

Q&A from FCC Methodology Consultation Webinar 24/03/21

Question	National Grid Answer
So for entry oct 145 of the 172 actual was existing capacity?	Yes, this is correct. Between 80-85% for Entry actual bookings to date is Existing Contract (EC) Capacity
Have you modelled the exclusion of the potential 'shorthaul ' arrangements	We have not. Shorthaul should not influence the FCC being calculated here but we are working on modelling this as part of the overall charge setting process, should a modification be implemented in time.
Sounds like the entry values will end up with higher values by using Ave across monthly slices will this not lead to a larger under recovery value?	We have modelled both quarterly and monthly profiles for the Entry FCC, and believe the monthly approach is more representative of the actual capacity we expect to be booked for each month.
Does the result in an FCC that reflects your best view?	We believe this presents a materially better view for Gas Year 2021/22 using the data and processes outlined to produce the FCC.
Will you use the same monthly profiling assumption for your calculation of the target revenue for entry?	Yes, we will be looking for closer alignment for the revenue estimates across the year linking to the profiling underpinning the FCC.
Exit - using 1 in 20 for GDN which seems to be lower than historic and future sold - why? wont this lead to a systematic over recovery	Having liaised with some of our DN colleagues we believe the 1 in 20 PEAK value is currently the most accurate forecast of DN bookings. It is lower than historic, but we have seen DN bookings this year lower than those we forecast for October 2020 when basing these on the historic and future sold.
which fes forecast will you be using? won't last years forecast be very out of date for use for 2021/22 charges?	We are using as up to date as we can, which is FES 2020. We are in discussion with colleagues to understand if there is likely to be any significant variances, however FES 2021 will be published after the required date for the FCC's use in setting charges.
if you anticipate an RRC would be required using the FCC, will this be published at the same time?	This is unlikely however is possible. When setting the FCC and the capacity reserve prices these will be set to recover all the require revenue for Transmission from capacity reserve prices. The RRCs can be initially set for October by the end of July however it should be something significant that would warrant this. RRCs remain available to implement / adjust across the year however the position will be closely monitored for any need.