

## Milford Costs – Detailed Example

1. For the purpose of calculating revenue/costs for balancing actions, Gemini does not recognise the difference between National and Locational Trades, so *initially* both will flow into Balancing Neutrality in the same way. However as defined by UNC, **locational trades are settled as part of Capacity Neutrality**, so this needs to be manually corrected
2. If there is more than one type of transaction (e.g. Buys and Sells), a net trade will be calculated. For the 18<sup>th</sup> of January this was £1,023.99, as shown by the calculation below:

	Time (Rounded to nearest hour)	Price (p/kwh)	Volume (kwh)	Revenue/Spend (£)
<b>Sells</b>	15:00	3.5827	14653550	524992.70
	15:00	3.5827	5861420	209997.10
	16:00	3.2415	9378272	303996.70
	16:00	2.7297	14653550	399998.00
<b>Buys</b>	16:00	6.1419	8792130	540003.80
	16:00	8.5304	4689136	400002.10
	17:00	8.5304	5861420	500002.60

Sell Total	1438984
Buy Total	1440008
<b>Net</b>	<b>1023.99</b>

3. EBI invoice team issued a Trade invoice to ICE Endex the Market operator for an overall Locational Trade buy of £1,023.99 credit to ICE Endex which was paid out of the Neutrality bank account.
4. To ensure that the locational trades are not collected from customers as part of Balancing Neutrality, Xoserve Credit Risk have applied a £1023.99 Credit which will be divided across Shipper Invoices and cancel out any Neutrality cost
5. Energy Balancing Invoice will be issued on 03/03/2023. If there had been Title trades carried out on the 18<sup>th</sup>, then these would still have been credited/debited via this invoice, with only the locational actions reversed out.
6. The £1,029.99 debit will be collected on the March 2023 NTE invoice which will be issued on 06/04/2023. The value will be collected based on each user's fully adjusted end of day NTS Entry Firm Capacity as a proportion of all User's fully adjusted end of day NTS Entry Firm Capacity, as per UNC TPD B2.14.4. The debit charges will appear on the invoice under records type N10 – the charges will be under the ARS charge type and the reason code in the 13th field of the N10 record will be M – Adjustment required from a Modification\*
7. There were also PRI debit charges to shippers of £732.68 on 18<sup>th</sup> Jan – these do not feed EBI Neutrality on the Gemini system and hence do not need to be reversed out of EBI Neutrality – the opposite of these charges also needs to be charged via NTE NTS Entry Capacity Neutrality and credited out to shippers.

\* Note reason code I only relates to Locational trade **sell** Neutrality and this is a net **buy**