the methodologies used to calculate them shall:
 - Be transparent
 - Take into account the need for system integrity and its improvement
 - Reflect actual costs incurred for an efficient and structurally comparable network operator
 - Be applied in a non-discriminatory manner
 - Facilitate efficient gas trade and competition
 - Avoid cross-subsidies between network users
 - Provide incentives for investment and maintaining or creating interoperability for transmission networks
 - Not restrict market liquidity
 - Not distort trade across borders of different transmission systems.

6.9 National Grid believes that GCM05 is consistent with the principles listed above.

7 Areas for Consultation

7.1 National Grid invites views on whether the proposed changes to our Gas Transmission Transportation Charging Methodology achieve National Grid Gas's relevant GT Licence objectives, specifically that:

- A consistent approach to setting actual, indicative and auction reserve prices for NTS Exit (Flat) Capacity is taken
- Nodal NTS Exit (Flat) Capacity prices are generated
- Interruption credits are removed
- The prevailing methodology for NTS Exit Capacity Prices will be used for the purposes of determining Annual/Enduring Annual NTS Exit (Flat) Capacity prices and reserve prices for daily firm NTS Exit (Flat) Capacity auctions based on a single year network model, exit baselines plus incremental capacity and supply forecast for the relevant Gas Year
- The expansion factor, the unit cost (£/GWhkm) of adding capacity, will be determined in year N in relation for setting all exit prices for year N+4
- The annuitisation factor used (currently 0.10272) will be that calculated from the allowed rate of return, operating expenditure allowance and the assumed asset life (currently forty five years) implied by the NTS Licence at the time of setting prices
- The NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges;
 - a new SO Exit (Flat) commodity charge will map onto and replace the current SO Exit Commodity charge and
 - a new additional TO Exit (Flat) Commodity charge will be required to offset under recovery arising due to any shortfall between NTS Exit (Flat) Capacity charges and TO Exit allowed revenue
- These arrangements are implemented with effect from 1st April 2009

The closing date for submission of your responses is **Friday 20th February 2009**. Your response should be e-mailed to:

box.transmissioncapacityandcharging@uk.ngrid.com

or alternatively sent by post to

Eddie Blackburn, Regulatory Frameworks, National Grid, National Grid House, Gallows Hill, Warwick, CV34 6DA.

If you wish to discuss any matter relating to this charge methodology consultation then please call Eddie Blackburn ☎ 01926 656022 or Debra Hawkin ☎ 01926 656317.

Responses to this consultation will be incorporated within National Grid's conclusion report. If you wish your response to be treated as confidential then please mark it clearly to that effect.

Appendix A – Licence Implications of Exit Reform

Interruptible supply points do not currently attract NTS Exit Capacity charges. Within the Licence, 'Charges Foregone' are those revenues equal to the NTS Exit Capacity charges that Interruptible supply points would pay if they were Firm.

Charges Foregone are (up to exit reform) included within the NTS Licence as SO allowed revenue and as TO actual (collected) revenue i.e. an increase in SO allowed revenue is cancelled out by a net reduction in TO allowed exit revenue. The effect of this is to move the allowed revenue from the TO control to the SO control.

Post Exit Reform there would be no 'Charges Foregone'. In theory this means that NTS Exit (Flat) Capacity charges could remain unchanged, if all 'interruptible' demand converted to firm, with a consequential decrease in SO Commodity charges. This would be as a consequence of the increased allowed TO revenue, as a result of the removal of Charges Foregone, being offset by the increased collected revenue from those exit points that were previously interruptible.

There are further consequences of exit reform within the Licence with the "Buy-back and interruptions incentive" being replaced by the "Exit investment buyback incentive". These can be mapped to the removal of the interruption credits to be replaced by bi-lateral contracting and direct payment for interruption.

The remainder of the Licence changes allow for NTS Exit Capacity to be replaced by NTS Exit (Flat) Capacity and NTS Exit (Flexibility) Capacity.

Allowed Revenue

- ◆ SO exit incentives, costs and revenues (SOExIRct) includes:
 - ◆ Buy-back and interruptions incentive (ExCBBIRt) (**only until exit reform**);
 - ◆ Constrained LNG target (ExCITt);
 - ◆ Exit capacity investment incentive (ExCIIRt);
 - ◆ Long run contracting incentive costs and revenue (ExLRCIRt);
 - ◆ Non-obligated exit capacity revenue (ExNOCIRt) (**only after exit reform**);
 - ◆ Exit investment buyback incentive (ExXSIBBct) (**only after exit reform**);
 - ◆ Allowance for 'charges foregone' (ExNTSSICt) (**only until exit reform**)

Actual Revenue

- ◆ SO Exit Capacity actual revenue (SOExRFt)
 - ◆ Until Exit Reform
 - ◆ SO revenue from charges levied with regards provision of exit capacity above baseline ~ total charges – baseline charges (TOExt-TOExRFt)
 - ◆ Enduring
 - ◆ SO revenue from charges levied with regards provision of
 - ◆ obligated incremental NTS Exit flat capacity (REVOIExCt)
 - ◆ obligated incremental NTS Exit flow flex capacity (REVOIFFt)
 - ◆ non-obligated incremental NTS Exit flat & flow flex capacity & short term interruptible (ExREVNOct)

- ◆ **TOExRt = TOExRFt + ExNTSSICt + TORREVBExCt**
- ◆ TO Exit actual revenue (TOExRt) equals:
 - ◆ TO revenue from sale of exit baseline capacity (**until exit reform**) (TOExRFt)
 - ◆ **Plus**
 - ◆ TO Exit capacity 'charges foregone' (**until exit reform**) (ExNTSSICt)
 - ◆ **Plus**
 - ◆ TO revenue from sale of NTS exit flat & flow flexibility baseline capacity (**enduring**) (TOREVBExCt)

Appendix B – Indicative NTS Exit (Flat) Capacity Prices

These indicative exit prices, updated from the original GCM05 consultation, are based on the proposed methodology and should not be used for any other purpose. The impact of the removal of revenue foregone on the SO Commodity charge would be a reduction of 0.0028 p/kWh for 2012/13 based on the data used for the indicative capacity charges.

The following Transportation Model inputs have been used:

Input	Value
Network	2012/13
Supply	December 2008 Ten Year Statement for 2012/13
Demand	<p>'As-is' ~ 2008 Forecast 'Firm' Demand for 2012/13</p> <p>'Baseline' ~ Licence exit baseline quantities</p> <p>In both cases no exit flow is modelled for storage, or for IUK</p>
Balancing S&D	Merit Order – storage flows have been increased to offset increased demand due to the inclusion of previously 'interruptible' demand in the 'baseline' scenario
Expansion Factor	1 st October 2008 - £2320/GWhkm (The Expansion Factor for October 2012/13 will be set in spring 2009)
Anuitisation Factor	0.10272

Indicative NTS Exit (Flat) Capacity prices have been generated as follows:

Scenario	Demand in Node Data Table in Transportation Model (Column P)	Exit Capacity in Administered Exit Charges Table in Transportation Model (Column AD)	Target TO Exit Revenue
As-Is	<p>Forecast Firm Demand</p> <p><i>Total Demand: 6213 GWh</i></p>	<p>Forecast Firm Baseline Capacity booked</p> <p>- IUK Exit Capacity modelled at prevailing firm level</p> <p><i>Total TO Capacity: 5984 GWh²</i></p>	<p>£243.4m (£61.6m Revenue Foregone collected through SO Commodity Charge)</p>
Baseline	<p>Demand modelled as baseline plus incremental other than bi-directional exit points which are modelled as supplies</p> <p><i>Total Demand: 7490 GWh</i></p>	<p>Baseline Capacity</p> <p><i>Total TO Capacity: 8626 GWh</i></p>	<p>£305.0m</p>

² The TO Exit Capacity figure is less than the demand as incremental exit capacity has been included as a demand but not as capacity. This is because incremental capacity is treated as SO revenue and hence should not be used in the process of adjusting charges to collect TO allowed revenue.

Indicative NTS Exit (Flat) Capacity Charges by Exit Point (p/kWh/day) 1st October 2012

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
AM_PAPER	DC	0.0163	0.0168
AVONMOUTH_LNG	DC	0.0237	0.0205
BACTON INTERCONNECTOR	DC	0.0004	0.0005
BAGLAN_BAY_PG	DC	0.0072	0.0073
BARKING_PG	DC	0.0124	0.0126
BARRINGTON	DC	0.0269	0.0271
BARTON_STACEY_(MRS)	DC	0.0223	0.0224
BILLINGHAM_ICI	DC	0.0083	0.0068
BP_GRANGEMOUTH	DC	0.0001	0.0001
BP_SALTEND_HP	DC	0.0001	0.0001
BRIDGEWATER_PAPER	DC	0.0204	0.0221
BRIGG_PG	DC	0.0038	0.0057
BRIMSDOWN_PG	DC	0.0138	0.0139
BRUNNER_MOND	DC	0.0178	0.0180
CAYTHORPE_(MRS)	DC	0.0008	0.0001
CENTRAX	DC	0.0324	0.0324
CHESHIRE_(MRS)	DC	0.0174	0.0175
CONNAHS_QUAY_PS	DC	0.0201	0.0225
CORBY_PS	DC	0.0103	0.0104
CORYTON_PG	DC	0.0127	0.0128
COTTAM_PG	DC	0.0047	0.0048
DAMHEAD_CREEK	DC	0.0121	0.0122
DEESIDE_PS	DC	0.0204	0.0222
DIDCOT_A	DC	0.0187	0.0190
DIDCOT_PS	DC	0.0188	0.0189
DYNEVOR_ARMS_LNG	DC	0.0088	0.0089
EASINGTON&ROUGH_TERMINAL	DC	0.0001	0.0001
ENRON_(BILLINGHAM)	DC	0.0083	0.0068
FLEETWOOD_(MRS)	DC	0.0141	0.0147
FLEETWOOD_OT	DC	0.0141	0.0147
GARTON_(MRS)	DC	0.0001	0.0001
GLENMAVIS_LNG	DC	0.0001	0.0001
GOOLE_GLASS	DC	0.0028	0.0029
GRAIN_GAS	DC	0.0121	0.0122
GREAT_YARMOUTH	DC	0.0004	0.0005

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
HATFIELD_MOOR_(MRS)	DC	0.0034	0.0035
HAYS_CHEMICALS	DC	0.0189	0.0191
HOLEHOUSE_FARM_(MRS)	DC	0.0192	0.0193
HORNSEA_(MRS)	DC	0.0001	0.0001
ICI_RUNCORN	DC	0.0221	0.0222
IMMINGHAM_PG	DC	0.0001	0.0001
KEADBY_PS	DC	0.0039	0.0040
KEMIRAINCE_CHP	DC	0.0218	0.0219
KINGS_LYNN_PS	DC	0.0056	0.0057
LANGAGE_PG	DC	0.0351	0.0352
LITTLE_BARFORD_PS	DC	0.0118	0.0119
LONGANNET	DC	0.0001	0.0001
MARCHWOOD	DC	0.0240	0.0241
MEDWAY_PS	DC	0.0120	0.0123
MOFFAT	DC	0.0009	0.0015
PARTINGTON_LNG	DC	0.0188	0.0185
PEMBROKE_PG	DC	0.0001	0.0001
PETERBOROUGH_PS	DC	0.0075	0.0086
PETERHEAD_PG	DC	0.0001	0.0001
PHILLIPS_SEAL_SANDS	DC	0.0076	0.0062
PORTLAND_(MRS)	DC	0.0280	0.0241
ROCKSAVAGE_PG	DC	0.0221	0.0222
ROOSECOTE_PS	DC	0.0072	0.0080
RYE_HOUSE_PS	DC	0.0142	0.0143
SALTEND	DC	0.0001	0.0001
SAPPAPERMILLCHP	DC	0.0152	0.0158
SEABANK_POWER	DC	0.0220	0.0221
SEABANK_POWER_II	DC	0.0237	0.0205
SELLAFIELD_PS	DC	0.0053	0.0117
SEVERNSIDE_ICI	DC	0.0236	0.0205
SHOTTON_PAPER	DC	0.0202	0.0224
SPALDING_PG	DC	0.0060	0.0061
STALLINGBOROUGH_PS	DC	0.0007	0.0008
STAYTHORPE	DC	0.0074	0.0076
SUTTON_BRIDGE_PS	DC	0.0069	0.0070
TEESSIDE_BASF	DC	0.0077	0.0062
TEESSIDE_HYDROGEN	DC	0.0077	0.0062

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
THORNTON_CURTIS_PG	DC	0.0001	0.0001
ZENECA	DC	0.0083	0.0068
BACTON_OT	EA	0.0004	0.0005
BRISLEY	EA	0.0031	0.0032
GREAT_WILBRAHAM	EA	0.0082	0.0083
MATCHING_GREEN	EA	0.0129	0.0130
PETERBOROUGH_TEE	EA	0.0080	0.0081
ROUDHAM_HEATH	EA	0.0046	0.0048
ROYSTON	EA	0.0099	0.0100
WEST_WINCH	EA	0.0053	0.0054
WHITWELL	EA	0.0117	0.0119
YELVERTON	EA	0.0026	0.0027
ALREWAS_EM	EM	0.0156	0.0157
BLABY	EM	0.0123	0.0124
BLYBOROUGH	EM	0.0047	0.0048
CALDECOTT	EM	0.0100	0.0101
DROINTON_OT	EM	0.0166	0.0167
GOSBERTON	EM	0.0057	0.0058
KIRKSTEAD	EM	0.0037	0.0038
MARKET_HARBOROUGH	EM	0.0111	0.0112
SILK_WILLOUGHBY	EM	0.0049	0.0050
SUTTON_BRIDGE	EM	0.0070	0.0071
THORNTON_CURTIS_LDZ	EM	0.0001	0.0001
TUR_LANGTON	EM	0.0113	0.0114
WALESBY	EM	0.0014	0.0015
ASSELBY	NE	0.0023	0.0024
BALDERSBY	NE	0.0072	0.0073
BURLEY_BANK	NE	0.0064	0.0065
GANSTEAD	NE	0.0001	0.0001
PANNAL	NE	0.0060	0.0061
PAULL	NE	0.0001	0.0001
PICKERING	NE	0.0033	0.0014
RAWCLIFFE	NE	0.0025	0.0026
TOWTON	NE	0.0044	0.0045
BISHOP_AUCKLAND	NO	0.0062	0.0067
COLDSTREAM	NO	0.0001	0.0001
CORBRIDGE	NO	0.0019	0.0025

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
COWPEN_BEWLEY	NO	0.0081	0.0066
ELTON	NO	0.0075	0.0056
GUYZANCE	NO	0.0001	0.0001
HUMBLETON	NO	0.0001	0.0001
KELD	NO	0.0082	0.0088
LITTLE_BURDON	NO	0.0073	0.0059
MELKINTHORPE	NO	0.0075	0.0081
SALTWICK	NO	0.0007	0.0013
THRINTOFT	NO	0.0089	0.0076
TOW_LAW	NO	0.0081	0.0086
WETHERAL	NO	0.0051	0.0057
HORNDON	NT	0.0124	0.0126
LUXBOROUGH_LANE	NT	0.0127	0.0128
PETERS_GREEN	NT	0.0121	0.0123
PETERS_GREEN_SOUTH_MIMMS	NT	0.0121	0.0123
WINKFIELD_NT	NT	0.0204	0.0205
AUDLEY_NW	NW	0.0200	0.0201
BLACKROD	NW	0.0162	0.0167
ECCLESTON	NW	0.0219	0.0220
HOLMES_CHAPEL	NW	0.0201	0.0202
LUPTON	NW	0.0107	0.0112
MALPAS	NW	0.0218	0.0219
MICKLE_TRAFFORD	NW	0.0212	0.0213
PARTINGTON	NW	0.0188	0.0186
SAMLESBURY	NW	0.0148	0.0154
WARBURTON	NW	0.0186	0.0187
WESTON_POINT	NW	0.0221	0.0222
ABERDEEN	SC	0.0001	0.0001
ARMADALE	SC	0.0001	0.0001
BALGRAY	SC	0.0001	0.0001
BATHGATE	SC	0.0001	0.0001
BROXBURN	SC	0.0001	0.0001
CARESTON	SC	0.0001	0.0001
DRUM	SC	0.0001	0.0001
GLENMAVIS	SC	0.0001	0.0001
HUME	SC	0.0001	0.0001
KINKNOCKIE	SC	0.0001	0.0001

Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
LANGHOLM	SC	0.0028	0.0034
LAUDERHILL	SC	0.0001	0.0001
LOCKERBIE	SC	0.0020	0.0025
MOSSIDE	SC	0.0001	0.0001
NETHER_HOWCLEUGH	SC	0.0002	0.0008
PITCAIRNGREEN_OT	SC	0.0001	0.0001
SOUTRA	SC	0.0001	0.0006
ST_FERGUS_OT	SC	0.0001	0.0001
STRANRAER	SC	0.0009	0.0015
FARNINGHAM	SE	0.0144	0.0145
SHORNE	SE	0.0134	0.0135
TATSFIELD	SE	0.0160	0.0161
WINKFIELD_SE	SE	0.0204	0.0205
BRAISHFIELD_A_&_B	SO	0.0238	0.0239
HARDWICK	SO	0.0154	0.0155
IPSDEN	SO	0.0185	0.0186
IPSDEN_2	SO	0.0185	0.0186
MAPPOWDER	SO	0.0280	0.0241
WINKFIELD_SO	SO	0.0204	0.0205
AYLESBEARE	SW	0.0300	0.0301
CHOAKFORD	SW	0.0351	0.0352
CIRENCESTER	SW	0.0199	0.0201
COFFINSWELL	SW	0.0325	0.0327
EASTON_GREY	SW	0.0205	0.0206
EVESHAM	SW	0.0166	0.0167
FIDDINGTON	SW	0.0159	0.0160
ILCHESTER	SW	0.0260	0.0261
KENN	SW	0.0311	0.0312
LITTLETON_DREW	SW	0.0212	0.0213
PUCKLECHURCH	SW	0.0220	0.0221
ROSS_SW	SW	0.0133	0.0134
SEABANK_LDZ	SW	0.0238	0.0206
ALREWAS_WM	WM	0.0156	0.0157
ASPLEY	WM	0.0184	0.0185
AUDLEY_WM	WM	0.0200	0.0201
AUSTREY	WM	0.0149	0.0150
LEAMINGTON_SPA	WM	0.0141	0.0142

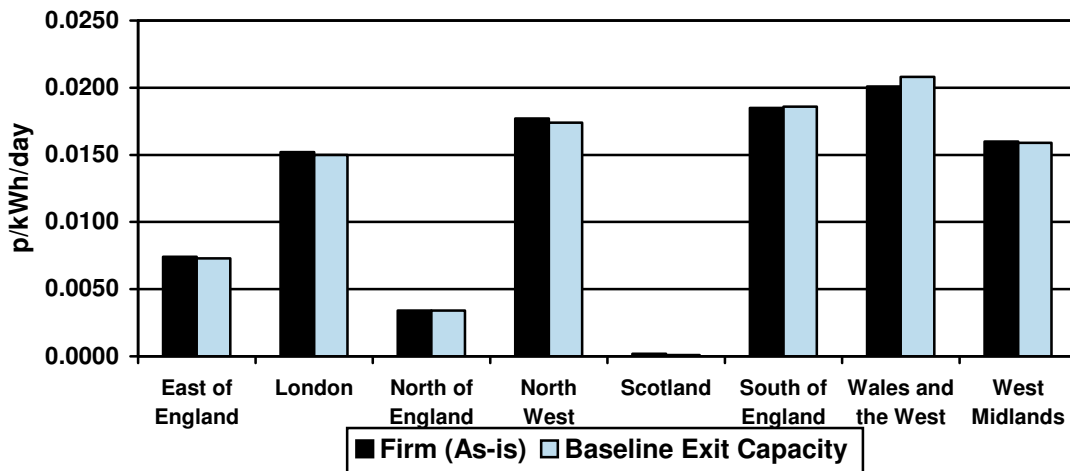
Exit Point	DC/DN	Indicative Exit Charge (p/kWh/day)	
		As-Is	Baseline
LOWER_QUINTON	WM	0.0159	0.0160
MILWICH	WM	0.0172	0.0173
ROSS_WM	WM	0.0133	0.0134
RUGBY	WM	0.0131	0.0132
SHUSTOKE	WM	0.0160	0.0161
STRATFORD_UPON_AVON	WM	0.0154	0.0155
MAELOR	WN	0.0225	0.0227
DOWLAIS	WS	0.0094	0.0095
DYFFRYN_CLYDACH	WS	0.0074	0.0075
GILWERN	WS	0.0105	0.0106

Indicative NTS Exit (Flat) Capacity Charges Averaged by Exit Zone (p/kWh/day) 1st October 2012

For comparison with prevailing NTS Exit Capacity prices only, the following table shows indicative NTS Exit (Flat) Capacity prices generated on a flow weighted average NTS exit zone basis, in accordance with the prevailing methodology for setting charges for DN exit points. National Grid anticipates that DNOs would bring forward DN Charging Methodology proposals as required to pass these costs on to Shippers. There is the potential for NTS exit zones to be retained within the DN Charging Methodology.

Area	Zone	Average Indicative Exit Charge (p/kWh/day) by NTS Exit Zone	
		As-Is	Baseline
East of England	EA1	0.0064	0.0064
	EA2	0.0073	0.0066
	EA3	0.0027	0.0026
	EA4	0.0123	0.0122
	EM1	0.0001	0.0001
	EM2	0.0050	0.0049
	EM3	0.0147	0.0148
	EM4	0.0106	0.0105
North of England	NE1	0.0055	0.0054
	NE2	0.0005	0.0010
	NE3	0.0001	0.0001
	NO1	0.0048	0.0053
	NO2	0.0060	0.0054
London	NT1	0.0205	0.0204
	NT2	0.0128	0.0126
	NT3	0.0123	0.0121
North West	NW1	0.0158	0.0154
	NW2	0.0196	0.0194
Scotland	SC1	0.0001	0.0001
	SC2	0.0002	0.0001
	SC4	0.0002	0.0002
South of England	SE1	0.0153	0.0152
	SE2	0.0205	0.0204
	SO1	0.0155	0.0154
	SO2	0.0226	0.0233
Wales and the West	SW1	0.0158	0.0157
	SW2	0.0220	0.0231
	SW3	0.0309	0.0331
	WN	0.0227	0.0225
	WS	0.0093	0.0094
West Midlands	WM1	0.0186	0.0185
	WM2	0.0155	0.0154
	WM3	0.0140	0.0139

The following graph shows the average offtake prices by Distribution Network in order to show the geographic impact on prices. The marked change in prices for Wales and the West is due to the large change in supplies at Avonmouth required to meet the increased demand for Baseline flow levels. Under the prevailing NTS Charging Methodology, supplies are matched to demand using a merit order which appears to make exit charges nearest the supplies at the top of the merit order most variable. National Grid has committed to investigate alternative supply and demand balancing options to seek to make exit charges more stable and to bring forward NTS Charging Methodology proposals as required. As this proposal is based on the prevailing charging methodology, any changes to the balancing approach used to set exit charges would be for both the prevailing arrangements and the enduring offtake arrangements.



Appendix C – Indicative NTS Exit (Flat) Commodity Prices

The following table demonstrates the impact on the proposed TO Exit (Flat) Commodity charges from 1st October 2012 based on a number of firm booking scenarios.

Allocated Annual exit Capacity Scenarios	Annual Capacity Sold	Unsold Baseline	TO Revenue Shortfall		TO Exit Commodity Charge
	(GWh/day)	(GWh/day)	(£m)	(%)	(p/kWh)
Firm (As-is)	5,984	2,643	£61.60	19.09%	0.0056
Firm + DN Interruptibles	6,247	2,380	£55.47	21.78%	0.0050
Firm + DC Interruptibles	7,160	1,467	£34.19	10.95%	0.0031
Firm + DC & DN Interruptibles	7,350	1,227	£28.06	7.43%	0.0025
Baseline Exit Capacity	8,627	0	£0.00	0.00%	0.0000

Appendix D - Timelines

The following tables show the build up of prices required for the 1st October 2012 capacity release date and the first application period summer 2009. In each year, starting from 2009, the prices that would be generated are shown.

Key
Actual prices or reserve prices
Indicative Prices

Timeline Example 2009 –Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction(s) Held
		From	To	
2012/13	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2012	-	Summer 2009 Application Window
		1 Oct 2013	-	
		1 Oct 2014	-	

Timeline Example 2010 –Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction Held
		From	To	
2012/13	Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Summer 2010 Application Window
2013/14	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2013	-	Summer 2010 Application Window
		1 Oct 2014	-	
		1 Oct 2015	-	

Timeline Example 2011 –Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction Held
		From	To	
2012/13	Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Summer 2011 Application Window
2013/14	Annual NTS Exit (Flat) Capacity	1 Oct 2013	30 Sep 2014	Summer 2011 Application Window
2014/15	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2014	-	Summer 2011 Application Window
		1 Oct 2015	-	
		1 Oct 2016	-	

Timeline Example 2012 – Auctions/Applications

Gas Year Modelled	Used For	Gas Day - Capacity		Application Window / Date Auction(s) Held
		From	To	
2012/13	Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Capacity booked in Summer 2009 Application Window
	Annual NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	Capacity booked in Summer 2012 Application Window
	Daily Firm NTS Exit (Flat) Capacity (Day Ahead)	1 Oct 2012	30 Sep 2013	30 Sep 2012 to 29 Sep 2013
	Daily Firm NTS Exit (Flat) Capacity (Within Day)	1 Oct 2012	30 Sep 2013	1 Oct 2012 to 30 Sep 2013
	Off-Peak Daily NTS Exit (Flat) Capacity	1 Oct 2012	30 Sep 2013	30 Sep 2012 to 29 Sep 2013
2013/14	Annual NTS Exit (Flat) Capacity	1 Oct 2013	30 Sep 2014	Summer 2012 Application Window
2014/15	Annual NTS Exit (Flat) Capacity	1 Oct 2014	30 Sep 2015	Summer 2012 Application Window
2015/16	INDICATIVE Enduring Annual NTS Exit (Flat) Capacity	1 Oct 2015	-	Summer 2012 Application Window
		1 Oct 2016	-	
		1 Oct 2017	-	