

All Shippers & Interested Parties

30th December 2020

Dear Industry Participant

Notification of Transmission Services Entry and Exit Revenue Recovery Charges from 1st February 2021.

This notice is issued in line with UNC Modification 0748, and to discharge the obligations on National Grid under the Uniform Code (UNC) TPD Section Y3.3.3(a) and 3.3.3(b). It supersedes the notification of Transmission Services Entry and Exit Revenue Recovery Charges issued by National Grid on 30th November 2020.

We are publishing this notice of the Transmission Services Entry and Exit Revenue Recovery Charges (TSRRCs) applicable at Entry Points and Exit Points respectively that will be effective from 1st February 2021 (being the start of the “Revision Month” referred to in UNC TPD Section Y3.3.3(b)). This shorter notice period is in line with UNC modification 0748 which was approved by Ofgem on 23rd December 2020.

The TSRRCs will be applied to the User’s Fully Adjusted Capacity at all Entry and Exit points, apart from that entry capacity classified as ‘Existing Contracts’ which is treated, for the purposes of applying the TSRRC for Entry, as the Existing Available Holding as per UNC TPD Section Y2.2.2(f). The Fully Adjusted capacity will be net of such items as trades and buy backs.

We have sought to notify and publish these charging changes at the earliest opportunity to minimise uncertainty for the industry so this notice is a combined notice under UNC TPD Section Y3.3.3(a) and Y3.3.3(b).

These charges, which are payable by Users, have been calculated in accordance with the arrangements as set out in the UNC including the changes implemented by UNC Modification 0678A, and can continue to be revised within the Gas Year (the year to 30th September 2021) should it be considered necessary. As such we will keep such charges under continual review.

Transmission Services Revenue Recovery Charges	Effective From ¹	Revenue Recovery Charge (p/kWh/day)
Entry RRC	1st February 2021	0.0294
Exit RRC	1st February 2021	0.0046

¹ The Transmission Services Revenue Recovery Charges at Entry and Exit can be updated more than once in any given Gas Year.

Reasons for the Changes

These changes are being made as a result of the implementation of UNC Modification 0748 (which was approved by Ofgem on 23rd December 2020) and to manage a large under recovery against our allowed revenue for the current Gas Year, as evidenced from the capacity revenues in October and November 2020. We have also extended the recovery period to the end of the Gas Year and included the forecast under recovery of our allowed revenue across the whole Gas Year rather than the October 2020 to March 2021 under recovery utilised in the previous notice. These changes do not impact or change National Grid's overall allowed revenue.

National Grid is making changes to the revenue recovery charges for Entry and Exit for Transmission Services in order to reduce the size of any likely under recovery for the Gas Year and to mitigate the impacts on charges in subsequent years. Without this, charging volatility would continue and indeed may increase over future years, reducing charging certainty for the industry as a whole. This approach aims to minimise such effects.

Application and duration of the charges

National Grid is publishing this notice of the TSRRCs applicable at Entry Points and Exit Points respectively that will be effective from 1st February 2021.

The TSRRCs for Entry and Exit will be applied from 1st February 2021 for a duration of eight (8) months to the end of the current Gas Year. As stated above these charges can continue to be revised within the Gas Year should it be considered necessary.

The update to the General Non-Transmission Services charges as a result of these TSRRC changes are covered in a separate notice.

Supporting Information and opportunities to learn more

National Grid will provide opportunities to discuss this any other charging updates to Transmission Services Entry and Exit Revenue Recovery charges at a National Grid led webinar on 12th January 2021. The webinar event details will be issued via a separate notice shortly.

There will also be an opportunity to discuss these changes at a subsequent NTS Charging Methodology Forum (NTSCMF), the next of which is on 5th January 2021. Details of these meetings can be found at <http://www.gasgovernance.co.uk/ntscmf/>.

If you have any questions about this notice, or require any further explanation, please email our charging team at box.NTSGasCharges@nationalgrid.com.

Yours sincerely

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