nationalgrid

Forecasted Contracted Capacity (FCC) Methodology Summary Report

31 March 2022

1	Executive Summary	.3
2	Governance process for the FCC Methodology	.4
3	Background/Proposal	.5
4	Responses Received	.6
5	Next Steps	7

1 Executive Summary

This document is being issued by National Grid Gas plc ("National Grid") in its role as holder of the Gas Transporter Licence (the "Licence") in respect of the National Transmission System (NTS).

This summary report follows the consultation document, which was produced on the 03 March 2022 and ran from the 03 March 2022 to the 24 March 2022 and sets out the Forecasted Contracted Capacity (FCC) Methodology which will be used to calculate the FCC in any future charge setting publications.

This summary report for the consultation on the FCC Methodology contains:

- Governance Procedures
- Background/Proposal
- Responses received to the Consultation Questions

2 Governance process for the FCC Methodology

The FCC Methodology has been reviewed with industry at the National Transmission System Charging Methodology Forum (NTSCMF) since the 07 December 2021 until 03 March 2022.

The consultation on the proposed changes to the FCC Methodology was produced on 03 March 2022, and was consulted on until 24 March 2022, and this summary report gives the details of the responses to the consultation.

The final FCC Methodology to be published not less than 40 Business Days before the Transmission Services Entry and Exit Capacity Reserve Prices are required to be published before the Annual Yearly Auction in July for the following Gas Year, as per UNC TPD Section Y 2.5.2.

Timeline of events:

Governance Process for Final FCC	When	Completed?
Issue FCC Methodology for Consultation	03 March 2022	Yes
Closing date for FCC Methodology Consultation responses	24 March 2022	Yes
Publish a report on the responses plus issue the FCC Methodology	31 March 2022	Yes
Appeal Window as per UNC TPD Section Y 2.5.2	By 03 May 2022	No
Latest publication of Reserve Prices based on the approved FCC Methodology	By 07 June 2022	No

3 Background/Proposal

The proposal has been developed based on the discussion with industry parties during NTSCMF and using the data which is available currently.

The proposal was consulted on with the industry from the 03 March 2022 to the 24 March 2022.

The FCC Methodology proposal is called Forecasted Contracted Capacity (FCC) Methodology v3.0 at: <u>https://www.nationalgrid.com/uk/gas-transmission/charging/gas-charging-discussion-gcd-papers</u> under the 2022 Forecasted Contracted Capacity (FCC) Methodology Consultation header or <u>Forecasted Contracted Capacity (FCC) Methodology v3.0</u>

An invitation to participate in the FCC Methodology Consultation was sent via the Joint Office on the 03 March 2022.

4 Responses Received

National Grid received no responses to the Forecasted Contracted Capacity (FCC) Methodology Consultation Document dated 03 March 2022.

Users have been engaged in the process through the NTSCMF discussions and there was no opposition received to the proposed changes to the FCC Methodology within the consultation.

5 Next Steps

National Grid will continue to monitor the FCC as set via the FCC Methodology against the flow and actual capacity booking data which is seen in the applicable Gas Year.

The FCC will be discussed at NTSCMF on an ongoing basis and if any party feels a review of the FCC Methodology could be required before the production of the next Gas Years Transmission Services Reserve Prices, this can be reviewed.