

Gas
Transmission

Revenues:

Transmission Services
Revenues for setting
October 2021 Reserve
Prices

nationalgrid



Transmission Services Revenues for setting Reserve Prices

- This slide pack outlines the revenues used to determine the final reserve prices to apply for Gas Year starting October 2021 and indicatives for the next four years.
- As part of setting the revenues for Transmission Services Entry it was considered necessary to do an adjustment for this year to manage an issue with volatility to Customer's Entry prices across future years.
- To mitigate the impacts to Entry Reserve prices this has been achieved by National Grid deferring £45m of Transmission Service Entry Revenue from Formula Year 2021/22 to Formula Year 2022/23.
- Terminology: Formula year or Regulatory Year is the period April to March, Gas or Tariff Year is the period October to September

Transmission Services Revenues for setting Reserve Prices

- The revenue values that underpin the Transmission Reserve Prices are shown below. This includes a deferral for one year of £45m on Entry only from Formula Year (FY) or Regulatory Year 2021/22 to Regulatory Year 2022/23.
- The table below shows the values for Transmission Services Entry and Exit for Gas Years (GY)

| Tx Services Gas Year Allowed Revenues & Forecast Formula Year Revenue Collection | Final | Indicative | | | |
|--|---------------|------------|--------|--------|--------|
| | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| TO FY Target Revenue | £942.4 | £894.8 | £880.6 | £825.0 | £831.6 |
| TS FY Target Revenue (inc. TS Related NTS System Operation Revenue) | £950.0 | £902.5 | £888.1 | £832.5 | £839.0 |
| | | | | | |
| Entry TS GY Target Revenues | £486.1 | £456.7 | £426.8 | £401.0 | £431.6 |
| Exit TS GY Target Revenues | £374.1 | £488.6 | £405.2 | £432.8 | £411.8 |
| | | | | | |
| Entry TS FY Forecast Revenue | £515.1 | £471.0 | £441.3 | £413.5 | £416.8 |
| Exit TS FY Forecast Revenue | £434.9 | £431.5 | £446.8 | £419.0 | £422.3 |

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