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UNC FGO Workgroup (Charging) 23.09.16

CDSP Charging Overview

Service Charges

- Inputs
 - CAT Forecasts 2017/18 – 2020/21
 - Attribution and Allocation of Costs to Services
 - Mapping of Services and Service Costs to DSC Schedules and contractual counterparties (subject to clarification of treatment of UK Link Services and completion of iGT Service Schedules)
 - Charging Methodology as defined in Service Document
- Assumptions
 - Customer Charge = £10,000 per DSC Party per annum
 - Specific Services = all existing 'User Pays' delivery services

Indicative Service Charges

Service Charges	CAT Forecasts (£'000; 14/15 Prices)				4 yrs
	2017/18	2018/19	2019/20	2020/21	
<u>Shippers</u>					
General Charges	9,640	8,393	8,269	8,176	34,478
Specific Charges	2,561	2,561	2,561	2,561	10,244
Customer Charges	630	630	630	630	2,520
TOTAL	12,831	11,584	11,460	11,367	47,242
<u>NTS</u>					
General Charges	7,319	6,802	6,642	6,527	27,290
Customer Charges	10	10	10	10	40
TOTAL	7,329	6,812	6,652	6,537	27,330
<u>GDNs</u>					
General Charges	12,991	11,426	11,278	11,165	46,860
Customer Charges	50	50	50	50	200
TOTAL	13,041	11,476	11,328	11,215	47,060
<u>iGTs</u>					
General Charges	196	179	177	176	727
Customer Charges	60	60	60	60	240
TOTAL	256	239	237	236	967
GRAND TOTAL	33,457	30,111	29,676	29,355	122,599
Trader Charges	1,000	1,000	1,000	1,000	4,000
SERVICE COST BASE	34,457	31,111	30,676	30,355	126,599

Estimating Investment Charges

- Inputs
 - CAT Forecasts 2017/18 – 2020/21
 - Investment Funding Principles
 - Charging Methodology as defined in Service Document

Indicative Investment Charges

Investment Charges	CAT Forecasts (£'000; 14/15 Prices)				
	2017/18	2018/19	2019/20	2020/21	4 yrs
Shippers	5,126	6,547	5,105	7,327	24,104
NTS	10,214	17,686	16,126	15,882	59,909
GDNs	11,510	12,046	7,201	5,339	36,096
iGTs	287	469	276	201	1,233
TOTAL INV COST BASE	27,137	36,748	28,707	28,750	121,342

Note: Forecasts do not reflect impact of Nexus re-plan

In Summary

Total Charges	CAT Forecasts (£'000; 14/15 Prices)				4 yrs
	2017/18	2018/19	2019/20	2020/21	
<u>Shippers</u>					
Services	12,831	11,584	11,460	11,367	47,242
Investment	5,126	6,547	5,105	7,327	24,104
TOTAL	17,957	18,131	16,564	18,694	71,347
<u>NTS</u>					
Services	7,329	6,812	6,652	6,537	27,330
Investment	10,214	17,686	16,126	15,882	59,909
TOTAL	17,543	24,498	22,778	22,419	87,239
<u>GDNs</u>					
Services	13,041	11,476	11,328	11,215	47,060
Investment	11,510	12,046	7,201	5,339	36,096
TOTAL	24,551	23,522	18,528	16,554	83,156
<u>iGTs</u>					
Services	256	239	237	236	967
Investment	287	469	276	201	1,233
TOTAL	543	707	512	437	2,200

Shipper Shares

Portfolio – No. of Supply Points	Indicative Annual Charge
100,000	£75,000 - £80,000
400,000	£250,000 - £280,000
700,000	£450,000 - £500,000
2,000,000	£1.3m - £1.5m