

New Transmission Charges 1 April 2008

Damian Clough

Gas Charging Analyst

TCMF - 5 February 2008

TO Commodity Charge April 08

	Apr 2007	Oct 2007	Ind Apr 2008	2008/09 Price (p/kWh)
TO Commodity	0.0120	0.0000	0.0019	0.0019

- **TO (Commodity Charge)**

- **Apr 08 TO MAR = £552m**

- Oct 07 TO MAR = £528m**

- Increase predominately RPI-x

- TO Commodity Charge based on a repeat of auction bidding behaviour 2007/8

- Still feel that there is uncertainty regarding process

- Historic data not reliable, so last year only indicator

- Designed to recover revenue over the whole year

- Lessen any possible price increase in Oct 08

nationalgrid

SO Commodity Charge April 08

Charge Type	April 07	Indicative £m Nov 07	Final £m Feb 08
SO MAR		317	342
St Fergus		12	17
Shorthaul		10	10
Other Charges		62	67
So Comm Charge		233	247
Charge	0.0136 p/kWh	0.0121 p/kWh	0.0129 p/kWh

- Costs set at levels in line with incentive schemes. No forecasts regarding performance against schemes as not yet agreed
- Forward gas costs have had a significant effect on forecasted costs
 - Shrinkage
 - Based on 95-100 mcm/d flows at St F + current forward gas prices
 - St Fergus Compression
- New Incremental exit investment incentive (circa £20m)
 - A proportion is collected through SO Commodity Charge

Future Forecasting

- Forward gas costs
- St Fergus flows correlated to Shrinkage volumes
- Auction revenue as per 2007/8
- These changes are exacerbated by;
 - already collecting revenue for first half of the year
 - less volumes to effect change on