Stakeholder Event

Gas Distribution

Sketchley Grange, Hinckley

9th June 2015

Agenda

- Paul Rogers, NGD Operate & Maintain Manager
  - Introductions & Safety
  - The Regulatory Context
- Chris Warner / Dave Turpin/ David Addison, NGD & Xoserve Managers
  - Project Nexus
- Chris Warner / Dave Turpin/ David Addison, NGD & Xoserve Managers
  - MOD 428
- Chris Bowler, NGD Stakeholder Specialist
  - Firm Load Shedding
- Craig Neilson, NGD Pricing & Shrinkage Manager
  - Distribution Pricing
- Sharu Patel, NGD Stakeholder Specialist
  - Lunch
  - Future Events & Close

Part 1

Paul Rogers

Stakeholder Delivery Manager

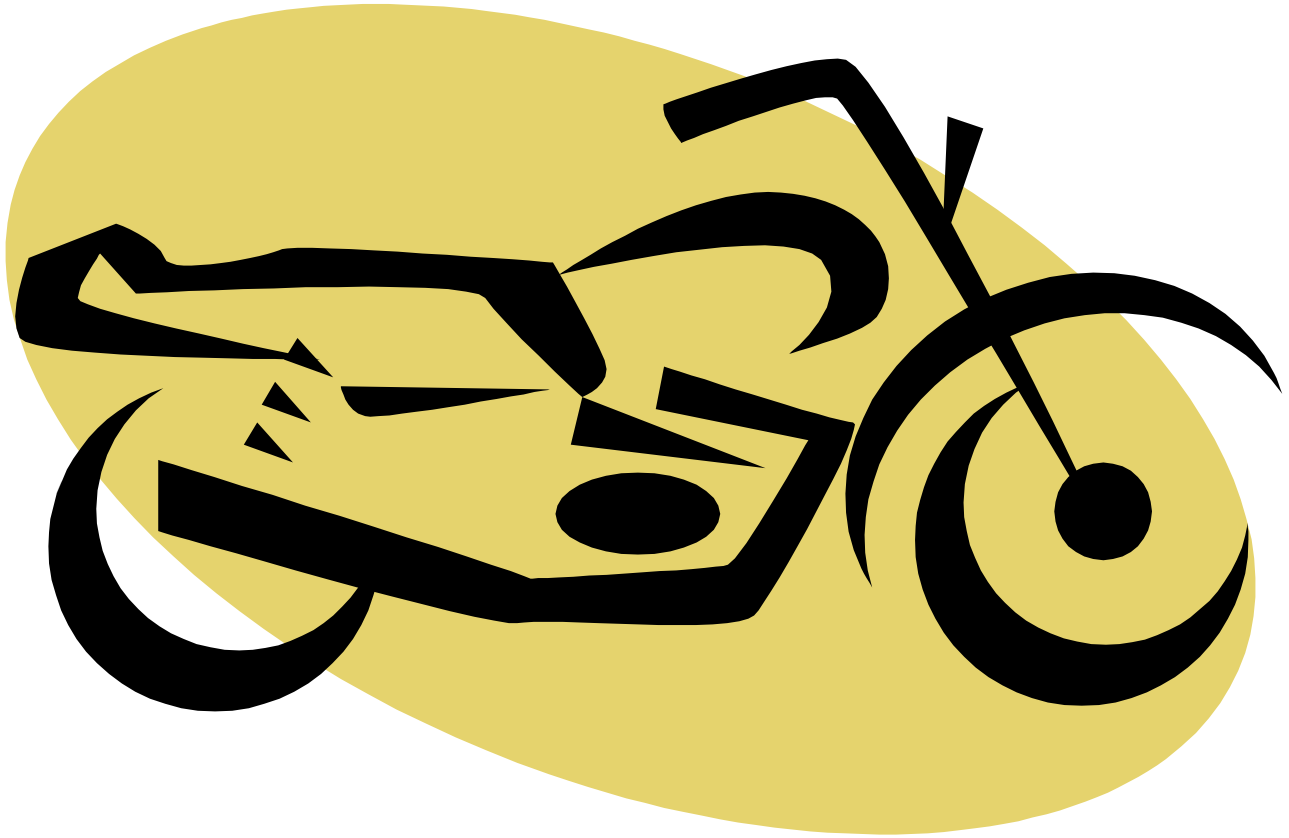
Welcome, Safety & Regulatory Context

UK GAS DISTRIBUTION

Introductions & Safety

- Introductions
- Safety Moment
- Energy Industry Regulatory Outlook

Safety Moment



Energy Industry Regulatory Outlook

Government Policy

EU Policy development

Competition Markets Authority

Ofgem

National Grid Gas Distribution

Energy Industry Regulatory Outlook

Government Policy

EU Policy development

Competition Markets Authority

Ofgem

National Grid Gas Distribution

- Energy Bill
- Devolved energy powers
- EU referendum
- Smart metering
- Shale gas?

Energy Industry Regulatory Outlook

Government Policy

EU Policy development

Competition Markets Authority

Ofgem

National Grid Gas Distribution

- Gas Day
- Climate change targets
- Role of networks

Energy Industry Regulatory Outlook

Government Policy

EU Policy development

Competition Markets Authority

Ofgem

National Grid Gas Distribution

- RIIO ED1 appeal
- Bristol water appeal
- Supply Competition

Energy Industry Regulatory Outlook

Government Policy

EU Policy development

Competition Markets Authority

Ofgem

National Grid Gas Distribution

- **GD1/T1 Mid point review**
- **Fuel poor review**
- **Priority Services Register**
- **I&C Metering review**
- **Nexus**
- **Xoserve**
- **Faster switching**
- **Code Governance review**

Energy Industry Regulatory Outlook

Government Policy

EU Policy development

Competition Markets Authority

Ofgem

- **Emergency response**
- **Mains replacement**
- **Future of Gas**
- **Stakeholder/customer engagement**
- **Minimising network costs**
- **Predictable charges**
- **Reliably delivering gas**

National Grid Gas Distribution

nationalgrid

Part 2

Chris Warner, NGD Stakeholder Manager

Dave Addison Xoserve Engagement Manager

Dave Turpin, Xoserve Engagement Manager

Project Nexus

nationalgrid

Project Nexus – Topic Areas

- Topics
  - Meter Read Submission & Processing
  - Allocation & Settlement
  - AQ Review
  - Reconciliation
  - Retrospective Updates
  - Supply Point Register
  - iGT Agency Services

High Level Requirements

- Requirement for 4 new products that are referred to as ‘Classes’
- Each ‘Class’ defines the way in which 4 types of Meter Readings are processed & used in downstream processes
  - Xoserve performs a two-step validation on every Meter Reading on receipt
    - AQ band Tolerances that can be over-ridden by the Shipper
    - Wider range AQ band ‘Market Breakers’ that cannot be over-ridden by the Shipper
- Monthly Annual Quantity (AQ) Review
- Meter Point Reconciliation for all Supply Meter Points
- Introduction of an industry-wide LDZ “smear” for Unidentified Gas and any other gas not accounted for through initial measurements or allocations
- Inclusion of iGT Supply Meter Points on the Supply Point Register & agency services provided on behalf of iGTs

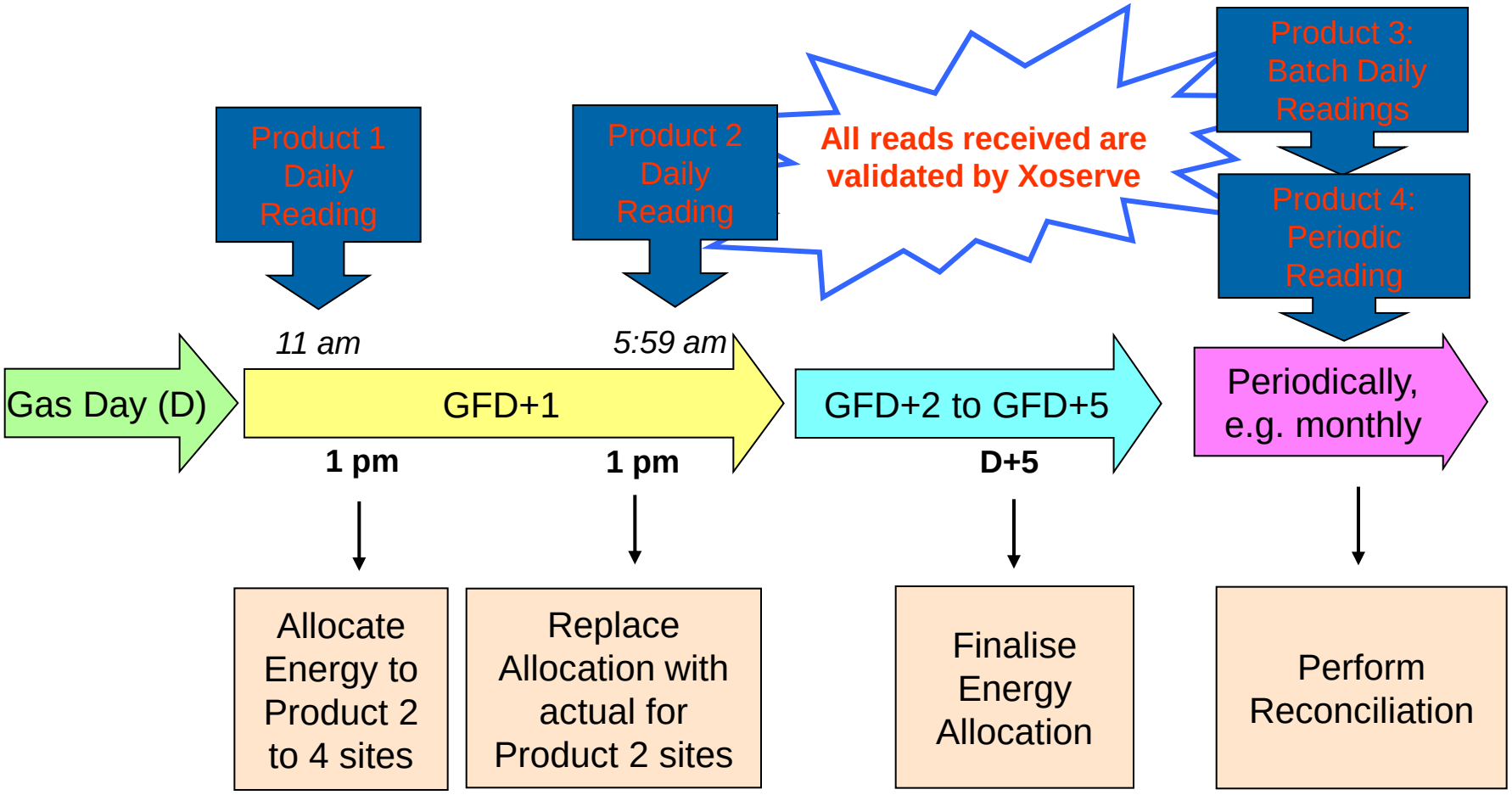
Summary of Processes

	Allocation		Meter Read	AQ		Reconciliation	
Product	**Initial Allocation**	**Final Allocation & Energy Balancing**	**Read Submission**	**Timing of AQ calculation**	**Nomination of SOQ**	**Trigger for Rec**	**Type of Rec**
1: Daily Metered Time Critical Readings	Uses Daily read	Uses Daily read	Daily reads by 10am on GFD+1	Monthly using 'Optimum Read'	Shipper nominates	Re-synch or following an estimated read	DM Rec principles
2: Daily Metered Not Time Critical readings	GT estimate	Uses Daily read	Daily reads by end of GFD+1 (05.59am)	Monthly using 'Optimum Read'	Shipper nominates	Re-synch or following an estimated read	DM Rec principles
3. Batched Daily Readings	Allocation profiles	Allocation profiles	Daily reads submitted in batches: max monthly	Monthly using 'Optimum Read'	GT derives in line with AQ (fixed SOQ for charging)	Following receipt of a batch of daily reads	Individual daily rec using daily CV & SAP
4. Periodic Readings	Allocation profiles	Allocation profiles	A single read submitted periodically: monthly or annually	Monthly using 'Optimum Read'	GT derives in line with AQ (fixed SOQ for charging)	Following receipt of a read	NDM Rec principles

Project Nexus – Changes

- **Meter Read Submission**
- Allocation & Settlement
- AQ
- Reconciliation
- Retrospective Updates
- Supply Point Register
- iGT Agency Services

Meter Reading Submission



Project Nexus – Proposed Changes

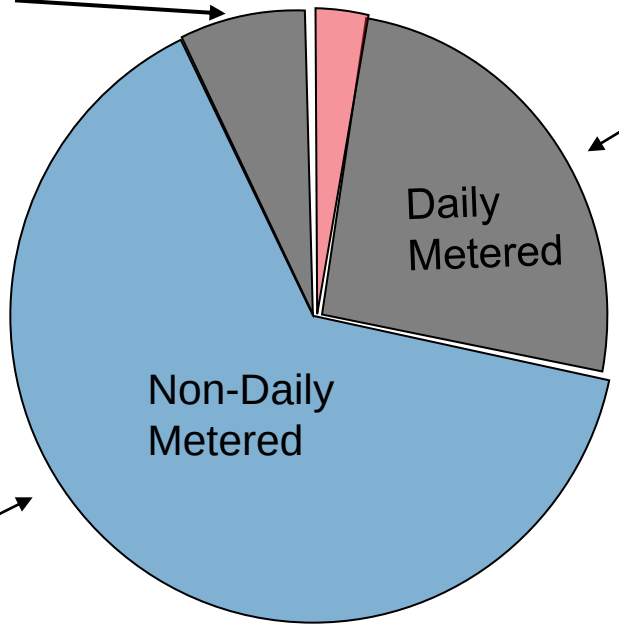
- Meter Read Submission
- **Allocation & Settlement**
- Annual Quantity (AQ)
- Reconciliation
- Retrospective Updates
- Supply Point Register
- iGT Agency Services

Project Nexus - Gas Allocations

2. Shrinkage

5. Allocation Scaling Adjustment – remaining energy is smeared at LDZ portfolio level

3. DM sector – Products 1 & 2 – Actual Measurements



1. Total Energy as measured into the LDZ

4. Improved standalone estimation for NDM sector (Products 3 & 4)

Unidentified Gas shared at portfolio level in each LDZ

Project Nexus – Proposed Changes

- Meter Read Submission
- Allocation & Settlement
- **Annual Quantity (AQ)**
- Reconciliation
- Retrospective Updates
- Supply Point Register
- iGT Agency Services

AQ – Key Changes

- Monthly re-calculation of AQ, if a new meter reading has been received in the last month
- If reads have previously passed validation against data held on the GT register they are deemed suitable for all processes, including AQ
- Removal of amendment and appeals phases of AQ process
- 2 SOQs – one for Allocation and another ‘fixed SOQ’ which applies for 6 or 12 months for transportation charging purposes.
- Minimum duration of the reference period for AQ calculation is 9 months (compared to current 6 months + 1 day)

Project Nexus – Proposed Changes

- Meter Read Submission
- Allocation & Settlement
- Annual Quantity (AQ)
- **Reconciliation**
- Retrospective Updates
- Supply Point Register
- iGT Agency Services

Reconciliation – Key Changes

- Meter Point reconciliation for all MPRs
- Removal of RbD and replacement with an industry-wide LDZ scaling adjustment
- No change to reconciliation principles and calculations for daily metered & non-daily metered, just to the range of meter points to which they apply
- Introduction of the concept of Resynchronisation for NDM meter points where meter readings are derived using certain types of automated reading equipment

Project Nexus – Proposed Changes

- Meter Read Submission
- Allocation & Settlement
- Annual Quantity (AQ)
- Reconciliation
- **Retrospective Updates**
- Supply Point Register
- iGT Agency Services

nationalgrid

Project Nexus – Change Rationale

- **Retrospective Updates**
  - **Key Principles**
    - **The Supply Point Register should accurately reflect the current position**
    - **Data held on the Supply Point Register must be updated where it is identified as incorrect**
    - **Current shipper only can change their asset data with automatic adjustments flowing through**
    - **Any Shipper can replace any reads in their period of ownership, with automatic re-reconciliations flowing through**
    - **No changes to Line-in-the-Sand**

Project Nexus – Proposed Changes

- Meter Read Submission
- Allocation & Settlement
- Annual Quantity (AQ)
- Reconciliation
- Retrospective Updates
- **Supply Point Register**
- iGT Agency Services

nationalgrid

Project Nexus – Proposed Change

- **Supply Point Register - Principles**
  - **Single database for all meter supply points**
    - **iGT sites (CSEPs)**
    - **LPG sites**
    - **Unique Sites**
  - **Single Meter Point Supply Points**
  - **Market Sector Flag**
  - **Consumer Classification (vulnerable customers, priority consumers)**

Project Nexus – Proposed Changes

- Meter Read Submission
- Allocation & Settlement
- AQ
- Reconciliation
- Retrospective Updates
- Supply Point Register
- **iGT Agency Services**

iGT Agency Services

- **Key Principles;**
  - **To provide a single service provision to Shippers for the operation of Supply Points on iGT networks**
  - **Where possible, to harmonise the administration of iGT Supply Meter Points with GTs**
  - **Shippers processes & interfaces are the same, where possible, for all Supply Meter Points**
  - **Exceptions:**
    - **Record of a CSEP & relationships are held & maintained**
    - **MPRN creation**
    - **Initial registration of a Supply Point**
    - **iGT charging methodology for services to Shippers is different to GTs**

Part 3

Chris Warner, NGG Stakeholder Manager

Dave Addison Xoserve Engagement Manager

Dave Turpin, Xoserve Engagement Manager

UNC Mod 0428

Single Meter Supply Points

- **Following implementation of UNC Modification 0428 – all Supply Points should comprise only one Supply Meter Point**

- **The Modification sets out a timetable for transition from the Multi Meter Point Supply Points (mmSP).**

Single Meter Supply Points

- **Modification timetable:**
  - **Modification implemented with effect from 1st April 2014**
  - **Transitional period until 3 months prior to 'Project Nexus Go Live Date' for Shippers to disaggregate any mmSPs (1st July 2015 – the Transition Date)**
  - **Any not disaggregated by this point, the Transporters will disaggregate on the Shipper's behalf**

- **Impacts of "Project Nexus Implementation Date" being deferred**
  - ***"our view that the end of the transition period should remain 1 July 2015" *****
  - ***"GTs should intervene to ensure that any sites which have not been disaggregated by that date are reconfirmed as individual meter points by 1 October 2015" *****

**** - Source – Ofgem Open Letter – "Disaggregation of multi-meter supply points" – 18/05/2015**

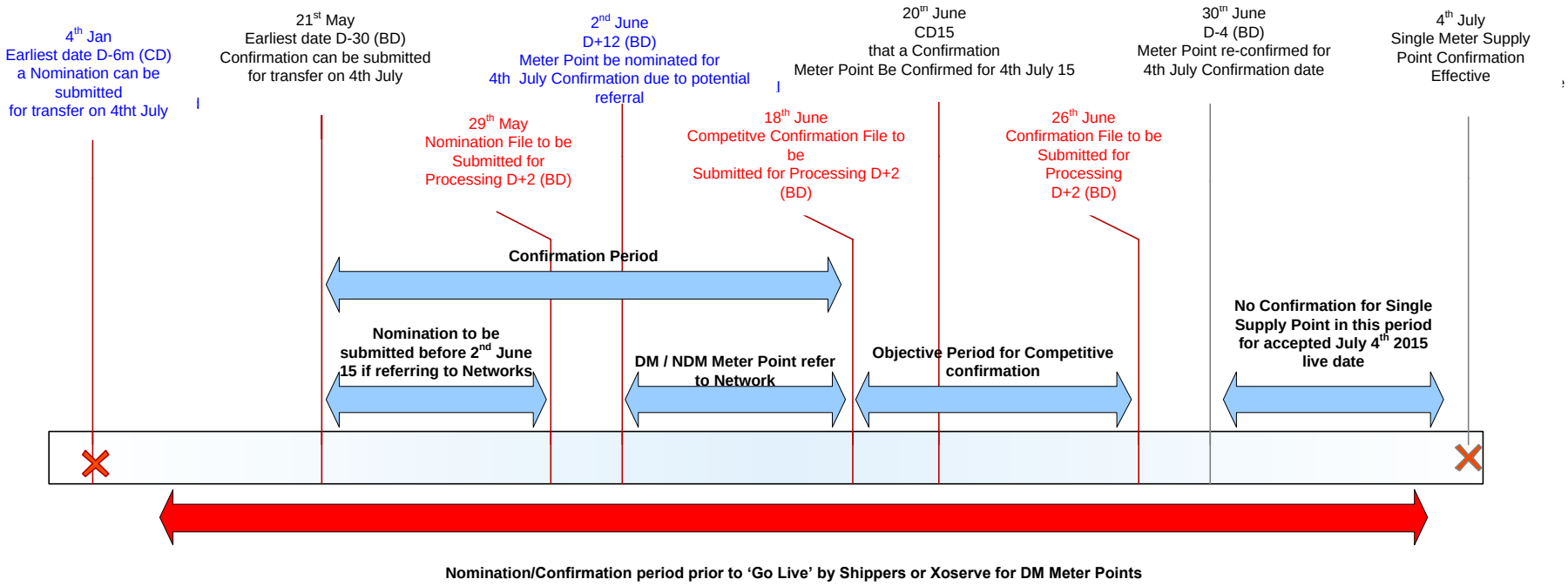
Twin Stream Metering

- **Twin Stream Meters are excluded from the Modification**
  - **Definition:**
  - **‘two identical meters installed in parallel, fed from a single service, with the flow through the meters combining immediately downstream of the meter outlets’ ***
  - **of the same size and capacity which are installed in parallel at a Supply Point (M 2.8.1)**

- **Shippers must notify Transporters of twin stream meters so that these may be excluded**
  - **Twin Stream arrangements – will remain in a single Supply Point, under a single Meter Point**
    - » **Separate Transition will be required to Project Nexus**

* - **Source** – UNC Modification 0428 Final Modification Report

Proposed Confirmation Timeline



Post Transition Date

- Any Supply Points with Multi Meter Points Supply Points that remain after 1st July shall be confirmed by the Transporters on Shipper's behalf
  - Transporters are currently monitoring the numbers that have yet to disaggregate
  - Timescales of Transporter process yet to be defined
    - Volumes
    - Scenarios
- Remaining Supply Points will be disaggregated as soon as possible after 4th July 2015

Part 4

Chris Bowler, NGD Stakeholder Specialist

Firm Load Shedding (FLS)

Firm Load Shedding

- Introduction
- Effectiveness of Current Process
- Considerations
- Potential Solution
- Time for Change

Introduction

- Firm Load Shedding (FLS) procedure used by Gas Transporters
- In a Network Gas Supply Emergency (NGSE), National Transmission System (NTS) contacts all 4 Distribution Networks (DNs) to reduce flows by a percentage of their Local Distribution Zone's (LDZ) demand
  - Protecting the NTS is the priority
    - Domestic consumers
    - Minimise supply restoration

Effectiveness of Current Process

- 2014 Exercise Viper
  - Requirement to interrupt ~ 1000 sites (top 200 per LDZ)
  - 4,544 calls made
- Call duration in excess of 5 hours
  - The majority of total load shed was witnessed within the first 1hr
  - Remaining 4+ hours spent contacting smaller sites

Considerations *…domestic consumers*

- **Under current arrangements the following sites could be called:**
  - **Prisons & Secure Units**
  - **University Halls of Residence (term time only)**
  - **Shared Heating & Power – flats, 'vulnerable' occupants**
  - **Residential Care Homes (those not listed as Priority)**
  - **Hotels**
  - **MoD barracks**
- **Impact on consumers**
  - **Industry reputation at stake**

Time for Change

- Current arrangements in the event of a NGSE could be improved
- As the purpose of FLS in an NGSE is to protect the NTS, then it would be logical for the largest sites to be called first irrespective of location
- National database
  - Loads listed by Size in descending order
  - Each DN responsible for calling their own sites as at present
  - More effective as National database targets largest sites first
    - Avoids unnecessary interruption of smaller End Users
    - More efficient and timely
- What are your views on this proposal?

Part 5

Craig Neilson, NGD Pricing & Shrinkage Manager

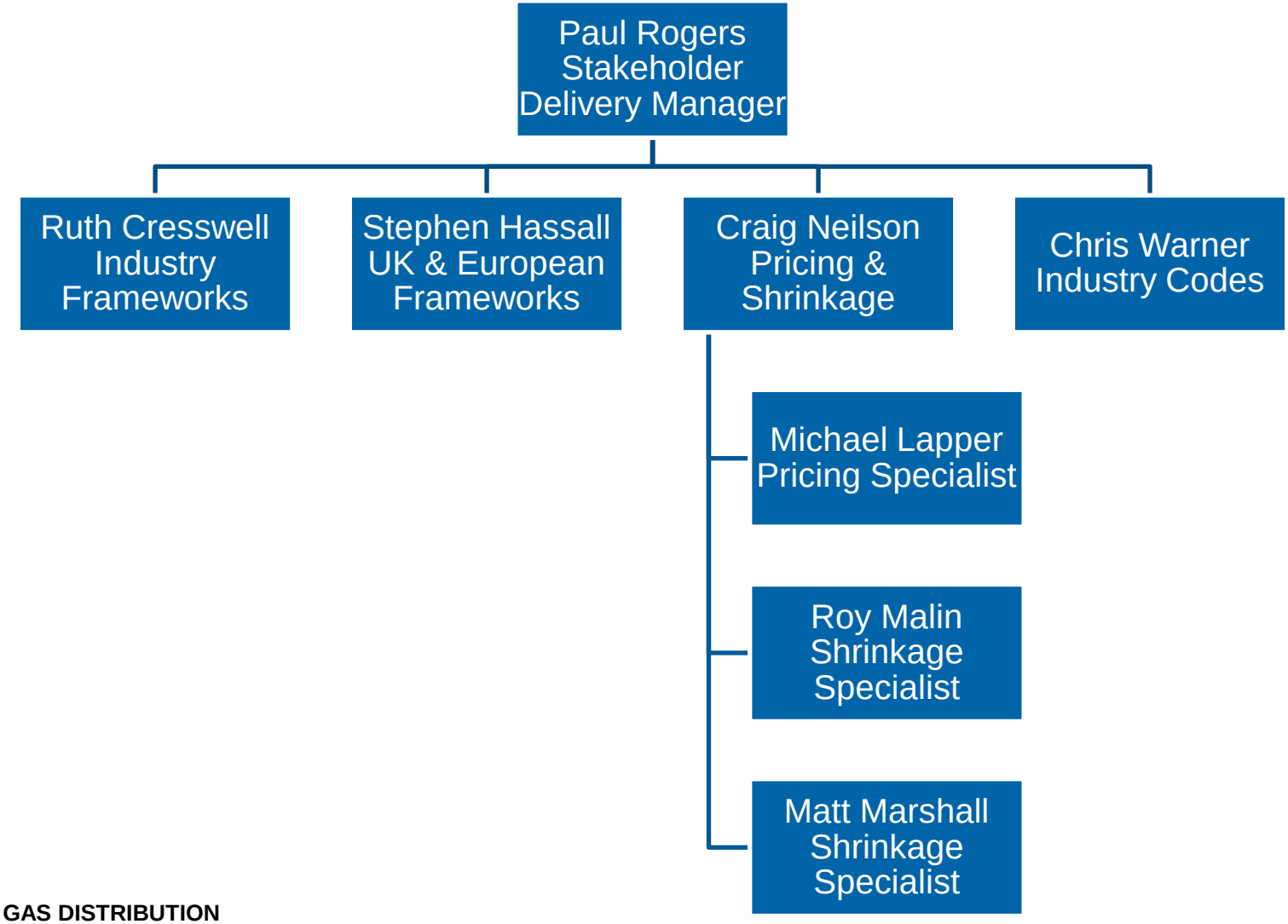
Pricing & Shrinkage

UK GAS DISTRIBUTION

Pricing & Shrinkage Overview

- Introduction
- Team Structure
- Obligations & Principles
- Cost Reflectivity
- Timetable
- Current Pricing Landscape
- Charge Calculator
- Stakeholder Engagement Aspirations
- Q&A

Team Structure



Obligations

Legislative

Gas Act 1995

Section 7 - Public gas transporters must follow licence activities set out in the gas transporter licence

Regulatory

Gas Transporter License

Special Condition 1B – Primary revenue restriction. Other special conditions contain incentives, etc.

Contractual

Uniform Network Code

Section Y Charging Methodology Part B - Contractual obligations between parties to the UNC. Subject to common governance via the Network Code modification process

Obligations

- Price changes set once a year effective from 1st April
  - Must not aim to over recover
- Must provide 150 days notice of indicative charges, and 2 months notice of final definitive charges
- Transportation Charging Methodology
  - Must consult with Shippers on any changes (Ofgem can veto)
  - Embedded within UNC, allowing Shippers to propose changes
  - Must use Joint Office for administration of methodology and charges
  - Common methodology across all Distribution Networks
- UNC MOD0186
  - 5 year revenue forecast published and presented on a quarterly basis

Key Principles

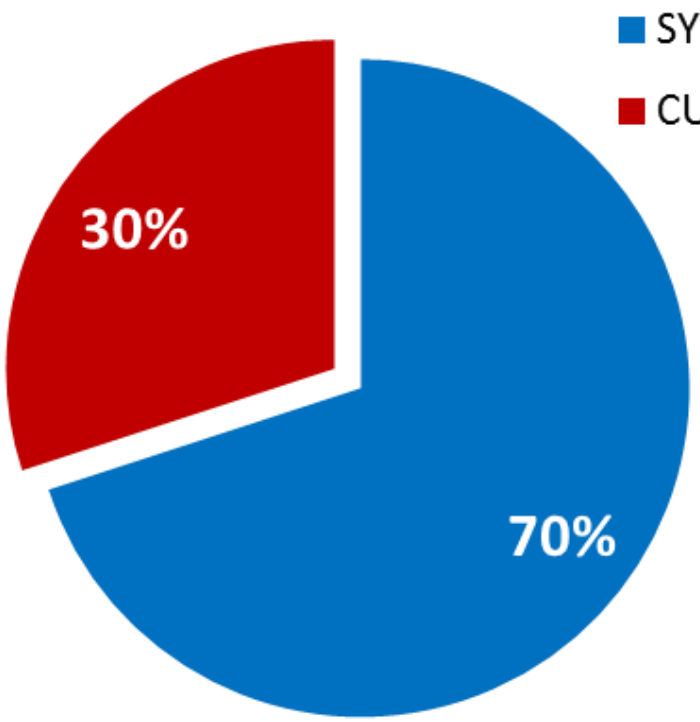
- Charging methodology is required to achieve 3 main objectives:
  - Be cost reflective
  - Take account of developments in the business
  - Facilitate competition in the market

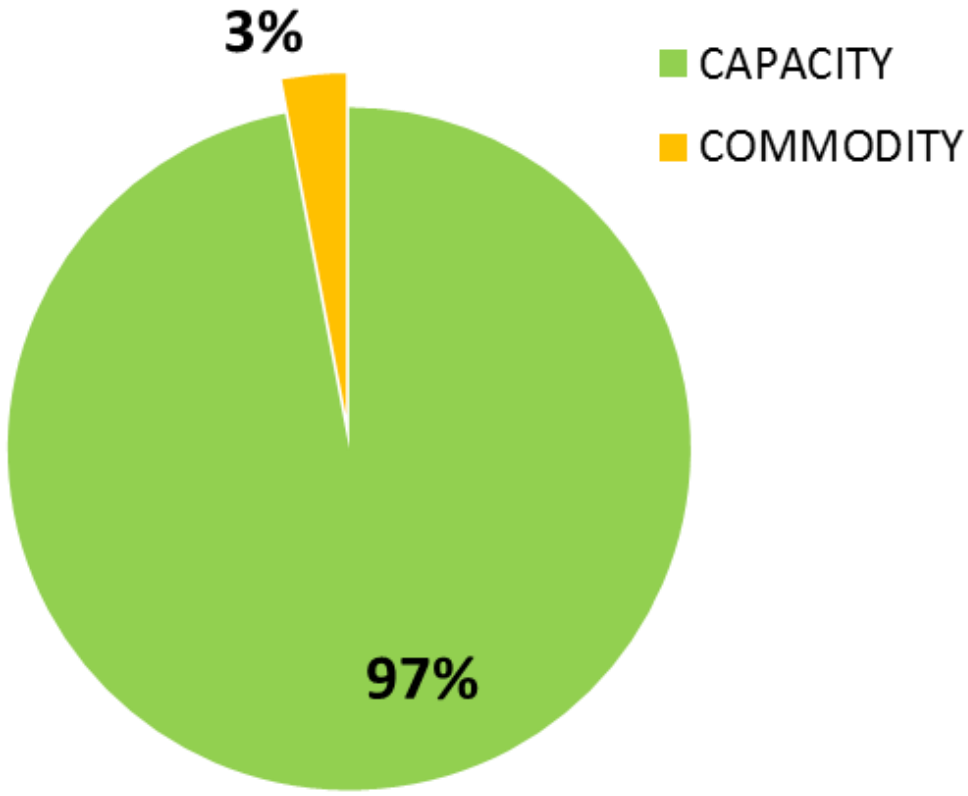
- The MOD0186 Revenue Report is required to:
  - Provide early visibility of changes to future revenues
  - Provide transparency of our charges and the drivers behind change such as RPI, incentives & cost adjustments
  - Reduce the element of the risk borne by shippers in passing our charges to consumers (e.g. on fixed tariffs)

Cost Reflectivity: Charge Composition

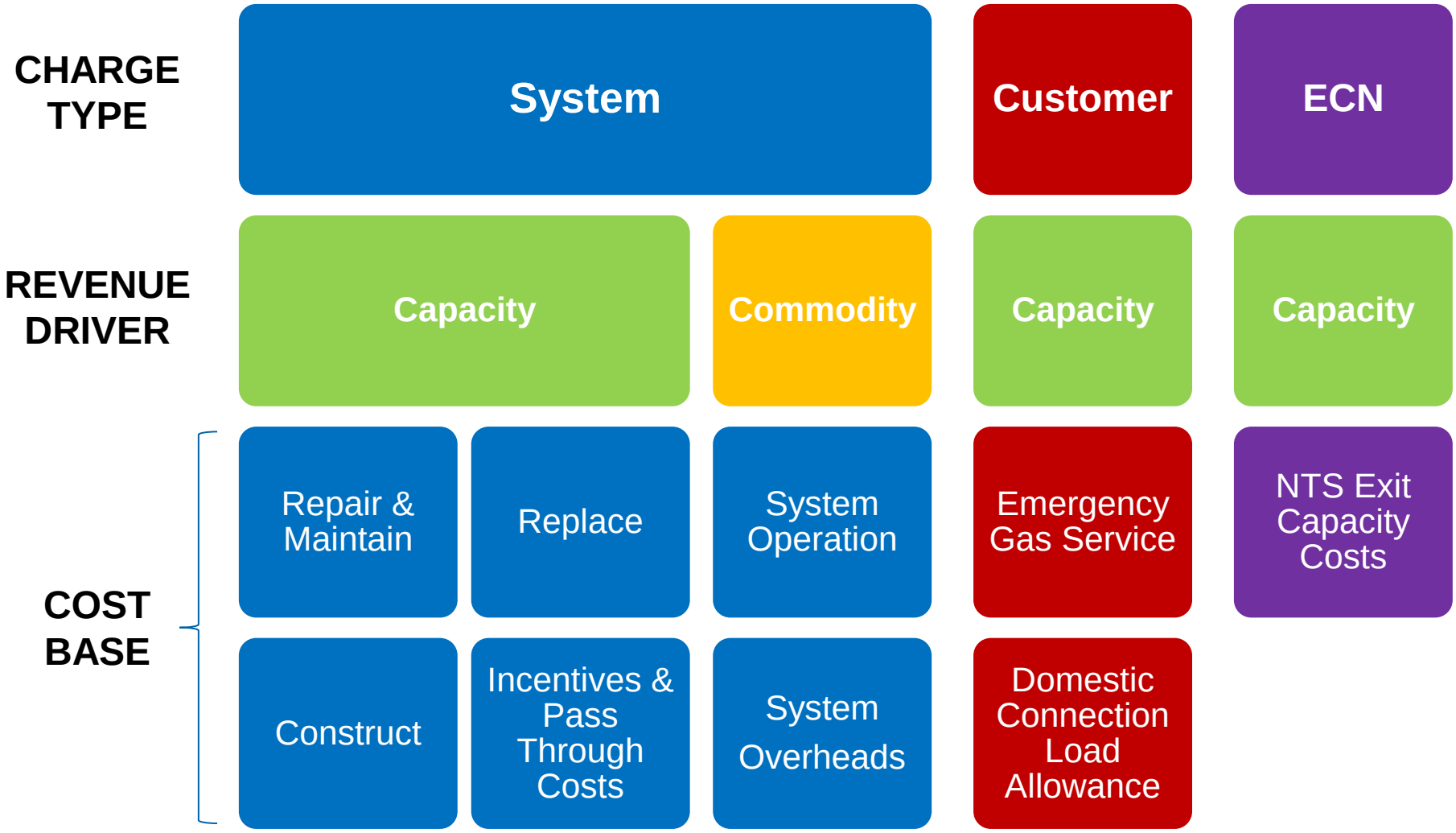
- Not all supply points require the same services
- For instance, there are charges associated with the emergency service and domestic connections allowance which are not utilised by supply points in CSEPs
- We therefore separate our charges into System and Customer elements
- Although different supply points can have different load characteristics, the key common requirement is the peak level of capacity needed to support ongoing use of the network over its asset life.
  - Capacity – charges associated with supply points peak demand
  - Commodity – charges associated with the actual flow of gas
- Our activities primarily support the ongoing provision of network capacity, in order to transport gas under peak demand conditions to supply points
- The majority (97%) of charges are therefore capacity related.

Cost Reflectivity: Charge Composition





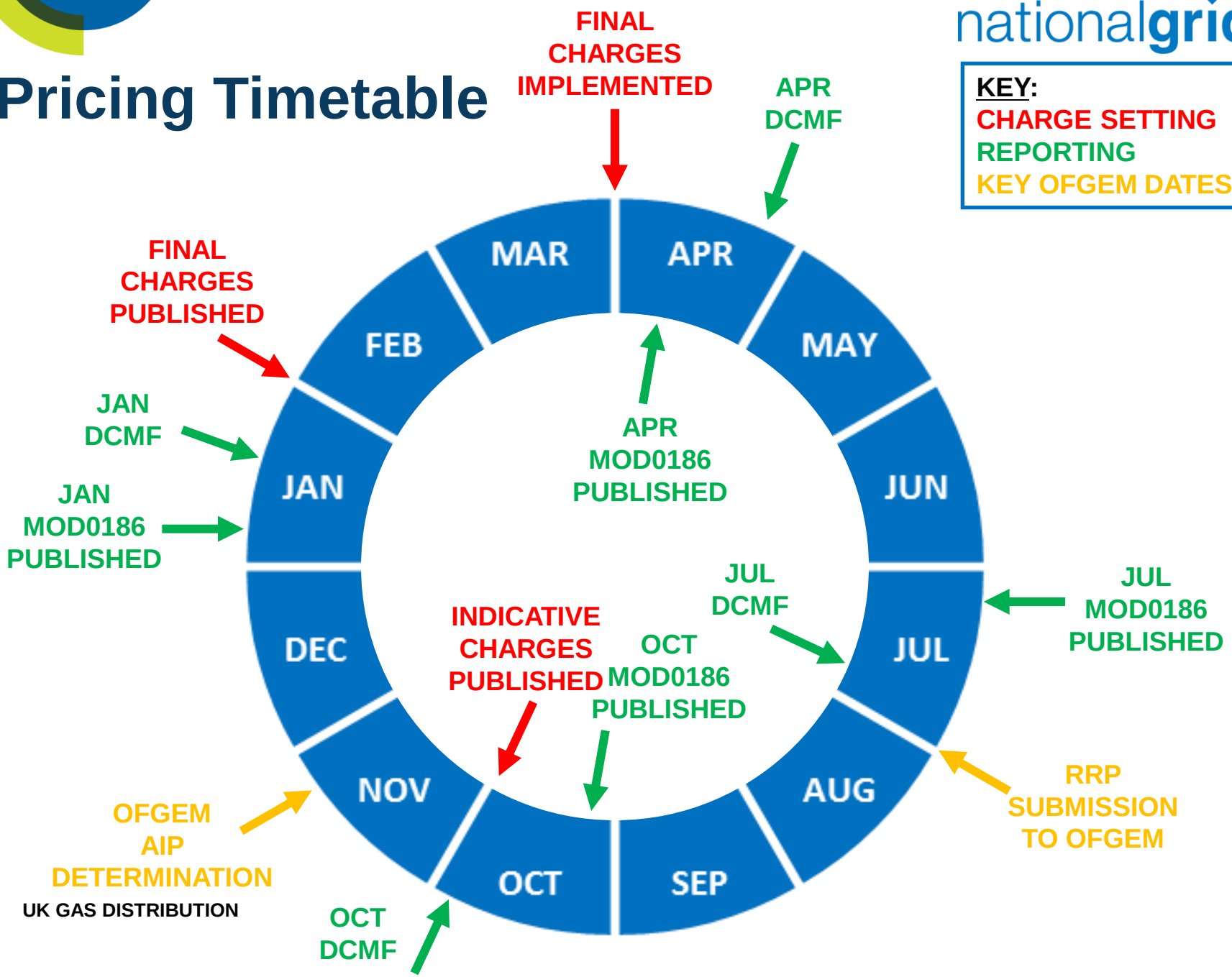
Cost Reflectivity: Relating Services to Charges



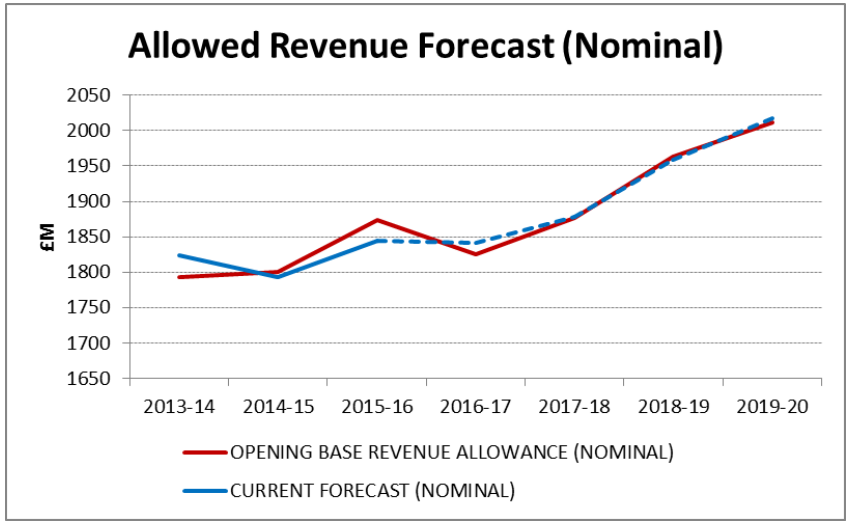
Pricing Timetable

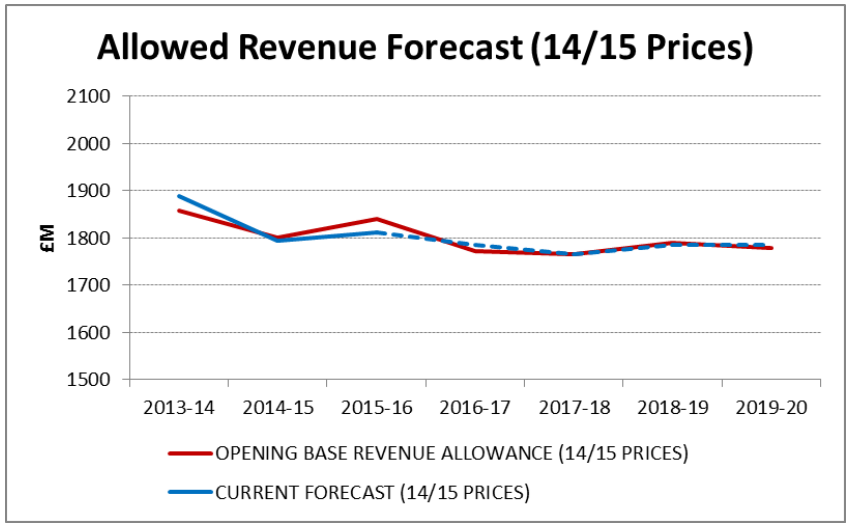
nationalgrid

KEY:
CHARGE SETTING
REPORTING
KEY OFGEM DATES



Current Pricing Landscape: Revenue Forecast





- Current top level revenue forecast based on Apr-15 MOD0186
- Shows current view of revenue forecast for RIIO GD-1 out to 2019/20 vs original allowances per regulatory settlement
- Nominal position shows effect of inflation
- Broad alignment to regulatory settlement
- In real terms (14/15 prices) downward trend for first half of RIIO GD-1, flattening thereafter
- Specific prices affected by demand assumption and changes to chargeable base

Allowed Revenue: Building Blocks

- Starting position is Base Allowed Revenue per regulatory settlement (expressed in 09/10 prices)

- Annual Iteration Adjustments (09/10 prices):
  - Changes to financing assumptions (cost of debt, tax pensions)
  - Legacy adjustments from previous price controls
  - Totex incentive mechanism - cost and output variances with 2 year lag
  - Uncertainty cost mechanism – evolving cost profile during RIIO GD-1

- Inflation impact:
  - To bring revenues into current prices
  - Initial assumption based on HM Treasury forecast for economy
  - True up to actual average year RPI with 2 year lag

- Base Allowed + Annual Iteration + Inflation = Base Revenue

Allowed Revenue: Building Blocks

- Regulatory settlement includes allowance for:
  - NTS Exit Capacity Costs
  - Costs of bringing gas onto Distribution Networks from NTS
  - Previously part of Gas Transmission prices in previous price controls
  - Now moved downstream under RIIO GD-1
  - Shrinkage costs
  - Cost of gas procured by NG for volume lost from / used by the system
  - Primarily leakage, but also includes own use gas and theft of gas
- Actual costs positions are adjusted in revenues with a 2 year lag
- Facility to revise allowances should forward unit costs materially differ
- NG proposed adjustment to Shrinkage allowance in 14/15 – awaiting determination by Ofgem

Allowed Revenue: Building Blocks

- RIIO GD-1 includes a suite of financial incentives designed to reward DNs for driving benefits to customers and stakeholders:
  - Exit Capacity Incentive – optimising use of system and avoiding future investment by flowing gas through lower cost offtakes
  - Shrinkage and Leakage – finding durable solutions to reduce the amount of gas lost from the system
  - Customer satisfaction – customer satisfaction, complaints management & stakeholder engagement
  - Environmental Emissions – reducing carbon impact
  - Network Innovation – driving durable benefits to customers through new and innovative projects and techniques
  - Discretionary Reward Scheme – contribution to CO safety, fuel poverty eradication, safeguarding vulnerable customers

Allowed Revenue: Building Blocks

- **The final building block is an adjustment for over or under recovery of revenues:**
  - **Over or under recovery is primarily driven by variances in the demand assumptions used to underpin unit prices**
  - **For instance, if we had a particularly mild winter, we might expect a level of under recovery**
  - **Ofgem set deadbands for % level of over or under recovery which are 6% of allowed revenue annually or 12% cumulatively**
  - **Any over / under recovery position that has materialised in year is adjusted with a 2 year lag**

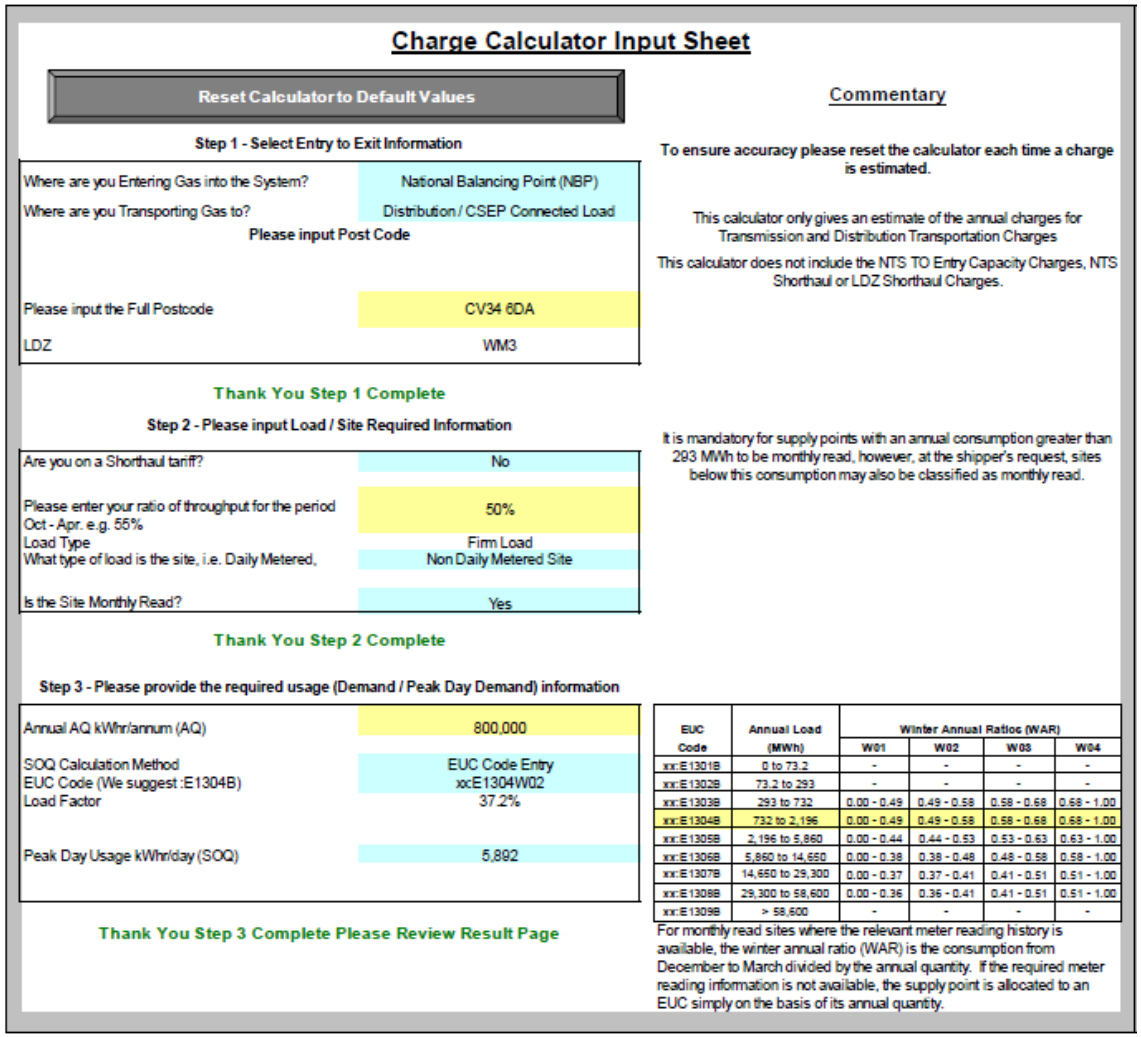
Allowed Revenue: Building Blocks

	13-14 £m	14-15 £m	15-16 £m	16-17 £m	17-18 £m	18-19 £m	19-20 £m
OPENING BASE REVENUE (09/10 PRICES)	**1542**	**1494**	**1522**	**1489**	**1488**	**1484**	**1476**
▼ FINANCING ADJUSTMENTS	-	(9)	(31)	(21)	(24)	(28)	(34)
▼ LEGACY ADJUSTMENTS	-	(2)	(4)	(2)	(2)	(2)	(2)
▼ TOTEX INCENTIVE	-	-	3	2	(26)	(19)	(18)
▲ UNCERTAINTY MECHANISM	-	-	9	16	25	20	21
▲ INFLATION	251	304	346	336	382	470	523
BASE REVENUE (NOMINAL)	**1794**	**1787**	**1845**	**1821**	**1843**	**1926**	**1966**
▲ COST PASS THROUGH	0	-	4	5	14	14	14
▼ EXIT CAPACITY COST ADJUSTMENT	-	-	(4)	(3)	(11)	(7)	11
▼ SHRINKAGE COST ADJUSTMENT	-	-	(7)	(20)	(20)	(21)	(21)
POST PASS THROUGH & COST ADJ	**1794**	**1787**	**1838**	**1802**	**1827**	**1913**	**1969**
▲ EXIT CAPACITY INCENTIVE	-	-	5	11	23	17	17
▲ SHRINKAGE INCENTIVE	-	-	2	2	2	2	2
▲ CUSTOMER SATISFACTION INCENTIVE	-	-	6	7	8	9	10
▲ ENVIRONMENTAL EMISSION INCENTIVE	-	-	6	8	8	7	7
▲ DISCRETIONARY REWARD SCHEME	1	1	-	-	-	-	-
▲ NETWORK INNOVATION INCENTIVE	3	7	8	9	11	12	12
POST INCENTIVES	**1797**	**1795**	**1865**	**1840**	**1877**	**1959**	**2017**
▼ (OVER) / UNDER RECOVERY ADJ	6	-	(21)	1	1	-	-
MAXIMUM ALLOWED REVENUE	**1803**	**1795**	**1845**	**1841**	**1878**	**1959**	**2017**
FINAL PROPOSALS	**1794**	**1800**	**1874**	**1826**	**1877**	**1963**	**2011**
VARIANCE	**(10)**	**5**	**29**	**(15)**	**(1)**	**4**	**(6)**
% VARIANCE	**(1%)**	**0%**	**2%**	**(1%)**	**(0%)**	**0%**	**(0%)**

Charge Calculator

- We recognise that pricing is a complex area, and want to help our stakeholders understand what our prices mean to them specifically
- Each year, we publish a “Charging Calculator” on the website of the Joint Office of Gas Transporters (http://www.gasgovernance.co.uk/DNcharges)
- The charge calculator estimates NTS and Distribution transportation charges for any UK site
- It uses Supply Point characteristics (Maximum peak day usage, annual usage, location, etc.) to estimate transportation charges
- Updated nationally by NG on behalf of all Distribution Networks

Using the Charge Calculator: Inputs



Charge Calculator Input Sheet

Reset Calculator to Default Values

Step 1 - Select Entry to Exit Information

Where are you Entering Gas into the System?	National Balancing Point (NBP)
Where are you Transporting Gas to?	Distribution / CSEP Connected Load
Please input Post Code	
Please input the Full Postcode	CV34 6DA
LDZ	WM3

Thank You Step 1 Complete

Step 2 - Please input Load / Site Required Information

Are you on a Shorthaul tariff?	No
Please enter your ratio of throughput for the period Oct - Apr. e.g. 55%	50%
Load Type	Firm Load
What type of load is the site, i.e. Daily Metered,	Non Daily Metered Site
Is the Site Monthly Read?	Yes

Thank You Step 2 Complete

Step 3 - Please provide the required usage (Demand / Peak Day Demand) information

Annual AQ kWhr/annum (AQ)	800,000
SOQ Calculation Method	EUC Code Entry
EUC Code (We suggest :E1304B)	xxE1304W02
Load Factor	37.2%
Peak Day Usage kWhr/day (SOQ)	5,892

Thank You Step 3 Complete Please Review Result Page

Commentary

To ensure accuracy please reset the calculator each time a charge is estimated.

This calculator only gives an estimate of the annual charges for Transmission and Distribution Transportation Charges

This calculator does not include the NTS TO Entry Capacity Charges, NTS Shorthaul or LDZ Shorthaul Charges.

It is mandatory for supply points with an annual consumption greater than 293 MWh to be monthly read, however, at the shipper's request, sites below this consumption may also be classified as monthly read.

EUC Code	Annual Load (MWh)	Winter Annual Ratios (WAR) W01	W02	W03	W04
xx:E1301B	0 to 73.2	-	-	-	-
xx:E1302B	73.2 to 293	-	-	-	-
xx:E1303B	293 to 732	0.00 - 0.49	0.49 - 0.58	0.58 - 0.68	0.68 - 1.00
xx:E1304B	732 to 2,196	0.00 - 0.49	0.49 - 0.58	0.58 - 0.68	0.68 - 1.00
xx:E1305B	2,196 to 5,860	0.00 - 0.44	0.44 - 0.53	0.53 - 0.63	0.63 - 1.00
xx:E1306B	5,860 to 14,650	0.00 - 0.38	0.38 - 0.48	0.48 - 0.58	0.58 - 1.00
xx:E1307B	14,650 to 29,300	0.00 - 0.37	0.37 - 0.41	0.41 - 0.51	0.51 - 1.00
xx:E1308B	29,300 to 58,600	0.00 - 0.36	0.36 - 0.41	0.41 - 0.51	0.51 - 1.00
xx:E1309B	> 58,600	-	-	-	-

For monthly read sites where the relevant meter reading history is available, the winter annual ratio (WAR) is the consumption from December to March divided by the annual quantity. If the required meter reading information is not available, the supply point is allocated to an EUC simply on the basis of its annual quantity.

Using the Charge Calculator: Results

Charge Calculator Results

Distribution Network	**West Midlands**
Distribution Network Company	**National Grid**
Transmission Network Company	**National Grid**

Input Data

AQ (kWh/a)	800,000
Load Factor	37.2%
SOQ (kWh/pd/a)	5,892

The site is categorised as a Non Daily Metered Site
The site is categorised as a Firm Load
The site is connected to the Distribution Network
The site is a Non Daily Metered Site and read monthly
Transmission charges calculated on gas flows from National Balancing Point (NBP)
Transmission charges calculated on gas flows to Distribution / CSEP Connected Load

Distribution Network Charges		**Unit Rates**	
LDZ System Capacity	£3,742.01	0.1740	pence per peak day kWh per day
LDZ System Commodity	£222.40	0.0278	pence per kWh
LDZ Customer Charge (Capacity)	£227.96	0.0106	pence per peak day kWh per day
LDZ ECN Charge (Capacity)	£223.66	0.0104	pence per peak day kWh per day
TOTAL	**£4,416.03**		

Transmission Charges		**Unit Rates**	
NTS TO Exit Commodity Charge	£125.60	0.0157	pence per kWh
NTS SO Exit Commodity Charge	£172.00	0.0215	pence per kWh
TOTAL	**£297.60**		

Total Charge	**£4,713.63**

Stakeholder Engagement Aspirations

- Encourage use of MOD0186 reports and participation of quarterly Distribution Charging Methodology Forum (DCMF)
- Help foster a level playing field with our Stakeholder's knowledge and understanding of pricing:
  - Companion user document / glossary for MOD0186
  - Dedicated deep dive education session for Stakeholders that don't usually attend DCMF
  - Extension of DCMF to include focussed sessions on particular topic areas of interest
  - One to one education sessions
  - Charging calculator support
- Always happy to hear from our customers via email or phone queries

Contact the Pricing Team:

Craig Neilson

Stakeholder Implementation Manager (Pricing & Shrinkage)

Mob: 07827 929 678

Email: craig.neilson@nationalgrid.com

Michael Lapper

Pricing Specialist

Mob: 07769 646 518

Email: michael.lapper@nationalgrid.com

Matt Marshall

Shrinkage Specialist

Mob: 07768 536 731

Email: matt.marshall@nationalgrid.com

Lunch

Part 6

Sharu Patel, NGD Stakeholder Specialist

Future Events & Close

AOB

- Future Events
  - National Grid Gas will be hosting an Annual Gas Industry Forum event on the 9th November 2015 in Warwick.
  - Operational level forum for new comers wanting an appreciation within the Gas Distribution Industry.
- Event Survey
  - Your feedback is important to us, please take a few moments to compete the survey on your table.

Thankyou &
Safe Journey Home!