

All Shippers & Interested Parties

30th November 2020

Dear Industry Participant

Notification of General Non-Transmission Services Charges from 1 February 2021.

This notice is issued in line with National Grid Gas' ("National Grid") Transporters Licence in respect of the NTS and our obligations contained in the Uniform Network Code, which requires National Grid to provide at least two months' notice of changes to its gas transportation charges.

We are publishing this notice of the General Non Transmission Services Charges applicable at Entry Points and Exit Points that will be effective from 1st February 2021. This charge is applicable to all Entry and Exit flows except at Storage Points in accordance with the UNC.

A copy of our document "**Notice of Gas Transmission Transportation Charges effective from 1 February 2021**", which contains all charges that will apply from 1 February 2021 is available on the National Grid website <https://www.nationalgridgas.com/charging/transmission-system-charges> and should be read in conjunction with this notice.

We have sought to notify and publish these charging changes at the earliest opportunity to minimise uncertainty for the industry. In doing so, we have taken an informed view based on the data available to us and will continue to monitor the situation closely over the coming months.

These charges have been calculated in accordance with the arrangements as set out in UNC Modification 0678A, and can continue to be revised within the Gas Year.

General Non-Transmission Services Charges

The final **General Non-Transmission Services Charge** for February 2021 is set at **0.0064**p/kWh. The indicative values for years 21-22 to 24-25 are contained in the table below.

	<i>Final</i>	<i>Future Year Indicatives</i>			
	Feb 21 – Mar 21	Apr 21 – Mar 22	Apr 22 – Mar 23	Apr 23 - Mar 24	Apr 24 – Mar 25
<i>General Non-Transmission Services (p/kWh)</i>	0.0064	0.0126	0.0122	0.0140	0.0142

The Indicative General Non Transmission Services Charges for the period 2021/22 to 2024/25 have been prepared based upon National Grid Gas Transmission's RIIO-2 business plan, covering the price control period from 1st April 2021 to 31st March 2026 which was submitted to Ofgem on 9th December

2019. Since the RIIO-2 framework will remain under development in 2020, there remains a degree of uncertainty in the allowed revenues and therefore also the indicative charges.

Drivers for the changes and further information

These changes are being made as a result of a larger than anticipated collection of Exit Capacity revenue which form part of the System Operator Revenues. This has been evident from capacity revenues seen across October 2020 and November 2020. These changes do not impact or change National Grid's overall Allowed Revenue but without such changes this pattern is anticipated to continue through the remainder of the formula year.

For awareness, there are updates to Transmission Services Revenue Recovery Charges (TSRRCs) for Entry and Exit, including details on forthcoming UNC change proposals. These are covered in a separate notice available on National Grid's website: <https://www.nationalgrid.com/uk/gas-transmission/charging/transmission-system-charges>

Application and duration of the charges

The update to the General Non-Transmission Services charges will be applied for a duration of two (2) months (February 2021 and March 2021). Any charges from April 2021 will therefore not include this.

St Fergus Compression Charge

The **Compression Charge** levied at the North Sea Midstream Partners (NSMP) sub-terminal at St. Fergus has not been changed from its current level of **0.0085** p/kWh.

Supporting Information

There will be an opportunity to discuss these changes at a subsequent NTS Charging Methodology Forum (NTSCMF), details of which can be found at <http://www.gasgovernance.co.uk/ntscmf/>.

If you have any questions, please email our charging team at box.NTSGasCharges@nationalgrid.com.

Yours sincerely

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