

# April NTS Exit Price Change (GCM13)

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Gas TCMF

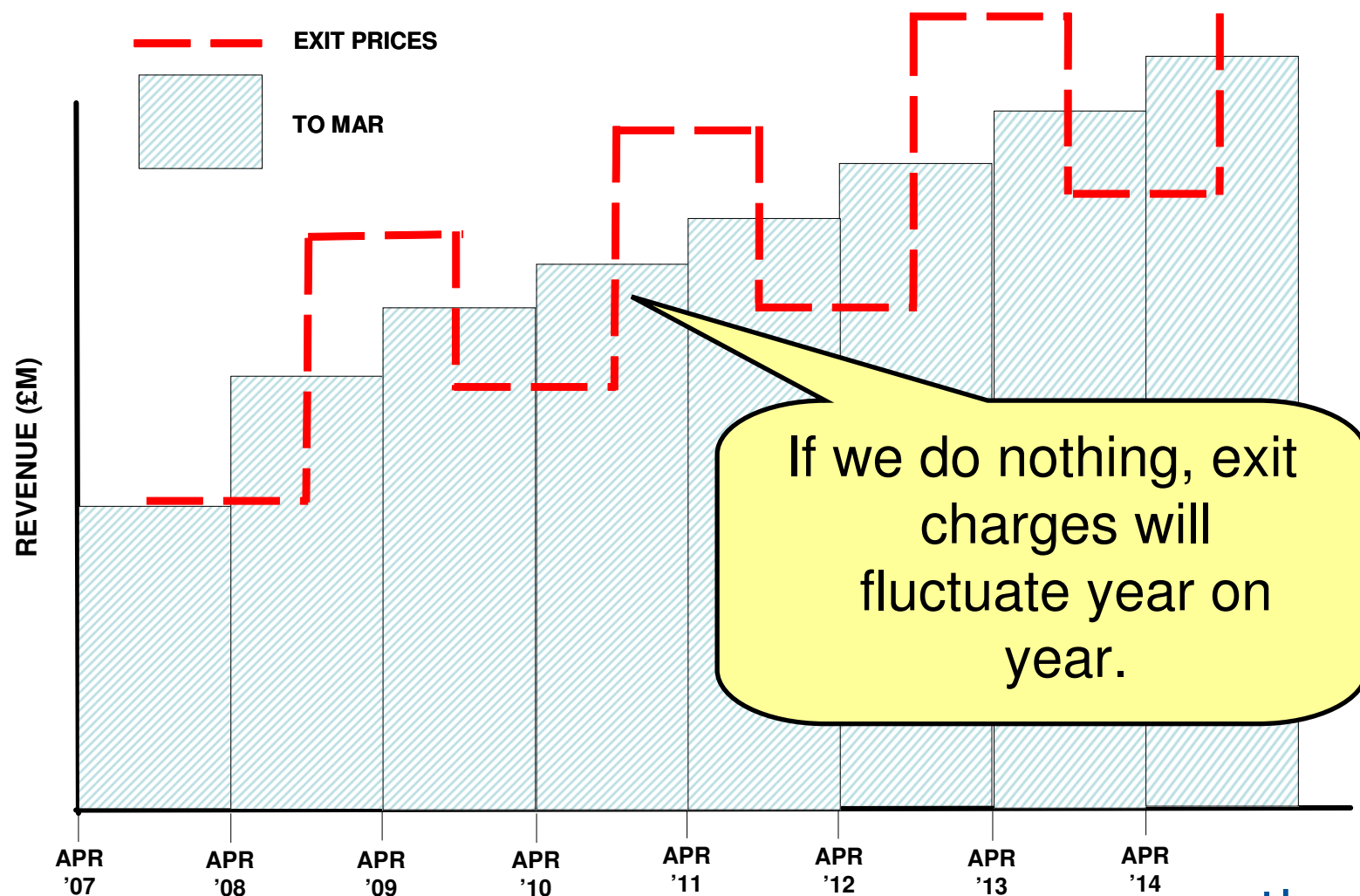
4<sup>th</sup> September 2008

# Issue

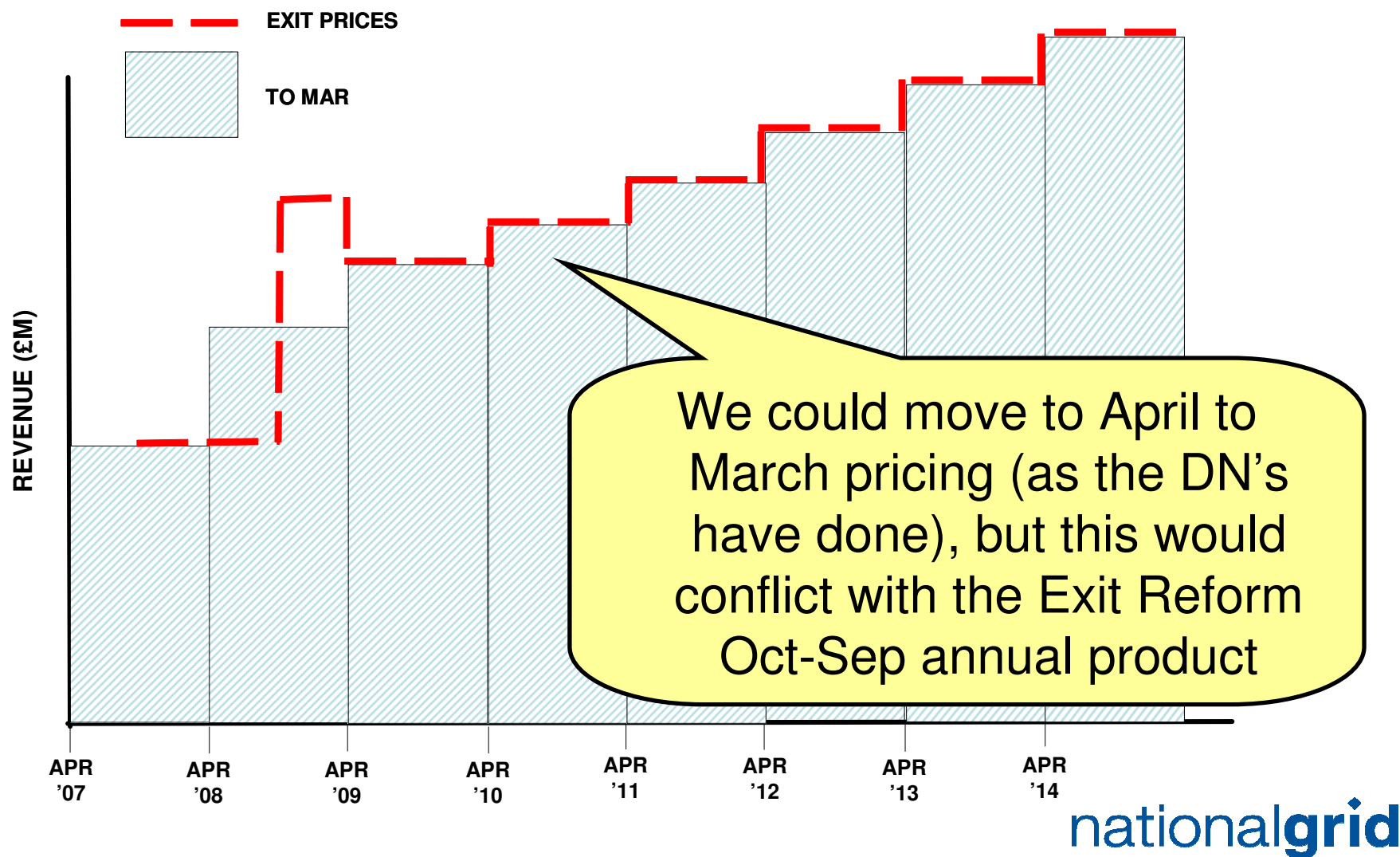
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- ◆ NTS TO allowed revenue is defined for the formula year April to March
- ◆ National Grid has a reasonable endeavours obligation to set capacity charges from October to September
  - ◆ This can cause an issue with exit capacity charges
- ◆ National Grid could reset NTS exit capacity charges in April if there were reasonable justification

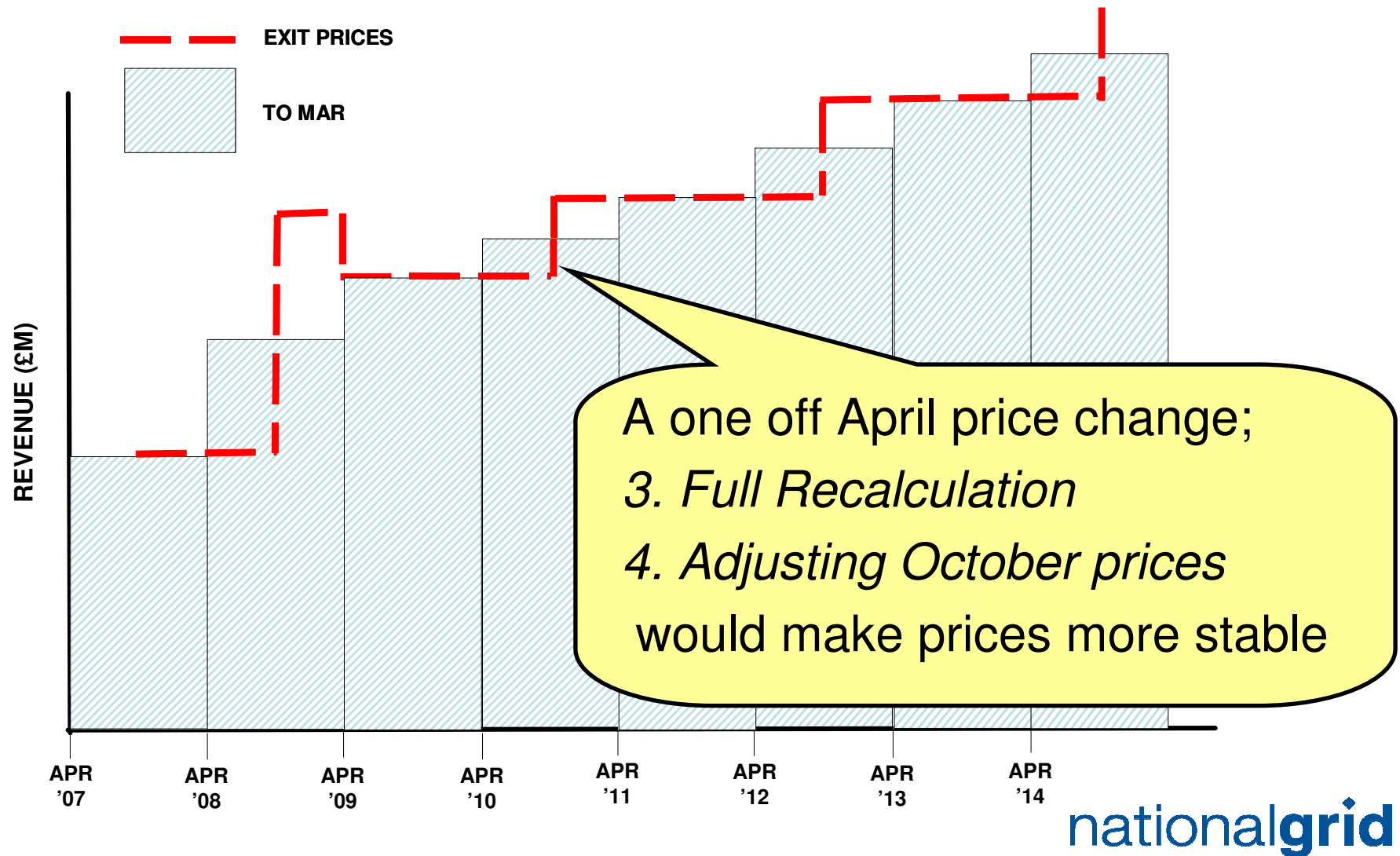
# Option One: Do Nothing



# Option Two: Apply Charges April to April



# Options Three & Four: One-off April Price Change



# GCM13

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- ◆ Draft Charging Methodology proposal GCM13 would facilitate option 4:
  - ◆ April price change based on adjusting October prices
- ◆ This should allow the level of exit capacity prices to be more stable without individual prices fluctuating (which may be the case under option 3)