

NTS TO Entry Commodity Rebate (GCM10)

Billing Operational Forum
8th April 2008

GCM10 Payment April 2008

- ◆ NTS Charging Methodology Proposal GCM10 was Implemented 1st March 2008
 - ◆ GCM10 introduced a TO Entry Commodity Charge Rebate Mechanism to manage NTS TO entry revenue, over recovery
- ◆ The over recovery was triggered by the introduction of the entry capacity trade and transfer process
 - ◆ Additional capacity was made available at a number of sold-out ASEPs by transferring un-sold (transferred) or sold (traded) from other ASEPs leading to additional revenue
- ◆ An end of formula year TO entry commodity rebate will be paid to reimburse in full the TO entry revenue in excess of allowed NTS TO entry revenue
 - ◆ $\text{Over recovery} = \text{TO Entry Capacity} + \text{TO Entry Commodity} - \text{Target TO Entry Revenue}$
 - ◆ The full entry over-recovery amount will be reimbursed through this process as the level of over recovery did not trigger the buy-back offset (PC65) process

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- ◆ The TO Entry over-recovery equates to £15.7m* rebate for 2007/8
 - ◆ ~34% rebate of the TO Commodity charges paid
 - ◆ ~16% rebate of combined (NCE) Commodity charges paid in the relevant period
- ◆ The rebate applies from April 07 to Mar 08
- ◆ Credits will be calculated when TO rates were set - April 07 to Sep 07
- ◆ The credit will be processed as an ad-hoc charge for 2008

** Current forecast – subject to confirmation*

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- ◆ Shipper's are requested to waiver the five days notification period for the issue of supporting data (mod252) to enable xoserve to issue the invoices week commencing 6th May 08.
- ◆ Alternatively if we need to adhere to the five day notice period; the invoice will be issued 5 days following the release of the supporting data; which will be released between the 6th – 9th May 2008
- ◆ The rebate will be issue via an Adhoc ADH invoice
 - ◆ Charge Type Description – TO Commodity Rebate
 - ◆ Charge Type Code – TOR
 - ◆ Invoice type – ADK
 - ◆ Adhoc Charge Code – K30