

Indicative NTS Exit Capacity Prices based on Methodology Proposal NTS GCM 01 for 1st October 2007

The following indicative NTS Exit Capacity Prices have been calculated based on the latest forecast of TO allowed exit revenue and an interpretation of the latest drafting of the 1st April 2007 National Grid GT Licence in respect of the NTS. These charges have been generated to inform the Ofgem Impact Assessment and will be published on the Gas TCMF section of the National Grid website. These prices represent an update to the price included within the NTS GCM 01 Conclusions report; they have been calculated using exactly the same methodology but based on a lower TO revenue level. The 1st October 2007 prices are comparable with the 1st April 2007 prices which can be found on the Joint Office of Gas Transporters website at the following link.

http://www.gasgovernance.com/NR/ronlyres/9054E22F-3FD4-401C-85AB-9B5DA23707EB/14783/NoticeApril2007withDNcharges_2_.pdf

The GCM 01 prices 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 and NTS direct connects
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 Firm Revenue	£199.5M

1 DN Offtake Prices

		Indicative NTS GCM 01 Exit Capacity Prices (p/kWh/day)		
Network	DN Exit Zone	2007/8	2008/9	2009/10
East of England	EA1	0.0078	0.0074	0.0081
	EA2	0.0098	0.0098	0.0098
	EA3	0.0054	0.0055	0.0056
	EA4	0.0151	0.0145	0.0152
	EM1	0.0001	0.0001	0.0001
	EM2	0.0041	0.0012	0.0045
	EM3	0.0131	0.0139	0.0137
	EM4	0.0096	0.0096	0.0098
North of England	NE1	0.0010	0.0042	0.0051
	NE2	0.0001	0.0001	0.0001
	NE3	0.0001	0.0001	0.0001
	NO1	0.0001	0.0003	0.0020
	NO2	0.0001	0.0002	0.0012
London	NT1	0.0194	0.0195	0.0196
	NT2	0.0151	0.0151	0.0152
	NT3	0.0145	0.0145	0.0146
North West	NW1	0.0040	0.0080	0.0105
	NW2	0.0088	0.0129	0.0154
Scotland	SC1	0.0001	0.0001	0.0001
	SC2	0.0001	0.0001	0.0001
	SC4	0.0001	0.0001	0.0001
South of England	SE1	0.0174	0.0175	0.0176
	SE2	0.0194	0.0195	0.0196
	SO1	0.0147	0.0147	0.0148
	SO2	0.0220	0.0209	0.0208
Wales & the West	SW1	0.0148	0.0078	0.0070
	SW2	0.0207	0.0147	0.0139
	SW3	0.0294	0.0223	0.0235
	WN	0.0127	0.0167	0.0192
	WS	0.0103	0.0032	0.0023
West Midlands	WM1	0.0118	0.0155	0.0170
	WM2	0.0144	0.0144	0.0145
	WM3	0.0130	0.0109	0.0101

2 Direct Connect Prices

NTS Site	Indicative NTS GCM 01 Exit Capacity Prices (p/kWh/day)		
	2007/8	2008/9	2009/10
AM Paper	0.0077	0.0117	0.0142
Baglan Bay PG	0.0082	0.0011	0.0003
Barking PG	0.0149	0.0149	0.0150
BASF Teesside	0.0001	0.0001	0.0033
BP Grangemouth	0.0001	0.0001	0.0001
BP Saltend (HP)	0.0001	0.0001	0.0001
Bridgewater Paper	0.0110	0.0150	0.0175
Brigg PG	0.0039	0.0002	0.0043
Brimsgate PG	0.0159	0.0160	0.0161
Brunner Mond	0.0082	0.0122	0.0146
Connahs Quay PG	0.0106	0.0146	0.0171
Corby PG	0.0095	0.0095	0.0096
Coryton PG	0.0151	0.0151	0.0152
Cottam PG	0.0039	0.0002	0.0043
Deeside PG	0.0117	0.0157	0.0182
Didcot PG	0.0179	0.0179	0.0180
Goole Glass	0.0015	0.0015	0.0024
Great Yarmouth PG	0.0033	0.0034	0.0035
Hays Chemicals	0.0095	0.0135	0.0160
ICI Runcorn	0.0126	0.0166	0.0190
Immingham CHP	0.0001	0.0001	0.0001
Keadby PG	0.0025	0.0020	0.0034
Kemira Ince	0.0123	0.0162	0.0187
Kings Lynn PG	0.0083	0.0083	0.0084
Kingsnorth PG	0.0146	0.0146	0.0147
Little Barford PG	0.0113	0.0114	0.0115
Longannet PG	0.0001	0.0001	0.0001
Medway PG	0.0145	0.0145	0.0146
Peterborough PG	0.0074	0.0074	0.0075
Peterhead PG	0.0001	0.0001	0.0001
Phillips Seal Sands	0.0001	0.0001	0.0033
Rocksavage PG	0.0126	0.0166	0.0190
Roosecote PG	0.0001	0.0004	0.0029
Rye House PG	0.0166	0.0166	0.0167
Saltend PG	0.0001	0.0001	0.0001
Sappi Paper Mill	0.0045	0.0084	0.0109
Seabank PG	0.0193	0.0154	0.0146
Sellafield PG	0.0001	0.0001	0.0011
Shotton Paper	0.0117	0.0157	0.0182
Spalding PG	0.0054	0.0054	0.0055
Stallingborough PG	0.0003	0.0004	0.0005
Staythorpe PG	0.0019	0.0019	0.0020
Sutton Bridge PG	0.0069	0.0069	0.0070
Teesside Hydrogen	0.0001	0.0001	0.0033
Teesside PG	0.0001	0.0001	0.0039
Terra Billingham	0.0001	0.0001	0.0039
Terra Severnside	0.0193	0.0153	0.0145
Thornton Curtis PG	0.0001	0.0001	0.0001
Zeneca	0.0001	0.0001	0.0033

3 Interconnector/Storage Prices

	Indicative NTS GCM 01 Exit Capacity Prices (p/kWh/day)		
Interconnectors	2007/8	2008/9	2009/10
Bacton I/C	0.0033	0.0034	0.0035
Moffat I/C	0.0001	0.0001	0.0001
Storage Sites			
Avonmouth	0.0193	0.0153	0.0145
Barton Stacey	0.0213	0.0213	0.0214
Dynevor Arms	0.0098	0.0027	0.0019
Garton	0.0001	0.0001	0.0001
Glenmavis	0.0001	0.0001	0.0001
Hatfield Moor	0.0023	0.0018	0.0032
Hole House Farm	0.0090	0.0130	0.0155
Hornsea	0.0001	0.0001	0.0001
Partington	0.0075	0.0119	0.0144
Rough	0.0001	0.0001	0.0001