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NTS Shrinkage Incentive Methodology Audit for Incentive Years 2018/19

DNV GL has carried out an independent audit of the baseline volume target calculations, the efficiency volume target calculations and the compliance to publication dates for the 2018/19 incentive year.

2018/19 Baseline Volume Target Audit

In our opinion, the methodologies and rules set out in the "NTS Shrinkage Incentive Methodology Statement, June 2017" have been correctly applied for Compressor Fuel Use (CFU), Calorific Value Shrinkage (CVS) and Unaccounted for Gas (UAG). The final audited baseline volumes for 2018/19 are therefore as follows:

BASELINE VOLUMES - CFU

	Q2 Apr - Jun	Q3 Jul- Sep	Q4 Oct - Dec	Q1 Jan - Mar	Total
Gas GWh	149	271	426	482	1328
Elec GWh	44	45	66	77	232

* Note electricity usage is one third of the electricity (gas equivalent) usage


BASELINE VOLUMES - UNACCOUNTED FOR GAS & CALORIFIC VALUE SHRINKAGE

	Q2 Apr - Jun	Q3 Jul- Sep	Q4 Oct - Dec	Q1 Jan - Mar	Total
GWh	139	269	213	31	652

2018/19 Efficiency Volume Target Audit

In our opinion the methodologies and rules set out in the "NTS Shrinkage Incentive Methodology Statement, June 2017" have been correctly applied. In particular, the audit has confirmed that:

- The Energy Efficiency Target for CFU (Compressor Fuel Use) has been correctly calculated as 2,255.0 GWh against an outturn of 1,679.4 GWh, with an upper tolerance of 198.1 GWh and a lower tolerance of -105.8 GWh. This results in a final CFU Energy Efficiency value of 469.8 GWh.



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- The Energy Efficiency tolerance band for CVS (Calorific Value Shrinkage) has been correctly calculated as 48.1 GWh to 49.5 GWh against an outturn of 15.1 GWh. This results in a final CVS Energy Efficiency value of 33.1 GWh.

2018/19 Adherence to Publication Dates

- The documents "2018/19 NTS Shrinkage Incentive Methodology Statement" and "2018/19 NTS Shrinkage Incentive Ex-Ante Baseline Value Statement" were both published in line with the required timescales. This was verified at the time of publication.
- The 2018/19 Baseline targets were updated with UAG values for Q3 2018, Q4 2018 and Q1 2019 by the required publication dates. This was verified at the time of publication in each case.

Scope of the audit

The scope of this audit statement is as follows:

- The adherence to the documented methodology given the data provided. No assessment of the validity of the raw data or the methodology statement itself has been made.
- The calculation of the baseline volume targets for 2018/19 and the efficiency volume targets 2018/19.
- Adherence to publication dates for 2018/19.

Sincerely
for DNV GL

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