

Indicative NTS Exit (Flat) Capacity Prices Adjusted to Forecast TO Exit Allowed Revenue

Industry responses to National Grid's NTS Charging Discussion Paper NTS GCD 01 indicated a lack of support for calculating enduring flat capacity charges from raw long run marginal costs (LRMCs) as the resulting prices would recover less than 50% of TO Exit Allowed revenue. A TO Exit commodity charge was proposed to recover the remaining TO Exit revenue. A number of respondents offered support for adjusting charges to recover all (or at least a greater proportion) of TO Exit allowed revenue. This would result in either a minimal or no TO Exit commodity charge.

The following indicative NTS Exit (Flat) Capacity Prices have been adjusted to collect forecast TO allowed revenue. These charges have been generated to inform the gas TCMF debate and will be published on the Gas TCMF section of the National Grid website.

The charges have been calculated using the following assumptions;

Assumptions	
Charging Model	Transportation Model (Single Expansion Constant)
Expansion Constant	£2223/GWhkm
Demand	Peak firm only DN demand forecast with all NTS direct connects (including 'Interruptibles') modelled at their Site Offtake Quantity (SOQ)
Bi-directional sites	Storage sites and Interconnectors modelled as supplies (i.e. zero demand)
Supply	2006 Base Case supply forecast adjusted to balance demand using merit order
Anuitisation Factor	0.10272
Adjustment	Prices adjusted additively
TO Exit Allowed Revenue	£245.2M

1 DN Offtake Prices

LDZ	Network	Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
EA1	East of England	Bacton	0.0022	0.0020	0.0018
EA1	East of England	Brisley	0.0047	0.0046	0.0043
EA1	East of England	Peterborough Eye	0.0065	0.0064	0.0062
EA1	East of England	West Winch	0.0069	0.0067	0.0065
EA2	East of England	Great Wilbraham	0.0095	0.0093	0.0091

LDZ	Network	Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
EA2	East of England	Roundham Heath	0.0061	0.0060	0.0058
EA3	East of England	Yelverton	0.0043	0.0041	0.0039
EA4	East of England	Cambridge	0.0113	0.0111	0.0109
EA4	East of England	Matching Green	0.0142	0.0140	0.0138
EA4	East of England	Royston	0.0112	0.0110	0.0108
EA4	East of England	Whitwell	0.0129	0.0128	0.0126
EM1	East of England	Thornton Curtis	0.0001	0.0001	0.0001
EM1	East of England	Walesby	0.0001	0.0001	0.0001
EM2	East of England	Blyborough	0.0030	0.0028	0.0026
EM2	East of England	Gosberton	0.0039	0.0038	0.0035
EM2	East of England	Kirkstead	0.0021	0.0019	0.0017
EM2	East of England	Silk Willoughby	0.0031	0.0030	0.0028
EM2	East of England	Sutton Bridge	0.0055	0.0053	0.0051
EM3	East of England	Alrewas	0.0133	0.0132	0.0129
EM3	East of England	Blaby	0.0102	0.0100	0.0098
EM3	East of England	Drointon	0.0143	0.0142	0.0119
EM3	East of England	Tur Langton	0.0092	0.0090	0.0088
EM4	East of England	Caldecott	0.0080	0.0078	0.0076
EM4	East of England	Market Harborough	0.0090	0.0089	0.0086
NE1	North of England	Asselby	0.0006	0.0005	0.0002
NE1	North of England	Baldersby	0.0053	0.0051	0.0049
NE1	North of England	Burley Bank	0.0049	0.0047	0.0045
NE1	North of England	Pannal	0.0045	0.0043	0.0041
NE1	North of England	Rawcliffe	0.0008	0.0006	0.0004
NE1	North of England	Towton	0.0026	0.0024	0.0022
NE2	North of England	Ganstead	0.0001	0.0001	0.0001
NE2	North of England	Paull South	0.0001	0.0001	0.0001
NE2	North of England	Pickering	0.0001	0.0001	0.0001
NE3	North of England	Paull North	0.0001	0.0001	0.0001
NO1	North of England	Bishop Auckland	0.0050	0.0049	0.0047
NO1	North of England	Coldstream	0.0001	0.0001	0.0035
NO1	North of England	Corbridge	0.0009	0.0008	0.0077
NO1	North of England	Cowpen Bewley	0.0047	0.0046	0.0043
NO1	North of England	Elton	0.0037	0.0035	0.0033
NO1	North of England	Guyzance	0.0001	0.0001	0.0054
NO1	North of England	Humbleton	0.0001	0.0001	0.0030
NO1	North of England	Little Burdon	0.0041	0.0039	0.0037
NO1	North of England	Saltwick	0.0001	0.0001	0.0066
NO1	North of England	Thrintoft	0.0056	0.0054	0.0052
NO2	North of England	Keld	0.0069	0.0069	0.0079
NO2	North of England	Melkinthorpe	0.0063	0.0062	0.0085
NO2	North of England	Tow Law	0.0068	0.0067	0.0065
NO2	North of England	Wetheral	0.0040	0.0039	0.0108

LDZ	Network	Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
NT1	London	Winkfield NT	0.0183	0.0181	0.0179
NT2	London	Horndon	0.0137	0.0135	0.0133
NT2	London	Luxborough Lane	0.0139	0.0137	0.0135
NT3	London	Peters Green	0.0133	0.0132	0.0129
NW1	North West	Blackrod	0.0146	0.0144	0.0108
NW1	North West	Lupton	0.0093	0.0091	0.0055
NW1	North West	Samlesbury	0.0133	0.0131	0.0095
NW2	North West	Audley NW	0.0146	0.0123	0.0087
NW2	North West	Eccleston	0.0166	0.0144	0.0108
NW2	North West	Holmes Chapel	0.0135	0.0112	0.0076
NW2	North West	Malpas	0.0163	0.0140	0.0104
NW2	North West	Mickle Trafford	0.0160	0.0138	0.0102
NW2	North West	Partington off	0.0122	0.0100	0.0064
NW2	North West	Warburton	0.0120	0.0098	0.0062
NW2	North West	Weston Point	0.0169	0.0146	0.0110
SC1	Scotland	Aberdeen	0.0001	0.0001	0.0001
SC1	Scotland	Balgray	0.0001	0.0001	0.0001
SC1	Scotland	Careston	0.0001	0.0001	0.0001
SC1	Scotland	Kinnockie	0.0001	0.0001	0.0001
SC1	Scotland	Mosside	0.0001	0.0001	0.0001
SC1	Scotland	Pitcairn	0.0001	0.0001	0.0001
SC1	Scotland	St Fergus	0.0001	0.0001	0.0001
SC2	Scotland	Armadale	0.0001	0.0001	0.0014
SC2	Scotland	Broxburn	0.0001	0.0001	0.0025
SC2	Scotland	Hume	0.0001	0.0001	0.0044
SC2	Scotland	Soutra	0.0001	0.0001	0.0057
SC4	Scotland	Bathgate	0.0001	0.0001	0.0011
SC4	Scotland	Drum	0.0001	0.0001	0.0001
SC4	Scotland	Glenmavis offtake	0.0001	0.0001	0.0022
SC4	Scotland	Langholm	0.0018	0.0017	0.0086
SC4	Scotland	Lockerbie	0.0010	0.0009	0.0078
SC4	Scotland	Nether Howcleugh	0.0001	0.0001	0.0061
SC4	Scotland	Stranraer	0.0001	0.0001	0.0068
SE1	South of England	Farningham	0.0155	0.0135	0.0147
SE1	South of England	Shorne	0.0146	0.0126	0.0138
SE1	South of England	Tatsfield	0.0171	0.0151	0.0163
SE2	South of England	Winkfield SE	0.0183	0.0181	0.0179
SO1	South of England	Hardwick	0.0135	0.0133	0.0131
SO2	South of England	Braishfield	0.0215	0.0213	0.0211
SO2	South of England	Ipsden	0.0164	0.0163	0.0161
SO2	South of England	Mappowder	0.0173	0.0172	0.0169
SO2	South of England	Winkfield SO	0.0183	0.0181	0.0179
SW1	Wales and the West	Evesham	0.0067	0.0066	0.0063

LDZ	Network	Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
SW1	Wales and the West	Fiddington	0.0056	0.0054	0.0052
SW1	Wales and the West	Ross SW	0.0048	0.0046	0.0044
SW2	Wales and the West	Cirencester	0.0097	0.0095	0.0093
SW2	Wales and the West	Easton Grey	0.0101	0.0100	0.0097
SW2	Wales and the West	Ilchester	0.0154	0.0153	0.0150
SW2	Wales and the West	Littleton Drew	0.0108	0.0106	0.0104
SW2	Wales and the West	Pucklechurch	0.0116	0.0115	0.0112
SW2	Wales and the West	Seabank LDZ	0.0134	0.0132	0.0130
SW3	Wales and the West	Aylesbeare	0.0194	0.0192	0.0190
SW3	Wales and the West	Kenn	0.0203	0.0202	0.0199
SW3	Wales and the West	Lyneham	0.0193	0.0241	0.0239
WA1	Wales and the West	Maelor	0.0170	0.0148	0.0112
WA2	Wales and the West	Dowlais	0.0011	0.0009	0.0007
WA2	Wales and the West	Dyffryn Clydach	0.0001	0.0001	0.0001
WA2	Wales and the West	Gilwern	0.0021	0.0020	0.0017
WM1	West Midlands	Aspley	0.0161	0.0138	0.0102
WM1	West Midlands	Audley	0.0146	0.0123	0.0087
WM1	West Midlands	Milwich	0.0149	0.0148	0.0114
WM2	West Midlands	Alrewas WM	0.0133	0.0132	0.0129
WM2	West Midlands	Austrey	0.0127	0.0125	0.0123
WM2	West Midlands	Shustoke	0.0138	0.0136	0.0134
WM3	West Midlands	Leamington	0.0091	0.0089	0.0087
WM3	West Midlands	Lower Quinton	0.0077	0.0076	0.0073
WM3	West Midlands	Ross WM	0.0048	0.0046	0.0044
WM3	West Midlands	Rugby	0.0100	0.0099	0.0097
WM3	West Midlands	Stratford Upon Avon	0.0078	0.0077	0.0074

2 Direct Connect Prices

Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
AM Paper	0.0120	0.0098	0.0062
Bacton I/C	0.0022	0.0020	0.0018
Baglan Bay PG	0.0001	0.0001	0.0001
Barking PG	0.0137	0.0135	0.0133
BASF Teesside	0.0044	0.0042	0.0040
BP Grangemouth	0.0001	0.0001	0.0001
BP Saltend (HP)	0.0001	0.0001	0.0001
Bridgewater Paper	0.0168	0.0146	0.0110

Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
Brigg PG	0.0030	0.0028	0.0026
Brimsgate PG	0.0148	0.0146	0.0144
Brunner Mond	0.0125	0.0102	0.0066
Connahs Quay PG	0.0171	0.0149	0.0113
Corby PG	0.0083	0.0082	0.0079
Coryton PG	0.0139	0.0133	0.0131
Cottam PG	0.0030	0.0028	0.0026
Deeside PG	0.0160	0.0138	0.0102
Didcot PG	0.0167	0.0165	0.0163
Goole Glass	0.0011	0.0009	0.0007
Great Yarmouth PG	0.0022	0.0020	0.0018
Hays Chemicals	0.0139	0.0116	0.0081
ICI Runcorn	0.0169	0.0146	0.0110
Immingham CHP	0.0001	0.0001	0.0001
Keadby PG	0.0021	0.0020	0.0017
Kemira Ince	0.0165	0.0143	0.0107
Kings Lynn PG	0.0071	0.0070	0.0068
Kingsnorth PG	0.0134	0.0114	0.0126
Little Barford PG	0.0102	0.0100	0.0098
Langage_PG	0.0203	0.0202	0.0199
Longannet PG	0.0001	0.0001	0.0001
Medway PG	0.0135	0.0115	0.0127
Moffat I/C	0.0001	0.0001	0.0068
Peterborough PG	0.0071	0.0070	0.0067
Peterhead PG	0.0001	0.0001	0.0001
Phillips Seal Sands	0.0043	0.0042	0.0039
Rocksavage PG	0.0169	0.0146	0.0110
Roosecote PG	0.0062	0.0060	0.0024
Rye House PG	0.0154	0.0152	0.0150
Saltend PG	0.0001	0.0001	0.0001
Sappi Paper Mill	0.0140	0.0139	0.0103
Seabank PG	0.0133	0.0131	0.0129
Sellafield PG	0.0097	0.0096	0.0060
Shotton Paper	0.0160	0.0138	0.0102
Spalding PG	0.0042	0.0041	0.0038
Stallingborough PG	0.0001	0.0001	0.0001
Staythorpe PG	0.0007	0.0005	0.0003
Sutton Bridge PG	0.0057	0.0056	0.0053
Teesside Hydrogen	0.0043	0.0042	0.0039

Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
Teesside PG	0.0043	0.0042	0.0039
Terra Billingham	0.0049	0.0048	0.0045
Terra Severnside	0.0132	0.0130	0.0128
Thornton Curtis PG	0.0001	0.0001	0.0001
Zeneca	0.0043	0.0042	0.0039

3 Storage Prices

Offtake	2010/11 (Pence per kWh per day)	2011/12 (Pence per kWh per day)	2012/13 (Pence per kWh per day)
Avonmouth	0.0132	0.0131	0.0128
Barton Stacey (Humbly Grove)	0.0201	0.0199	0.0197
Blyborough (Welton)	0.0030	0.0028	0.0026
Burton Agnes (Caytorpe)	0.0001	0.0001	0.0001
Cheshire	0.0121	0.0098	0.0062
Dynevor Arms	0.0006	0.0004	0.0002
Fleetwood	0.0077	0.0055	0.0019
Garton	0.0001	0.0001	0.0001
Glenmavis	0.0001	0.0001	0.0022
Hatfield Moor	0.0019	0.0017	0.0015
Holehouse farm	0.0133	0.0111	0.0075
Hornsea	0.0001	0.0001	0.0001
Partington	0.0122	0.0100	0.0064
Rough	0.0001	0.0001	0.0001
Tatsfield	0.0171	0.0151	0.0163
Winkfield	0.0183	0.0181	0.0179