

**Gas System  
Operator**

# **Forecast Contracted Capacity (FCC) Methodology & Use**

**NTSCMF Actions**  
02 July 2019

**nationalgrid**

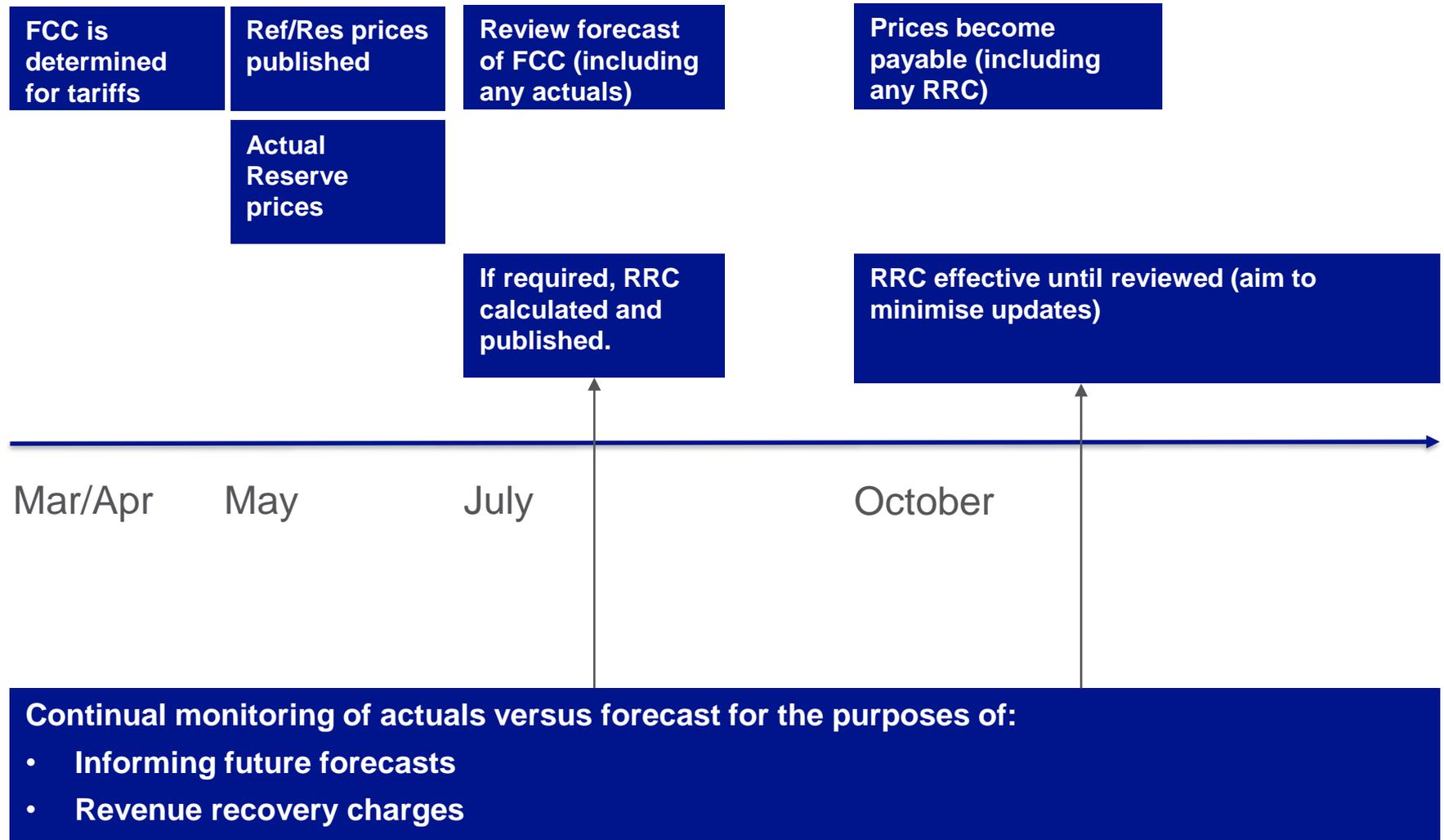


# **NTSCMF Action 0601: Application of FCC methodology / feed into Transmission Services Reserve Prices**

**Order of activities in terms of FCC use (simple overview):**

- 1. Calculate FCC using the FCC Methodology. FCC is one of the inputs to calculating capacity reserve prices;**
- 2. Calculate Reserve prices – these are set for the forthcoming tariff (Gas) year (indicatives for further years);**
- 3. Monitor forecast of capacity versus actual bookings – forecast may be reviewed and updated throughout the year to inform Transmission Service Revenue Recovery Charges (TSRRCs). The FCC used in setting the published reserve prices is not updated (i.e. reserve prices are not amended). Monitoring will continue to help shape the FCC Methodology;**
- 4. Calculate the TSRRCs required in order to manage allowed revenue recovery (note: TSRRCs may be introduced ahead of the tariff year);**
- 5. Throughout the tariff year, the RRCs may be updated further (as per the process of calculating the current Transmission Commodity Rates).**

# Transmission Services Capacity Reference / Reserve prices & FCC



# FCC Methodologies questions / queries log

- **For the log that is on the Joint Office website:**  
<https://www.gasgovernance.co.uk/ntscmf/020719>
- **National Grid has provided updates to these questions / concerns**
- **The FCC Methodology remains an integral aspect of the overall charge setting processes and is a methodology that can be updated over time**
- **Discussions are welcome and can help shape and inform potential future updates**

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