

National Grid has an action from the Gas TCMF to look at the feasibility of publishing 5 years of forward looking NTS charge setting information (allowed/target revenue) on the same basis that the GDN's do as a consequence of UNC Mod 186.  
The following worksheets show potential TO & SO reports.

**Sheet 1: NTS TO Mod186 (Example)**

**Sheet 2: NTS SO Mod186 (Example)**

**NTS TO (National Grid) - EXAMPLE (Dummy data)**

Mod 186 Report  
4 December 2008  
£m

	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13*
		Current Prices				
Core Allowed (TOZt)	450.0	450.0	450.0	450.0	450.0	450.0
Millford Haven Adjustment (-TOZAt)	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0
Cost Pass Through (TOFt)	20.0	20.0	20.0	20.0	20.0	20.0
Revenue Adjustment (TOGt)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Final Allowed Rev per PCR</b>	<b>460.0</b>	<b>460.0</b>	<b>460.0</b>	<b>460.0</b>	<b>460.0</b>	<b>460.0</b>
*Inflation Assumed			1.05	1.10	1.16	1.22
<b>Final Allowed Rev per PCR at prices of year</b>	<b>460.0</b>	<b>460.0</b>	<b>483.0</b>	<b>507.2</b>	<b>532.5</b>	<b>559.1</b>
Cost Pass through Movements	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Adjustment Movement	0.0	0.0	0.0	0.0	0.0	0.0
K Movement	0.0	0.0	0.0	0.0	0.0	0.0
<b>Final Allowed Revenue Latest Forecast</b>	<b>460.0</b>	<b>460.0</b>	<b>483.0</b>	<b>507.2</b>	<b>532.5</b>	<b>559.1</b>
% of previous year		100.0%	105.0%	105.0%	105.0%	105.0%
Forecast Collected Revenue (DN Pensions & NTS Metering)	26.0	26.0	26.0	26.0	26.0	26.0
Forecast Collected Revenue (Exit Revenue Foregone)	50.0	50.0	50.0	50.0	50.0	50.0
Forecast Collected Revenue (Entry)	217.0	217.0	228.5	240.6	253.3	266.6
Forecast Collected Revenue (Exit)	167.0	167.0	178.5	190.6	203.3	216.6
<b>Forecast Collected Revenue</b>	<b>460.0</b>	<b>460.0</b>	<b>483.0</b>	<b>507.2</b>	<b>532.5</b>	<b>559.1</b>
Forecast Under / Over Recovery ( K_Entry ) under recovery (-)	0.0	0.0	0.0	0.0	0.0	0.0
Forecast Under / Over Recovery ( K_Exit) under recovery (-)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Forecast Under / Over Recovery ( K ) under recovery (-)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Arithmetical October/ April* Price level change needed for Collected to = Allowed</b>	<b>5.0%</b>	<b>0.0%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>
	Oct	Oct	Oct	Oct	Oct	Oct

**Commentaries**

**2007/08**  
Finalised values.

**2008/9**

Change shown represents the average price change. Actual price changes will depend on Transportation Model Input Data, primarily S&D.

K includes any movement in incentive / adjustment positions to those set into the prices and any deviations between forecast and collected revenues from July to September.

**2009/10**

The core allowed revenue remains subject to RPI changes until December 2008.

\*Inflation may (RPI) not apply to all terms

**2012/13**

The costs and revenues are based on the 2007-12 price control rolling over to 2012/13. This assumption is purely for the purposes of this report.

**Other notes**

**Sensitivities**

An overall increase to maximum allowed revenue by 1% in 2009/10 would lead to an increase of around 1% to quoted price changes.

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## NTS SO (National Grid) - EXAMPLE (Dummy Data)

Mod 186 Report

4 December 2008

£m

	2007/8	2008/9 Current Prices	2009/10
SO Exit Incentive revenues & Costs (SOExIRct) less incremental exit capacity revenues	15.0	15.0	15.0
SO Entry Incentive revenues & Costs (SOEIRct) less incremental entry capacity revenues	75.0	75.0	75.0
SO External Incentive revenues & Costs (SOOIRct) less Neutrality revenues	180.0	180.0	180.0
SO Internal Incentive revenues & Costs (SOIntIRct)	60.0	60.0	60.0
SO Incoming adjusting Event (SORAt)	0.0	0.0	0.0
SO Overall buyback adjustment (BBIOCAt)	0.0	0.0	0.0
SO Delivery Incentive payment (DELINCt)	0.0	0.0	0.0
<b>Final Allowed Net Rev per PCR for commodity charge setting</b>	<b>330.0</b>	<b>330.0</b>	<b>330.0</b>
Inflation Assumed*			1.05
<b>Final Allowed Rev per PCR at prices of year</b>	<b>330.0</b>	<b>330.0</b>	<b>346.5</b>
K Movement	0.0	0.0	0.0
<b>Final Allowed Revenue Latest Forecast</b>	<b>330.0</b>	<b>330.0</b>	<b>346.5</b>
% of previous year		100.0%	105.0%
Forecast Collected Revenue (St Fergus Compression Charge)	25.0	25.0	25.0
Forecast Collected Revenue (Optional Commodity)	10.0	10.0	10.0
Forecast Collected Revenue (Standard Commodity)	295.0	295.0	311.5
<b>Forecast Collected Revenue</b>	<b>330.0</b>	<b>330.0</b>	<b>346.5</b>
<b>Forecast Under / Over Recovery ( K ) under recovery (-)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	April	April	April

### Commentaries

#### 2007/08

Finalised values.

#### 2008/9

Change shown represents the average price change. Actual price changes will depend on Transportation Model Input Data, primarily S&D.

K includes any movement in incentive / adjustment positions to those set into the prices and any deviations between forecast and collected revenues from July to September.

#### 2009/10

The core allowed revenue remains subject to RPI changes until December 2008.

\*Inflation may (RPI) not apply to all terms

### Other notes

#### Sensitivities

If Shrinkage costs increase by 1% in 2008/9 there would be a 0.6% increase to 2009/10 standard commodity & St Fergus Compression charges.

An overall increase to maximum allowed revenue by 1% in 2009/10 would lead to an increase of around 1% to quoted price changes.

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