National Grid House
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA

National Gas Emergency Service - 0800 111 999* (24hrs)
*calls will be recorded and may be monitored

Industry participants

Chris Logue
Markets Development Manager

chris.logue@nationalgrid.com
Mobile tel +44(0)7880 784888

www.nationalgrid.com

5 June 2018

TO Entry Commodity Rebate 2017/18

Following the end of the 2017/18 formula year, National Grid is in a position to finalise the calculation of the NTS TO Entry Commodity Rebate as described in paragraph 3.2 of The Gas Transmission Transportation Charging Methodology (UNC Section Y Part A Section 1).

National Grid has completed its assessment of the allowed revenue for 2017/18 and there was a total TO revenue over-recovery of £23.3m which was split into an over-recovery of £16.2m on the entry and £7.1m on the exit side. The entry over-recovery occurred due to greater than expected volumes of gas entering the NTS. The weather for winter 2017/18 started warmer than normal and ended much colder than normal, with some days of extreme cold in February and March. Total demand was 1.5% higher than the forecast used for setting commodity charges.

Entry shippers will therefore receive a rebate in their next entry commodity invoice. The individual shipper rebate calculation is based on the amount of TO entry commodity it has paid and the ratio of the rebate value of £16.2m to total TO entry commodity income.

Any remaining TO over-recovery, including the TO exit commodity over-recovery, will be separated into entry and exit adjustments (k-factors) according to TO entry and TO exit allowed and collected income[1].

If you have any questions about this notice or NTS charges in general, please contact the charging team at the following email address box.transmissioncapacityandcharging@nationalgrid.com.

Yours sincerely

Chris Logue
Markets Development Manager

[1] Details given in GCM12 Retrospective Negative TO Entry Commodity Charge & Separate Management of K and paragraph 3.3 of The Gas Transmission Transportation Charging Methodology (UNC Section Y Part A Section 1).

National Grid is a trading name for:
National Grid Gas plc
Registered Office: 1-3 Strand, London WC2N 5EH
Registered in England and Wales, No 2006000