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20th November 2012

NTS GCD10 – Potential One Off Change to NTS (TO) Exit Flat Capacity Charges for April 2013

Dear Colin,

In response to your Final Discussion document published on 24th October 2012 the responses below are given in the order that the questions were asked:-

- Do you support the use of a one-off April charge change effective from April 2013?

Response:

WWU support a 'one off' April 2013 charge change, if the Allowed Revenue for NG RIIO-T1 NTS increased significantly from Apr 13 (this being the scenario set out by NG NTS in its RIIO Business Plan Submission).

- Do you agree that a 'one-off' April 2013 charge change should only be used if the outcome of the RIIO-T1 price control presents a significant step change in allowed revenues?

Response:

If the Allowed Revenue given to NG NTS is closely aligned to Ofgem's Initial Proposals then the change to Exit Capacity prices would be minimal and no one-off charge change in April 13 would be necessary.

- Would a one-off April change have an adverse impact on any of your business processes?

Response:

No adverse impact foreseen.

24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

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*calls will be recorded and may be monitored
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- Are there any other items in relation to the use of a one-off change that you believe to be relevant that should be taken into account or warrant further consideration?

Response:

There are no other items that we can think of.

General

We would support a move to a permanent April charge change, possibly from April 2014. This would ensure that, going forward, if there were step changes between Allowed Revenues in any of the years under RIIO then it would not lead to the 'see saw' effect on charges that we have experienced with October price changes over the last 5 years.

Yours Sincerely,

John Edwards
Pricing Manager