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Default System Prices (Mod333a) update

Operational Forum 15th February 2012
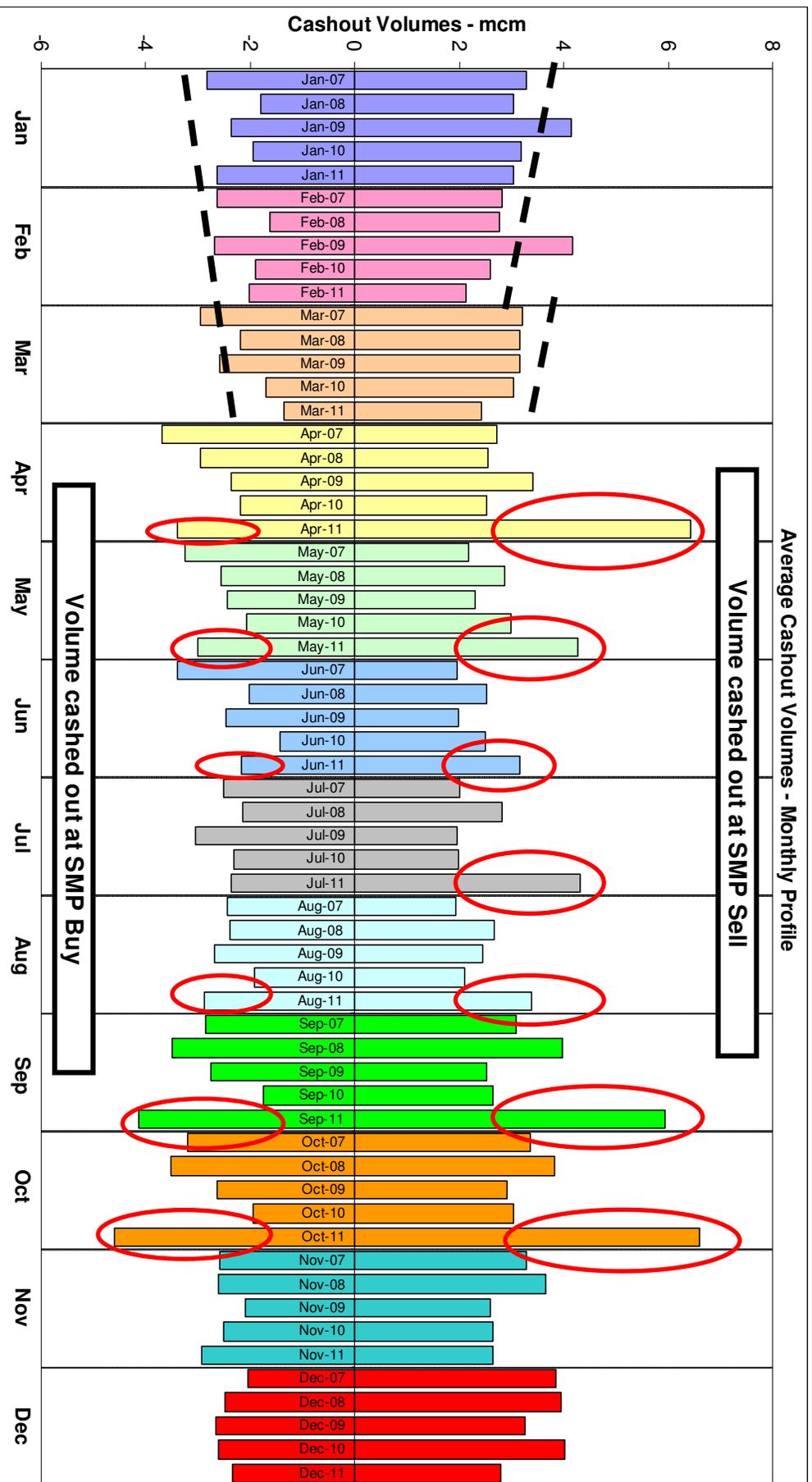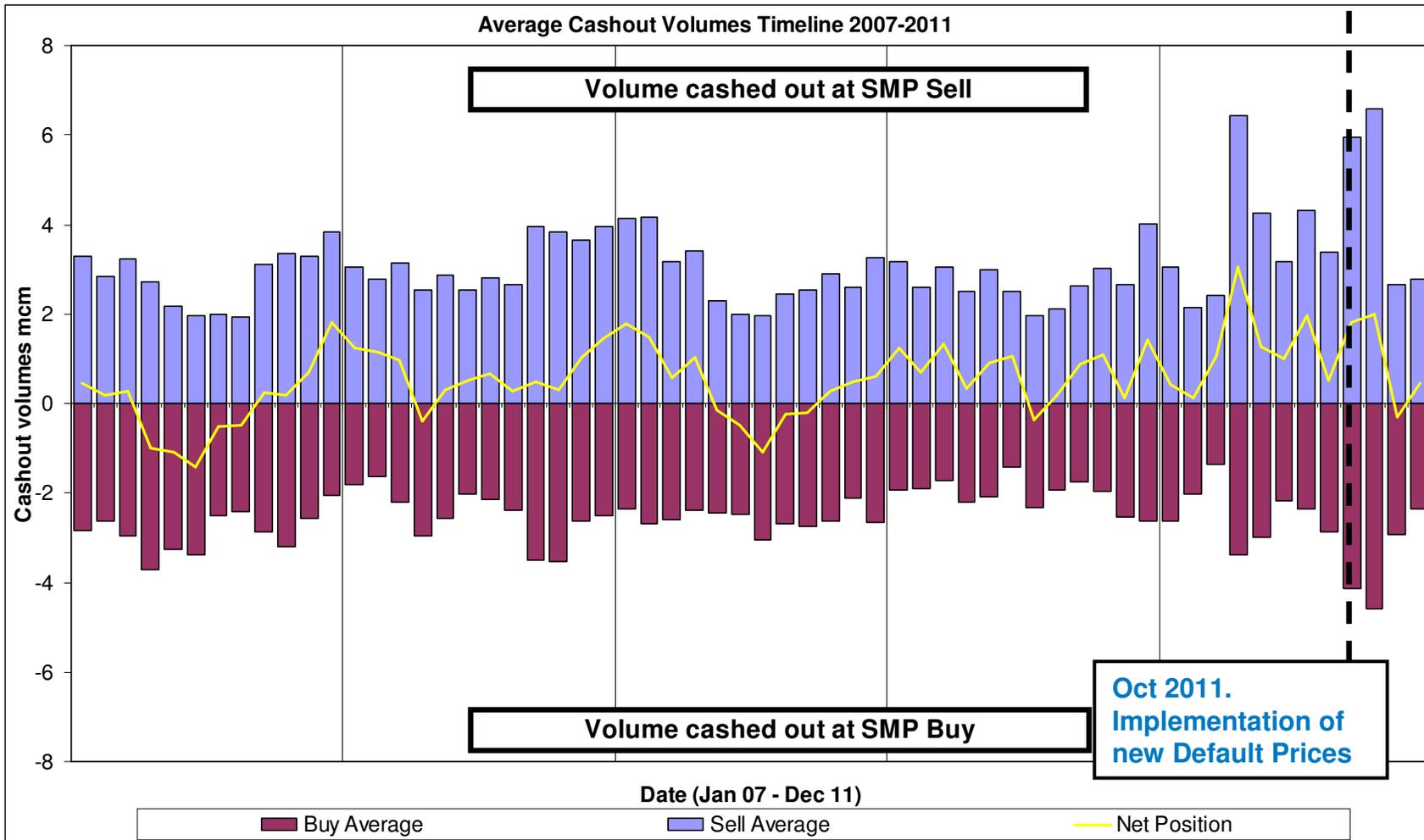
Mod 0333A Background

- April 2010: Licence Condition asks NGG to update the default System Marginal Buy & Sell price calculation (SMPs)

- UNC Review Group 0291

  - UNC Modifications 0333 & 0333A developed as possible options.

  - Mod 0333A approved by Ofgem

- October 2011: Mod 0333A implemented, new default SMPs live together with annual update methodology;

  - 2012 update published by 1 August and 'live' from 1 October

	Original default SMPs (pre-Oct 2011)	Mod 0333A default SMPs (post Oct 2011)
SMP Buy	SAP + 0.0287p/kWh	SAP + 0.0263p/kWh
SMP Sell	SAP - 0.0324p/kWh	SAP - 0.0263p/kWh

Average Monthly Cashout Volumes
(By Calendar Month 2007 – 2011)

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Average Monthly Cashout Volumes (Chronologically 2007 – 2011)

Average Cashout Volumes Timeline 2007-2011

Volume cashed out at SMP Sell

Volume cashed out at SMP Buy

Oct 2011. Implementation of new Default Prices

Cashout volumes mcm

Date (Jan 07 - Dec 11)

Buy Average — Sell Average — Net Position

Has NGG witnessed any changes following Mod 0333A?

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- Short answer is No
    - But limited data upon which to draw conclusions
    - 6 months+ may provide a clearer view

- Cashout volumes have varied
    - October saw unprecedented levels but this has settled to 'normal' levels in November and December

- Do shippers know if / when any change may appear?