

Industry participants

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2 June 2017

TO Entry Commodity Rebate 2016/17

Following the end of the 2016/17 formula year, National Grid is in a position to finalise the calculation of the NTS TO Entry Commodity Rebate as described in paragraph 3.2 of The Gas Transmission Transportation Charging Methodology (UNC Section Y Part A Section 1).

National Grid has completed its assessment of the allowed revenue for 2016/17 and there was a total TO revenue over-recovery of £34.0m which was split into an over-recovery of £23.4m on the entry and £10.5m on the exit side. The entry over-recovery occurred due to greater than expected volumes of gas entering the NTS, largely caused by a greater than forecast use of gas at power stations.

Entry shippers will therefore receive a rebate in their next entry commodity invoice. The individual shipper rebate calculation is based on the amount of TO entry commodity it has paid and the ratio of the rebate value of £23.4m to total TO entry commodity income.

Any remaining TO over-recovery, including the TO exit commodity over-recovery, will be separated into entry and exit adjustments (k-factors) according to TO entry and TO exit allowed and collected income¹.

If you have any questions about this notice or NTS charges in general, please contact the charging team at the following email address box.transmissioncapacityandcharging@nationalgrid.com.

Yours sincerely

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¹ Details given in GCM12 Retrospective Negative TO Entry Commodity Charge & Separate Management of K and paragraph 3.3 of The Gas Transmission Transportation Charging Methodology (UNC Section Y Part A Section 1).