

Gas System
Operator

Gas Year vs Regulatory Year

Impact on Exit Capacity Charges

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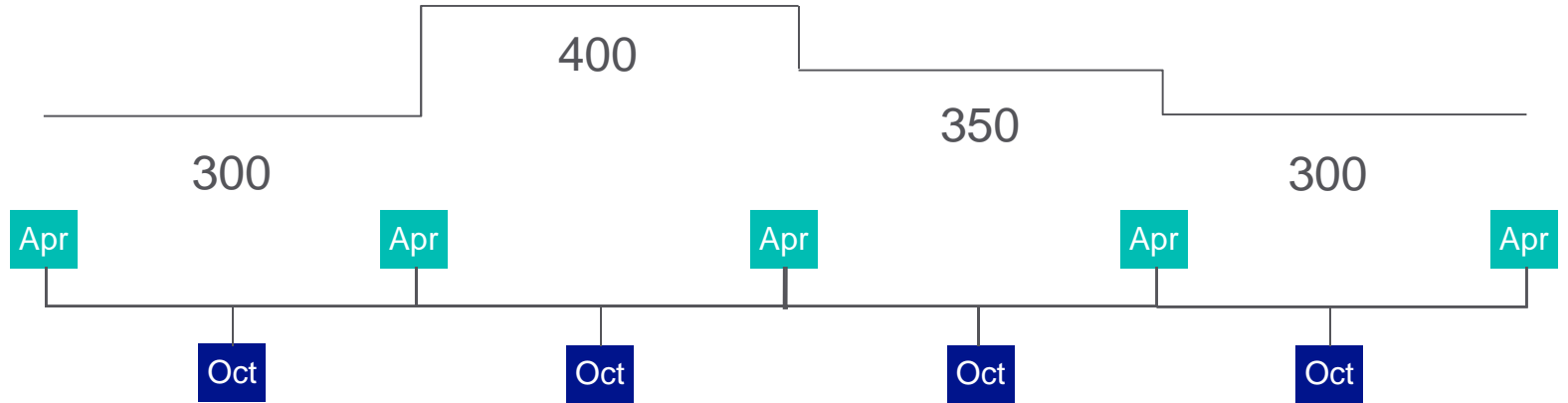


Charging Timeline – Transmission Owner Exit Capacity Charges

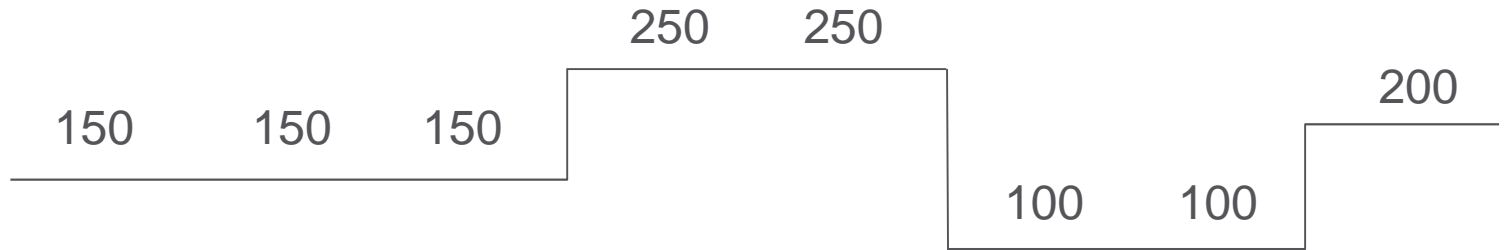


Pendulum pricing effect - representative values

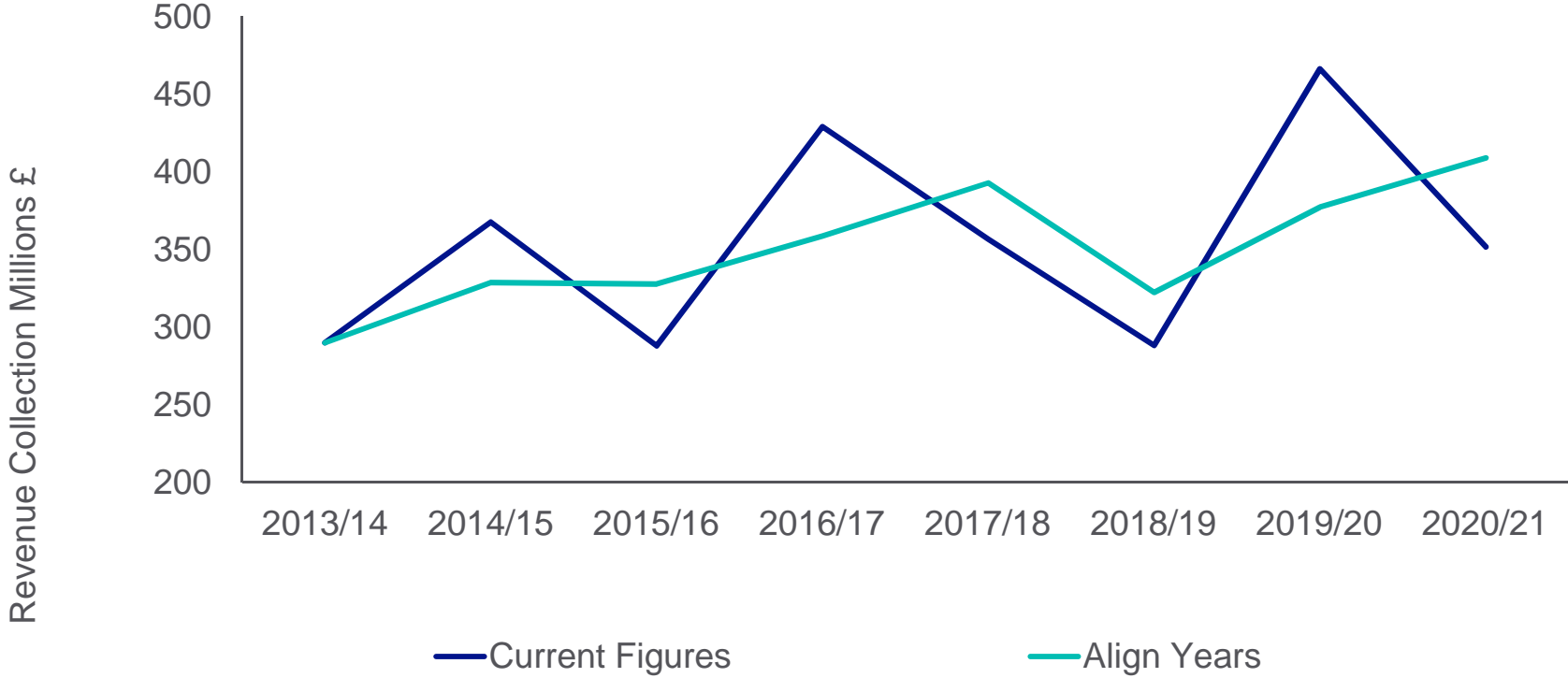
TO
Maximum
Allowed
Revenue
Exit



Revenue to
be collected
via Exit
Capacity
Charges



Impact on charges vs changes to allowed revenue



Challenges

Changing Gas Year to Align with Regulatory Year

- Gas Year dates set by EU Regulation
- Industry wide contract year
- Not in National Grid's power to change

Changing Regulatory Year to Align with Gas Year

- Misalignment with other Network Operators
- Finance and Reg years out of sync, two year ends for NG
- Needs Ofgem approval
- Lots of back office work
- Cost to achieve

Other Options?

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Table Discussion

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Gas Year /Regulatory Year Table Discussion

What is the impact on you of the volatile Exit charges due to the difference in the Gas Year & Regulatory Year?

Gas Year / Regulatory Year Table Discussion

What are other potential solutions/mitigations to any or all of the difficulties?

Gas Year/ Regulatory Year

Slido Poll

#RIIO2

AOB & Next Steps

Gas Year/ Regulatory Year

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