

**Gas
Transmission**

NTSCMF

**General Non-Transmission
Services Charges – indicative
looking at October 2022 and
steps to address**

07 December 2021

nationalgrid



General Non-Transmission Services Charges – indicative view on October 2022

- **The AIP process has been run and output values for revenues for April 2022 and subsequent years under the RII02 price control.**
- Given the links to gas prices, there have been questions around the impact Shrinkage costs on Non-Transmission Services charges.
- The following indicative number is based on the values for SO Revenues, turned into Non-Transmission Revenues as normal and focuses on October 2022 and next steps regarding its level.

*PCFM – Price Control Financial Model

*AIP – Annual Iteration Process – the process whereby revenues are produced following the PCFM and PCFM Handbook processes per the Licence

General Non-Transmission Services Charges – indicative view on October 2022

- Table below shows indicative view of October 2022 using latest PCFM* (AIP*) outputs

	Oct 21	Oct 22	Oct 23	Oct 24	Oct 25
Allowed Revenues – FY: Indicatives published Oct 21	£204.1m	£170.2m	£206.3m	£199.5m	£190.8m
Indicative Oct 22 Gnon-Tx Price: as published Oct 21	0.0092	0.0080			
Allowed Revenues – FY: based on Nov 21 PCFM Submission (including Shrinkage revised forecasts)	-	£466.3m	£249.4m	£236.4m	£224.7m
Indicative Oct 22 Gnon-Tx Prices: based on Nov 21 PCFM Submission	-	0.0362			

- Focusing on the impact this could have, both on revenues the resulting volatility, National Grid, working with Ofgem will be looking at options to manage this before the rates for Non-Transmission are to be published for October 2022.
- Final Rates are due to -be published by the end of July 2022

*PCFM – Price Control Financial Model

*AIP – Annual Iteration Process – the process whereby revenues are produced following the PCFM and PCFM Handbook processes per the Licence:

<https://www.ofgem.gov.uk/publications/riio-2-annual-iteration-process-2021-transmission-gas-distribution-and-electricity-system-operator>

Contact

General Questions

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