

CONSULTATION DOCUMENT

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

NTS GCM 13:

April NTS Exit Capacity Price Changes

29th August 2008

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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 consultation National Grid’s proposals for amending the Gas Transmission Transportation Charging Methodology (the “Charging Methodology”) in respect of the timing and data used for setting NTS Exit Capacity Prices (“Exit Prices”).

Currently Exit Prices are set each year in October for the following 12 months but the Transportation Owner Maximum Allowed Revenue (TO MAR), defined by the Licence, changes in April of each year. This misalignment of gas year (October – September) and formula year (April – March) can lead to an initial under- or over-recovery for the first six months of the formula year. This in turn can lead to volatile Exit Prices from year to year as they are set to try and compensate for the initial under- or over-recovery during the first six months of each formula year.

Exit Price volatility was discussed at the June 2008 Gas Transmission Charging Methodologies Forum (TCMF). Meeting attendees did not express great support for changing the current Exit Price setting regime, as Exit Prices, while volatile, are predictable, which is favourable when agreeing contracts, however, attendees were interested in seeing more detail on the subject. This consultation paper (GCM13) outlines options for addressing Exit Price volatility and seeks to gauge industry support for a change to the current Exit Price setting arrangements. A GCM13 consultation conclusions report final proposal will only be raised with industry support.

National Grid, via the Gas Transmission Charging Methodologies Forum (TCMF), has considered four options with regards to Exit Price volatility:

- Option One: Do nothing;
- Option Two: Apply Exit Prices from April to March of formula year t;
- Option Three: A potential one-off Exit Price change in April 2009, recalculating Exit Prices using updated supply, demand, network, and target exit revenue data;
- Option Four: A potential one-off Exit Price change in April 2009, recalculating Exit Prices using updated target exit revenue only.

National Grid believes that Option Four would be most appropriate for addressing Exit Price volatility if Users show support for a change to the current Exit Price setting arrangements. The main reasons for this are as follows:

- Option One: The option of doing nothing could result in continued volatile Exit Prices year on year.
- Option Two: The 0116 and 0195 suite of UNC Modification Proposals, which are seeking to introduce NTS Exit Reform, have been developed based on setting Exit Prices for an October to September annual product. National Grid therefore considers applying Exit Prices from April – March inappropriate.

- Option Three: Supply and demand data has a significant effect on Exit Prices. A potential one-off Exit Price change in April 2009, using updated supply, demand and network data, could produce more volatile Exit Prices than those produced by the current regime i.e. while prices on average would reduce, some prices could increase. National Grid is currently analysing the impact of supply and demand balancing rules within the Transportation Model and will publish a discussion paper later in the year.
- Option Four: Recalculating Exit Prices in April 2009, updating the TO target exit revenue only, would result in a constant adjustment to all Exit Prices. Exceptions to the constant adjustment would occur where it would reduce the price below 0.0001p/kWh, in which case the Exit Price would be capped at the minimum permitted level of 0.0001p/kWh. Furthermore, indicative Exit Prices could be generated alongside the Notice of Change for October 2009 Exit Prices. This would result in stable and predictable Exit Prices.

Therefore, through GCM13, National Grid proposes:

- A change to the Charging Methodology to facilitate Option Four - a potential one-off April Exit Price change recalculating Exit Prices using an updated TO target exit revenue only (i.e. the supply, demand and network data would remain unchanged from the October Exit Price calculation).

The inputs to the Transportation Model used to calculate the April Exit Prices would therefore be:

- 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.
- Supply Data – Ten Year Statement.
- Demand Data – Offtake Capacity Statements (for DN Demand) and Balance Sheets (for DC Demand).
- Expansion factor – calculated based on the costs of constructing NTS capacity for the gas year.
- Annuity Factor – Implied by the Licence (6.25% rate of return and 45 year annuity period)
- Target revenue – Set to the TO MAR for the formula year.

Appendix A contains a table that compares current Exit Prices with indicative prices applicable to Option Four.

Implementation

The proposal would be implemented on the 1st April 2009. Associated information would be published as follows:

- This paper (GCM13) would represent the 150 day indicative notice of revised Gas Transmission Transportation Charges (if GCM13 is implemented) which would be required by 31st October 2008.
- The Notice of Revised Gas Transmission Transportation Charges would be published on the 31st January 2009.

Future Proposals

The proposals outlined above address the Exit Price volatility resulting primarily from the over-recovery in respect of TO MAR in formula year 2006/07. The preferred option does not necessarily represent an enduring solution to Exit Price volatility given the potential for Exit Reform and future proposals may be required to address this.

The closing date for submission of your response to this consultation is **[tbc]**. Your response should be e-mailed to:

box.transmissioncapacityandcharging@uk.ngrid.com

or alternatively sent by post to

Jemma Spencer, Regulatory Frameworks, National Grid, National Grid House, Gallows Hill, Warwick, CV34 6DA.

If you wish to discuss any matter relating to this Charging Methodology consultation then please call Jemma Spencer ☎ 01926 654212 or Eddie Blackburn ☎ 01926 656022.

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.

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”).
- 2.2 NTS Exit Capacity Prices (“Exit Prices”) are currently set from October of formula year t to September of formula year t+1 in accordance with Standard Special Condition A4 2(a)(ii) of the Gas Transporter Licence in respect of the NTS (the “Licence”).
- 2.3 NTS Transportation Owner Maximum Allowed Revenue (TO MAR) applies for April to March of formula year t as detailed in Special Condition C8B 3(a) of the Licence.
- 2.4 In any formula year t, Exit Prices set in October take into account revenue recovered from April to September and are set at a level to recover the remaining TO MAR in the final six months of the formula year.
- 2.5 The TO MAR will change in April of formula year t+1 but Exit Prices will still be set at the rate required to collect the remaining TO MAR for formula year t. National Grid might therefore initially under- or over-recover for the first six months of formula year t+1.
- 2.6 In October of formula year t+1 Exit Prices will be set at a level to compensate for the initial under- or over-recovery in the first half of the formula year.
- 2.7 In April of formula year t+2 the TO MAR will change. If the change in TO MAR is not equal to the level of Exit Prices set in October of formula year t+1 National Grid will under- or over-recover.
- 2.8 This misalignment of formula year and gas year can cause volatile Exit Prices.

3 Background

- 3.1 The calculation of TO MAR in respect of formula year t includes an NTS TO revenue adjustment factor (“revenue adjustment”, “ TOK_t ”) for any under- or over-recovery in formula year t-1.
- 3.2 In formula year 2006/07 National Grid incurred a revenue adjustment, which reduced the TO MAR for 2007/08 by c£11m. This was primarily due to the 2007 Price Control Review.
- 3.3 Therefore, the increase in TO MAR from 2007/08 to 2008/09 was greater than the projected increase from 2008/09 to 2009/10.
- 3.4 As a consequence of paragraphs 3.2 and 3.3:
 - Exit Prices set in October 2007 will under-recover from April 2008 – October 2008;
 - Exit Prices set in October 2008 will be set at a higher rate to compensate for this under-recovery;
 - The higher rate from October 2008 will over-recover from April 2009 – October 2009 due to the small increase in TO MAR;
 - In October 2009 Exit Prices will have to be reduced to prevent over-recovery.
- 3.5 This will result in unstable Exit Prices.

4 Discussion and Issues

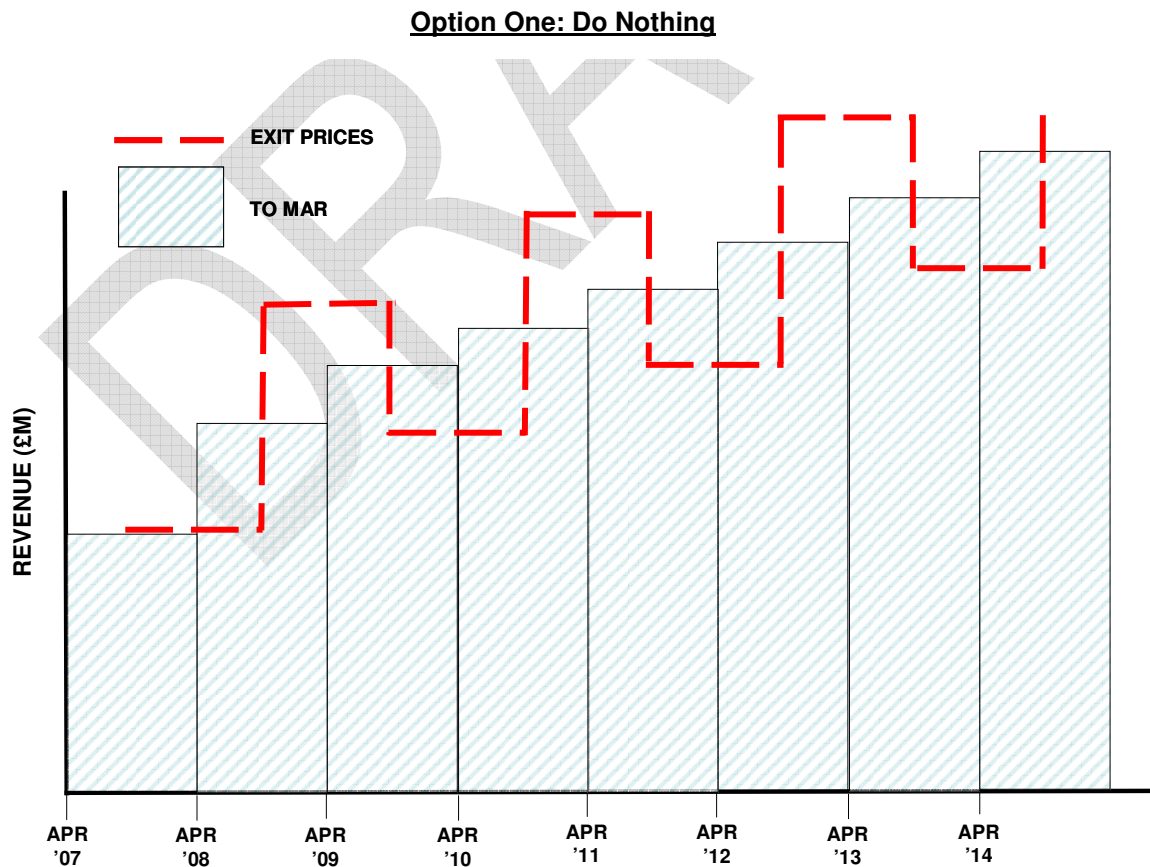
4.1 National Grid considered four options to address Exit Price volatility:

- Option One: Do nothing;
- Option Two: Apply Exit Prices from April to March of formula year t;
- Option Three: A potential one-off Exit Price change in April 2009, recalculating Exit Prices using updated supply, demand, network, and target exit revenue data;
- Option Four: A potential one-off Exit Price change in April 2009, recalculating Exit Prices using updated target exit revenue only.

Option One: Do Nothing

4.2 National Grid, through Option One, would make no change to the current Exit Price setting regime:

- Exit Prices would be aligned with the gas year;
- Final Exit Prices would be set in August using supply data from December and demand data from May;
- There would be the risk of a continuing cycle of unstable Exit Prices.



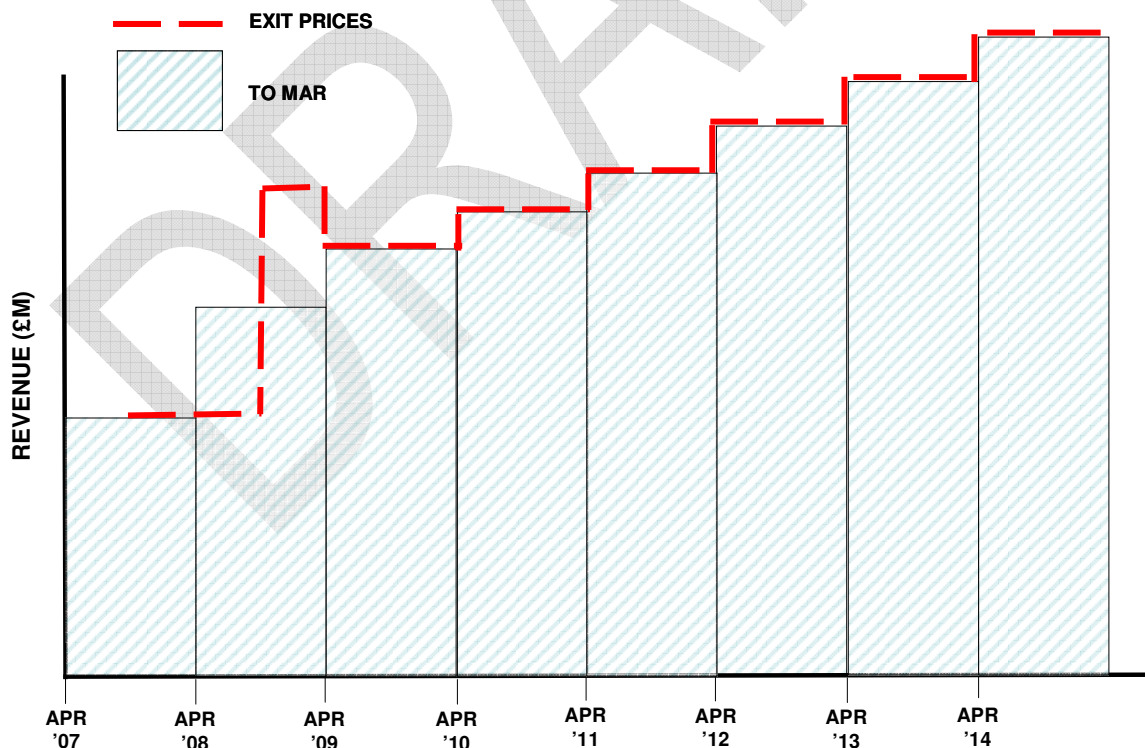
Option Two: Apply Exit Prices from April to March of Formula Year t

4.3 National Grid, through Option Two, would apply Exit Prices from April to March of formula year t, commencing April 2009.

4.4 Differences to Option One include:

- Exit Prices would be aligned with the formula year;
- Final Exit Prices would be set in February (using supply data from December and demand data from May);
- Exit Price setting would be aligned with the proposed March QSEC auction. This would allow National Grid to set all prices using one set of Transportation Models;
- Exit Prices are set using the Transportation Model, which is based on a 1-in-20 peak day demand for the relevant gas year. The proposal would result in Exit Prices being set for the formula year, so Non-Daily Metered (NDM) Exit and annual demand changes in October would not be accounted for;
- This option is incompatible with the Annual Product (from October – September) proposed by Exit Reform;
- The proposal would require a Licence change.

Option Two: Apply Exit Prices from April to March of Formula Year t



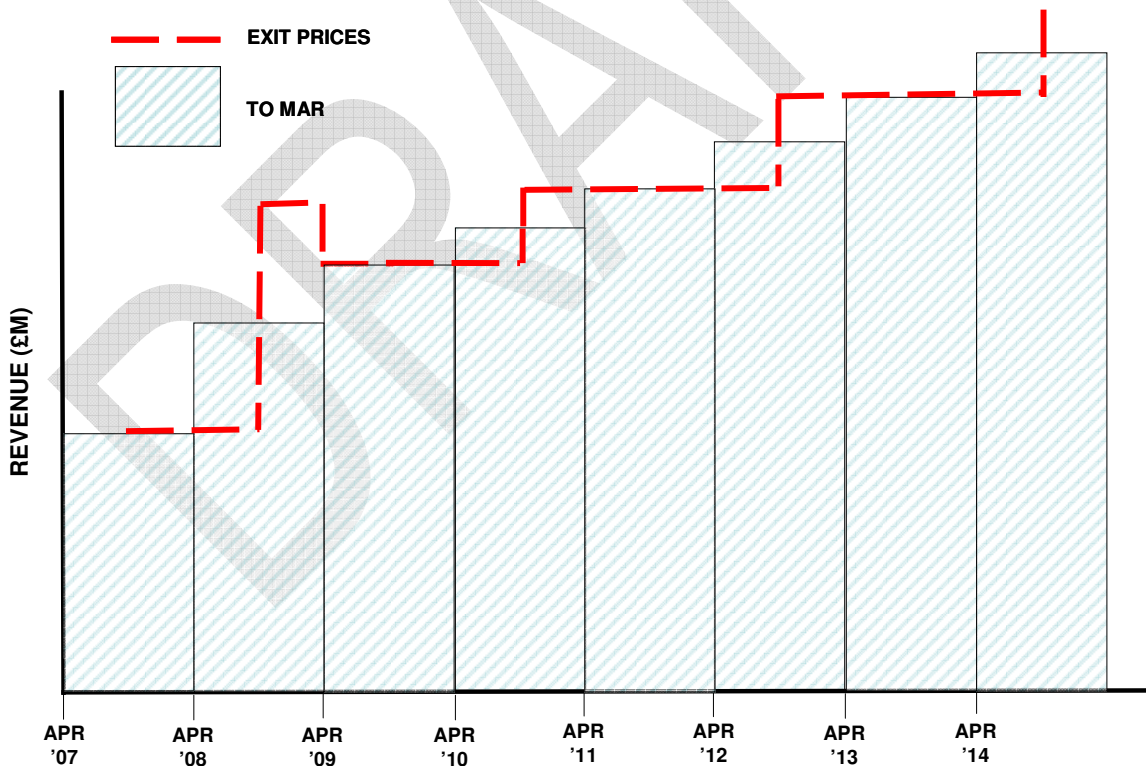
Option Three: One-Off Exit Price Change in April 2009 (full recalculation)

4.5 National Grid, through Option Three, would implement a potential one-off Exit Price change in April 2009, recalculating Exit Prices using updated supply, demand, network, and target exit revenue data.

4.6 Comparing with Option One:

- The April 2009 Exit Prices would be aligned with the formula year;
- The April 2009 Exit Prices would be set in February 2009 using supply data from December 2008 and demand data from May 2008;
- Two Exit Price changes in six months would facilitate incorporating any within-year changes in TO MAR;
- National Grid would need to produce two sets of Transportation Models using different sets of data;
- The proposal would lead to three Exit Price changes in 18 months. This could cause confusion.

Option Three: One-Off Exit Price Change in April 2009 (full recalculation)



Option Four: One-Off Exit Price Change in April 2009 (recalculation using updated TO Target Exit Revenue Only)

4.7 National Grid, through Option Four, would implement a potential one-off Exit Price change in April 2009, recalculating Exit Prices using an updated TO target exit revenue only.

4.8 Differences to Option One include:

- The April 2009 Exit Prices would be aligned with the formula year;
- The April 2009 Exit Prices would be set in February 2009 using supply data from December 2007 and demand data from May 2008 (unchanged from October 2008 Exit Price setting);
- Two Exit Price changes in six months would facilitate incorporating any within-year changes in TO MAR.
- Exit Prices would be stable:
 - An adjustment would be applied to all Exit Prices in April 2009. The adjustment would be constant except where it would reduce the price below 0.0001p/kWh, in which case the price would be capped at the minimum permitted level of 0.0001p/kWh.
 - Indicative Exit Prices for April 2009 could be produced alongside the Notice of Change for October 2009 Exit Prices.
- The proposal would lead to three Exit Price changes in 18 months. This could cause confusion.
- The proposal would require a change to the Charging Methodology to allow recalculation of Exit Prices updating only the TO target exit revenue.

Comparison of Option Three and Option Four

4.9 The difference in the resulting Exit Prices for Option Three and Option Four is as follows:

- Option Three would recalculate Exit Prices using updated supply, demand, network and target exit revenue data. This complete recalculation would result in some Exit Prices increasing and some Exit Prices decreasing.
- Option Four would recalculate Exit Prices using updated target exit revenue only. This would result in a constant adjustment to all Exit Prices¹, therefore making them stable.

National Grid's View

4.10 National Grid believes that Option Four would be most appropriate for addressing Exit Price volatility. The main reasons for this are as follows:

¹ The adjustment to Exit Prices would be constant (taking into account rounding within the Transportation Model) except in those cases where such an adjustment would reduce the offtake Exit Price below the minimum permitted level of 0.0001p/kWh. DN exit prices are the weighted average of the relevant offtake exit prices.

- Option One: The option of doing nothing could result in continued volatile Exit Prices year on year.
- Option Two: The 0116 and 0195 suite of proposals, which are seeking to introduce NTS Exit Reform, have been developed based on setting Exit Prices from October – September. National Grid therefore considers applying Exit Prices from April – March inappropriate.
- Option Three: Supply and demand data has a significant effect on Exit Prices. Therefore, a potential one-off Exit Price change in April 2009 using updated supply, demand and network data could produce more volatile Exit Prices than those produced by the current regime. National Grid is currently analysing supply and demand balancing within the Transportation Model and will publish a discussion paper later in the year.
- Option Four: Recalculating Exit Prices in April 2009, updating the TO target exit revenue only, would result in a constant adjustment to all Exit Prices. Exceptions to the constant adjustment would occur where it would reduce the price below 0.0001p/kWh, in which case the Exit Price would be capped at the minimum permitted level of 0.0001p/kWh. Furthermore, indicative Exit Prices could be generated alongside the Notice of Change for October 2009 Exit Prices. This would result in stable and predictable Exit Prices.

Licence Implications

4.11 Under Standard Special Condition C7 of the Licence, National Grid has a reasonable endeavours obligation to only amend Exit Prices once a year on 1 October, or at any other time as directed by the Authority. However, it is National Grid's view that GCM13 would benefit exit shippers by producing more stable Exit Prices. Therefore, a final proposal will only be raised subject to industry support.

Future Proposals

4.12 The proposals outlined above address the Exit Price volatility resulting primarily from the over-recovery in respect of TO MAR in formula year 2006/07. The preferred option does not necessarily represent an enduring solution to Exit Price volatility given the potential for Exit Reform and future proposals may be required to address this.

5 National Grid's Proposal

- 5.1 National Grid believes that Option Four – a potential one-off Exit Price change in April 2009, recalculating based only on an updated TO Target Exit Revenue value, is most appropriate for addressing Exit Price volatility.
- 5.2 In order to implement Option Four, National Grid, proposes:
- A change to the Charging Methodology to facilitate the potential for an April Exit Price change, recalculating Exit Prices using an updated TO target exit revenue only, (i.e. the supply, demand and network data would remain unchanged from the October Exit Price calculation).
- 5.3 The inputs to the Transportation Model used to calculate the April Exit Prices would therefore be:
- 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.
 - Supply Data – Ten Year Statement.
 - Demand Data – Offtake Capacity Statements (for DN Demand) and Balance Sheets (for DC Demand).
 - Expansion factor – calculated based on the costs of constructing NTS capacity for the gas year.
 - Annuitisation Factor – Implied by the Licence (6.25% rate of return and 45 year annuitisation period)
 - Target revenue – Set to the TO MAR for the formula year.

Implementation

- 5.4 The proposal would be implemented on the 1st April 2009. Associated information would be published as follows:
- This paper (GCM13) represents the 150 day indicative notice of revised Gas Transmission Transportation Charges (if GCM13 is implemented) which is required by 31st October 2008.
 - The Notice of Revised Gas Transmission Transportation Charges would be published on the 31st January 2009.

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 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 this proposal (GCM13) would achieve the relevant objectives.
- 6.4 The proposal contained in this paper will continue to reflect the costs incurred by the licensee in its transportation business.
- 6.5 The proposal facilitates effective competition between gas shippers and suppliers as more stable exit prices should reduce the risks associated with reflecting transportation charges within their contracts.

Assessment against EU Gas Regulations

- 6.6 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.
- 6.7 National Grid believes that this proposal (GCM13) is consistent with the principles listed above.
- 6.8 In particular, it is National Grid's view that GCM13 will lead to Exit Prices that would:
- Be transparent
 - Be applied in a non-discriminatory manner
 - Facilitate efficient gas trade and competition

7 Questions for Consultation

- 7.1 National Grid invites views on whether the proposed changes to our Gas Transmission Transportation Charging Methodology meet National Grid's relevant GT Licence objectives.
- 7.2 National Grid also invites views on whether Option Four is the correct approach to addressing Exit Price volatility. In particular:
- Is a one-off April Exit Price change the most appropriate way of avoiding future Exit Price volatility?
 - Would recalculating Exit Prices in April updating only the TO target exit revenue be more appropriate than recalculating Exit Prices using updated supply, demand, network and target exit revenue data?

The closing date for submission of your responses is **[tbc]**. Your response should be e-mailed to:

box.transmissioncapacityandcharging@uk.ngrid.com

or alternatively sent by post to

Jemma Spencer, Regulatory Frameworks, National Grid, National Grid House, Gallows Hill, Warwick, CV34 6DA.

If you wish to discuss any matter relating to this Charging Methodology consultation then please call Jemma Spencer ☎ 01926 654212 or Eddie Blackburn ☎ 01926 656022.

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 – Indicative Exit Prices

- The “As-Is” Indicative Exit Prices are taken from the 2008/09 Transportation Model, published in August 2008.
- The Option Four Indicative Exit Prices have been calculated based on the latest estimate of the 2009/10 formula year target exit revenue, which includes a forecasted adjustment for revenue foregone.
- The table shows an adjustment to Exit Prices of -0.0008 or -0.0009p/kWh (the two different prices can be explained by rounding within the Transportation Model) except in those cases where such an adjustment would reduce the Exit Price below the minimum permitted level of 0.0001p/kWh.

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Table One: Exit Prices by DN Exit Zone

Network	Exit Zone	Indicative Exit Prices (p/kWh/day)		
		“As-Is” (Option Four – Do nothing)	Option Three (April Change based on updated TO Target Revenue Only)	Difference between Option Four and Option Three
East of England	EA1	0.0069	0.0061	0.0008
	EA2	0.0076	0.0067	0.0009
	EA3	0.0031	0.0022	0.0009
	EA4	0.0126	0.0117	0.0009
	EM1	0.0003	0.0001	0.0002
	EM2	0.0053	0.0044	0.0009
	EM3	0.0152	0.0143	0.0009
	EM4	0.0109	0.0100	0.0009
North of England	NE1	0.0058	0.0049	0.0009
	NE2	0.0006	0.0003	0.0003
	NE3	0.0001	0.0001	0.0000
	NO1	0.0007	0.0003	0.0004
	NO2	0.0003	0.0003	0.0000
London	NT1	0.0209	0.0200	0.0009
	NT2	0.0130	0.0121	0.0009
	NT3	0.0126	0.0117	0.0009
North West	NW1	0.0097	0.0088	0.0009
	NW2	0.0146	0.0137	0.0009
Scotland	SC1	0.0001	0.0001	0.0000
	SC2	0.0001	0.0001	0.0000
	SC4	0.0001	0.0001	0.0000
South of England	SE1	0.0157	0.0148	0.0009
	SE2	0.0209	0.0200	0.0009
	SO1	0.0159	0.0150	0.0009
	SO2	0.0236	0.0227	0.0009
Wales and the West	SW1	0.0161	0.0153	0.0008
	SW2	0.0235	0.0226	0.0009
	SW3	0.0347	0.0338	0.0009
	WN	0.0187	0.0179	0.0008
	WS	0.0096	0.0087	0.0009
West Midlands	WM1	0.0174	0.0166	0.0008
	WM2	0.0158	0.0150	0.0008
	WM3	0.0143	0.0134	0.0009

Table Two: Exit Prices by NTS Site

NTS Site	Indicative Exit Prices (p/kWh/day)		
	“As-Is” (Option Four – Do nothing)	Option Three (April Change based on updated TO Target Revenue Only)	Difference between Option Four and Option Three
AM_PAPER	0.0110	0.0101	-0.0009
BAGLAN_BAY_PG	0.0076	0.0067	-0.0009
BARKING_PG	0.0129	0.0120	-0.0009
BILLINGHAM_ICI	0.0006	0.0001	-0.0005
BP_GRANGEMOUTH	0.0001	0.0001	0.0000
BP_SALTEND_HP	0.0001	0.0001	0.0000
BRIDGEWATER_PAPER	0.0164	0.0155	-0.0009
BRIGG_PG	0.0042	0.0033	-0.0009
BRIMSDOWN_PG	0.0143	0.0134	-0.0009
BRUNNER_MOND	0.0143	0.0134	-0.0009
CONNAHS_QUAY_PS	0.0160	0.0151	-0.0009
CORBY_PS	0.0108	0.0099	-0.0009
CORYTON_PG	0.0132	0.0123	-0.0009
COTTAM_PG	0.0051	0.0042	-0.0009
DAMHEAD_CREEK	0.0126	0.0117	-0.0009
DEESIDE_PS	0.0163	0.0155	-0.0008
DIDCOT_PS	0.0192	0.0184	-0.0008
ENRON_(BILLINGHAM)	0.0006	0.0001	-0.0005
GOOLE_GLASS	0.0033	0.0024	-0.0009
GRAIN_GAS	0.0126	0.0117	-0.0009
GREAT_YARMOUTH	0.0009	0.0001	-0.0008
HAYS_CHEMICALS	0.0151	0.0143	-0.0008
ICI_RUNCORN	0.0180	0.0172	-0.0008
IMMINGHAM_PG	0.0003	0.0001	-0.0002
KEADBY_PS	0.0044	0.0035	-0.0009
KEMIRAINCE_CHP	0.0177	0.0168	-0.0009
KINGS_LYNN_PS	0.0061	0.0052	-0.0009
LITTLE_BARFORD_PS	0.0122	0.0114	-0.0008
LONGANNET	0.0001	0.0001	0.0000
MEDWAY_PS	0.0125	0.0116	-0.0009

NTS Site	Indicative Exit Prices (p/kWh/day)		
	“As-Is” (Option Four – Do nothing)	Option Three (April Change based on updated TO Target Revenue Only)	Difference between Option Four and Option Three
PETERBOROUGH_PS	0.0080	0.0071	-0.0009
PETERHEAD_PG	0.0001	0.0001	0.0000
PHILLIPS_SEAL_SANDS	0.0001	0.0001	0.0000
ROCKSAVAGE_PG	0.0180	0.0172	-0.0008
ROOSECOTE_PS	0.0018	0.0009	-0.0009
RYE_HOUSE_PS	0.0147	0.0138	-0.0009
SALTEND	0.0001	0.0001	0.0000
SAPPIPAPERMILLCHP	0.0098	0.0089	-0.0009
SEABANK_POWER	0.0225	0.0216	-0.0009
SEABANK_POWER_II	0.0242	0.0233	-0.0009
SELLAFIELD_PS	0.0001	0.0001	0.0000
SEVERNSIDE_ICI	0.0241	0.0232	-0.0009
SHOTTON_PAPER	0.0161	0.0152	-0.0009
SPALDING_PG	0.0065	0.0056	-0.0009
STALLINGBOROUGH_PS	0.0012	0.0003	-0.0009
STAYTHORPE	0.0028	0.0019	-0.0009
SUTTON_BRIDGE_PS	0.0073	0.0065	-0.0008
TEESSIDE_BASF	0.0001	0.0001	0.0000
TEESSIDE_HYDROGEN	0.0001	0.0001	0.0000
THORNTON_CURTIS_PG	0.0003	0.0001	-0.0002
ZENECA	0.0001	0.0001	0.0000
AM_PAPER	0.0110	0.0101	-0.0009
BAGLAN_BAY_PG	0.0076	0.0067	-0.0009
BARKING_PG	0.0129	0.0120	-0.0009
BILLINGHAM_ICI	0.0006	0.0001	-0.0005
BP_GRANGEMOUTH	0.0001	0.0001	0.0000
BP_SALTEND_HP	0.0001	0.0001	0.0000
BRIDGEWATER_PAPER	0.0164	0.0155	-0.0009
BRIGG_PG	0.0042	0.0033	-0.0009
BRIMSDOWN_PG	0.0143	0.0134	-0.0009
BRUNNER_MOND	0.0143	0.0134	-0.0009
CONNAHS_QUAY_PS	0.0160	0.0151	-0.0009
CORBY_PS	0.0108	0.0099	-0.0009
CORYTON_PG	0.0132	0.0123	-0.0009

NTS Site	Indicative Exit Prices (p/kWh/day)		
	“As-Is” (Option Four – Do nothing)	Option Three (April Change based on updated TO Target Revenue Only)	Difference between Option Four and Option Three
COTTAM_PG	0.0051	0.0042	-0.0009
DAMHEAD_CREEK	0.0126	0.0117	-0.0009
DEESIDE_PS	0.0163	0.0155	-0.0008
DIDCOT_PS	0.0192	0.0184	-0.0008
ENRON_(BILLINGHAM)	0.0006	0.0001	-0.0005
GOOLE_GLASS	0.0033	0.0024	-0.0009
GRAIN_GAS	0.0126	0.0117	-0.0009
GREAT_YARMOUTH	0.0009	0.0001	-0.0008
HAYS_CHEMICALS	0.0151	0.0143	-0.0008
ICI_RUNCORN	0.0180	0.0172	-0.0008
IMMINGHAM_PG	0.0003	0.0001	-0.0002
KEADBY_PS	0.0044	0.0035	-0.0009
KEMIRAINCE_CHP	0.0177	0.0168	-0.0009
KINGS_LYNN_PS	0.0061	0.0052	-0.0009
LITTLE_BARFORD_PS	0.0122	0.0114	-0.0008
LONGANNET	0.0001	0.0001	0.0000
MEDWAY_PS	0.0125	0.0116	-0.0009
PETERBOROUGH_PS	0.0080	0.0071	-0.0009
PETERHEAD_PG	0.0001	0.0001	0.0000
PHILLIPS_SEAL_SANDS	0.0001	0.0001	0.0000
ROCKSAVAGE_PG	0.0180	0.0172	-0.0008
ROOSECOTE_PS	0.0018	0.0009	-0.0009
RYE_HOUSE_PS	0.0147	0.0138	-0.0009
SALTEND	0.0001	0.0001	0.0000
SAPPIPAPERMILLCHP	0.0098	0.0089	-0.0009
SEABANK_POWER	0.0225	0.0216	-0.0009
SEABANK_POWER_II	0.0242	0.0233	-0.0009
SELLAFIELD_PS	0.0001	0.0001	0.0000
SEVERNSIDE_ICI	0.0241	0.0232	-0.0009
SHOTTON_PAPER	0.0161	0.0152	-0.0009
SPALDING_PG	0.0065	0.0056	-0.0009
STALLINGBOROUGH_PS	0.0012	0.0003	-0.0009
STAYTHORPE	0.0028	0.0019	-0.0009
SUTTON_BRIDGE_PS	0.0073	0.0065	-0.0008

	Indicative Exit Prices (p/kWh/day)		
	“As-Is” (Option Four – Do nothing)	Option Three (April Change based on updated TO Target Revenue Only)	Difference between Option Four and Option Three
NTS Site			
TEESSIDE_BASF	0.0001	0.0001	0.0000
TEESSIDE_HYDROGEN	0.0001	0.0001	0.0000
THORNTON_CURTIS_PG	0.0003	0.0001	-0.0002
ZENECA	0.0001	0.0001	0.0000

Table Three: Interconnector Exit Prices

	Indicative Exit Prices (p/kWh/day)		
	“As-Is” (Option One – Do nothing)	Option Four (April Change based on updated TO Target Revenue Only)	Difference between Option One and Option Four
Interconnector			
Bacton Interconnector	0.0009	0.0001	-0.0008
Moffat	0.0001	0.0001	0.0000

Table Four: Exit Prices by NTS Storage Site

Storage Site	Indicative Exit Prices (p/kWh/day)		
	“As-Is” (Option One – Do nothing)	Option Four (April Change based on updated TO Target Revenue Only)	Difference between Option One and Option Four
AVONMOUTH_LNG	0.0241	0.0232	-0.0009
BARTON_STACEY_(MRS)	0.0228	0.0219	-0.0009
CHESHIRE	0.0139	0.0130	-0.0009
DYNEVOR_ARMS_LNG	0.0093	0.0084	-0.0009
GARTON_(MRS)	0.0001	0.0001	0.0000
GLENMAVIS	0.0001	0.0001	0.0000
HATFIELD_MOOR_(MRS)	0.0038	0.0029	-0.0009
HOLEHOUSE_FARM_(MRS)	0.0151	0.0142	-0.0009
HORNSEA_(MRS)	0.0001	0.0001	0.0000
PARTINGTON	0.0137	0.0128	-0.0009
ROUGH	0.0001	0.0001	0.0000