

chris.aldridge@nationalgrid.com
Direct tel +44 (0)1926 654253

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www.nationalgrid.com

NTS Shrinkage Incentive Methodology Statement

Dear customer,

The NTS Shrinkage Incentive Methodology sets out the methodology that National Grid in its role as holder of the Gas Transporter Licence in respect of the NTS (“the Licence”) employs to calculate specific components within the shrinkage incentive scheme.

Under the Licence, National Grid is required to publish the NTS Shrinkage Incentive Methodology Statement to apply ahead of each Formula Year.

The Methodology Statement has now been updated for Formula Year 2015/16.

No material changes requiring consultation to modify the Methodology Statement are identified.

The parameters calculated for Formula Year 2015/16 have been separately published in an Ex-Ante Baseline Values Statement.

Yours sincerely,

Chris Aldridge
Market Operation