

Gas
Transmission

NTSCMF

National Grid updates

2 February 2021

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Action updates

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Actions:

- **0102** – National Grid (CW) to undertake data analysis in relation to the potential impacts of the proposed Modification - Capping Price Increases for Quarterly System Entry Capacity on the ShortTerm Tariffs.
- **0104** – National Grid (CW) to share the (time) table that is used for setting the tariffs between now and May 2021.
- **0105** – National Grid (CW) to commit to discussing the forecasting assumptions
- **0107** – National Grid (CW) to provide documented explanation and diagrams detailing the relationship between the SO/TO and TS/NonTS revenue services
- **0108** – National Grid (CW) to provide information regarding potential Licence changes and TPD section Y 1.5.1 (d) “Allowed TS-Related NTS System Operation Revenue”

Actions: 0102

- **0102** – National Grid (CW) to undertake data analysis in relation to the potential impacts of the proposed Modification - Capping Price Increases for Quarterly System Entry Capacity on the ShortTerm Tariffs.
- This work has started and the analysis will be shared as this is finalised for 0751 workgroup as part of NTSCMF on 02 March 2021.

Actions: 0104

- **0104** – National Grid (CW) to share the (time) table that is used for setting the tariffs between now and May 2021.

What	When	Details / Comments
Monitoring monthly values for the relevant months up to setting charges	Monthly / Ongoing	Reviewing the impacts of charges in place and what bearing this has on charges and / or potential future UNC changes
RIIO2 impacts	February 2021	Finalising the changes needed for charges to be in line with relevant RIIO2 elements
Revenues for Regulatory Year 2021	February 2021	Assessing the revenue inputs required for setting charges from October 2021 and any impact RIIO2 has on revenue profile.
Updated FCC Methodology	End of March 2021	Timing to be in line with UNC requirements
FCC values	End of April 2021	Production of numbers to enable use in calculation of October Reserve Prices
Publication of Entry and Exit Capacity Reserve Prices	By the end of May 2021	Once published, cannot be updated within the Gas Year ending 30 September 2022
Publication of Non-Transmission Charges	By the end of July 2021	Once published, can be updated within the Gas Year ending 30 September 2022

Actions: 0105

- **0105** – National Grid (CW) to commit to discussing the forecasting assumptions
- Separate material shared to start this discussion on forecasting capacity values ahead of use for October 2021 charges to be published towards the end of May 2021.
- Overview of proposed approach:
 - Use of dedicated weekly workgroup hosted and facilitated by National Grid – we encourage participation for those who can commit the time and input to these. Outputs and summaries shared through NTSCMF.
 - Every Thursday at 3pm for 1hr
 - Joining details will be issued ahead of 4 February 2021 via Joint Office / NTSCMF
 - Use existing governance as per the UNC Section Y
 - **Aim for updated FCC methodology by end of March 2021, FCC values by end of April 2021**

Actions:

- **0107** – National Grid (CW) to provide documented explanation and diagrams detailing the relationship between the SO/TO and TS/NonTS revenue services
- **0108** – National Grid (CW) to provide information regarding potential Licence changes and TPD section Y 1.5.1 (d) “Allowed TS-Related NTS System Operation Revenue”
- Further material on these topics will be provided by April NTSCMF, earlier if possible.

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Focus on deliverables and UNC
updates

2 February 2021

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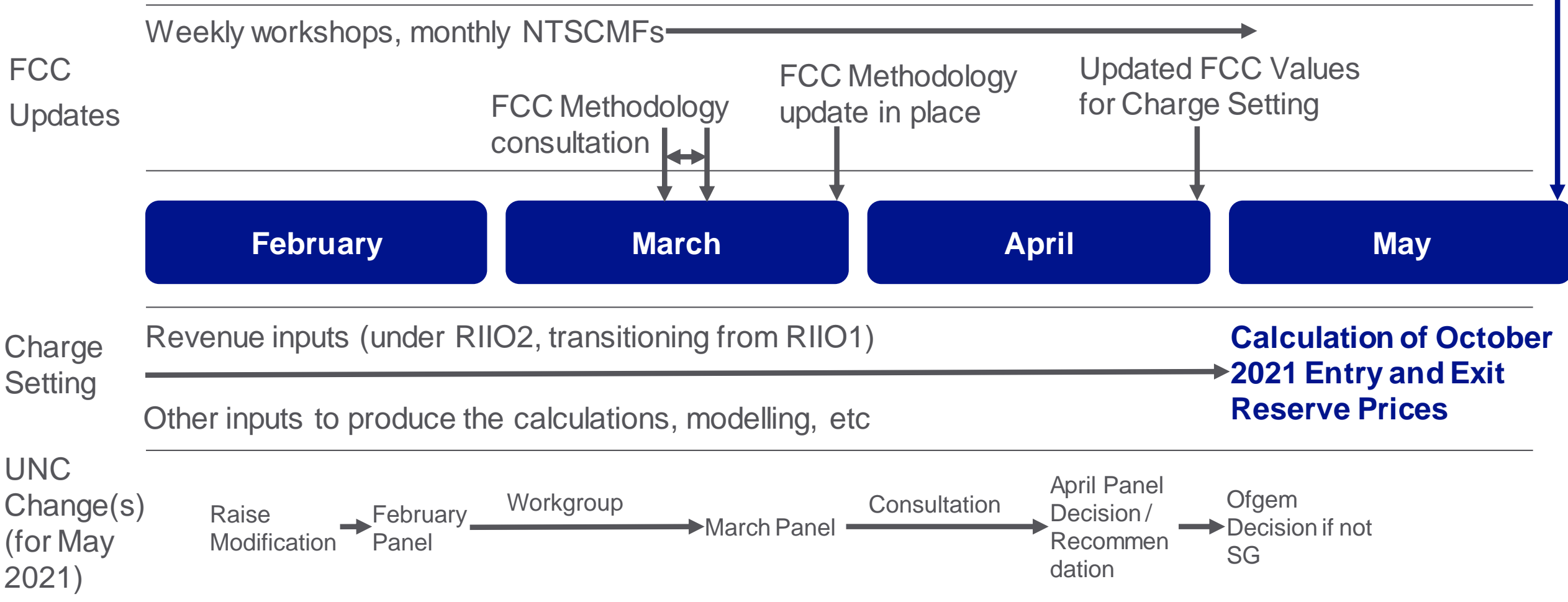


UNC Changes & Timescales: including if on critical path for May 2021

What	Detail of change	When / Process	For May 2021?
UNC Proposal(s) on Capacity Neutrality: Retrospective Modification	Covering the period 01 October to 30 December 2020 to charge back part of high Capacity Neutrality payments in line with method in place with UNC Modification 0748.	Progress, develop and discuss alternative solutions over months that avoid use of RRCs / adjustments to RRCs.	No
RIIO2: Updating Section Y to align with the Licence implemented with RIIO2	Updating all Licence references as part of the charging arrangements to the relevant sections of the Licence, including removing any references no longer needed	RIIO2 final text due w/c 01 February. Once available a modification will be finalised. Depending on complexity topics could be split across more than one modification.	Yes
	Updating the treatment of under and over recovery, often referred to the 'K' process. As there are expected changes to this (such as the t-2 changing to t-1) as seen in the Final Determinations, this will need to be updated.	May require submission to February Panel for Panel to consider. Process could follow self governance. Propose workgroup in March, consultation starting from March Panel, with aim to be implemented by the end of April 2021.	
	Other charging related UNC changes from RIIO2: Any other aspects seen in the Final Text that may be relevant to the charging processes	Will be assessed when final text is seen and determined if on the critical path for setting October charges.	
Revenue changes (e.g. step changes in revenues in second half of the Gas Year)	Setting Reserve prices and that of TS and Non-TS focus on the Regulatory Year that ends in the Gas Year in question.	Can be considered in parallel to those on the critical path for October reserve price setting. Development and discussions via NTSCMF.	No
	This is to cover whether the second half of the GY first half of the next Regulatory Year revenues be further reflected.	Timing, Scope and solutions for Modification to be part of this development.	
UNC Modification(s) that may be needed	Monitoring the revenue recoveries of capacity and RRCs in particular.	Ongoing. Observations / Reflections / any potential scope for change discussed via NTSCMF.	No
	Other topics that come out of discussions / developments that may be considered beneficial to accommodate (e.g. Gas Year and Regulatory Year alignment issues)	Ongoing, keep a track of issues / opportunities to address via NTSCMF	No

High level timeline between now and May 2021:

**Publication of
October 2021 Entry
and Exit Reserve
Prices**



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General Questions

General Regulatory Change Queries

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