



# October 2025 Transmission Services Capacity Reserve Prices & Indicative General Non-Transmission Reserve Prices

June.2025



# Logistics



Should last around 60 minutes including Q&A



Questions via Q&A in Teams



All attendees on mute and cameras off



Slides and recording will be circulated

**Any issues please email: [box.ntsgascharges@nationalgas.com](mailto:box.ntsgascharges@nationalgas.com)**

# Welcome and Opening

Thank you for joining us today. Who is on the call?



**Colin Williams**  
Charging & Revenue Manager



**Dave Bayliss**  
Revenue Lead



**Kieran McGoldrick**  
Senior Charging  
Officer

# Introduction

# Agenda

**Transmission Services charges and recent publication**

**Key charging drivers:**

- **Revenues**
- **Forecasted Contracted Capacity**

**Indicative General Non-Transmission Charges - Summary**

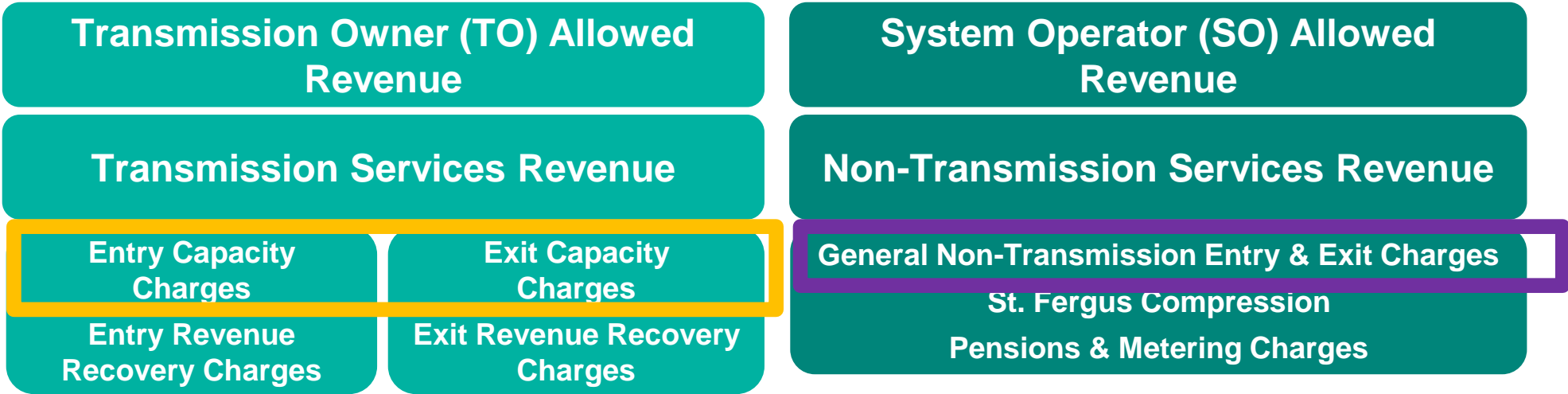
**Charging Development – Overview of change proposals**  
**Question & Answer session**

# Gas Charging – Which charges are we talking about?

There are two categories of charges for Transportation:

- Transmission Services Revenue, which broadly aligns to the Transmission Owner (TO) Revenue, will be recovered by **Transmission Services Charges**
- Non-Transmission Services Revenues, which broadly aligns to the System Operator (SO) Revenue, will be recovered by **Non-Transmission Services Charges**

This session focuses on the **Transmission Services Entry & Exit Capacity charges** and provides a summary on the indicative **General Non-Transmission charges**



# NTS Transportation Charges: October 2025

- Capacity Reserve Prices published on 30 May 2025

Transmission Services Prices (p/kWh/d)	Current	Final	Indicative			
	24/25	25/26	26/27	27/28	28/29	29/30
Entry Capacity Reserve Price	0.1308	0.1086	0.1157	0.1227	0.1101	0.1176
Entry Capacity Reserve Price for Storage (80% discount)	0.0262	0.0217	0.0231	0.0245	0.0220	0.0235
Transmission Services Entry RRC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Exit Capacity Reserve Price	0.0265	0.0299	0.0348	0.0359	0.0379	0.0392
Exit Capacity Reserve Price for Storage (80% discount)	0.0053	0.0060	0.0070	0.0072	0.0076	0.0078
Transmission Services Exit RRC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

# NTS Transportation Charges: October 2025

Indicative Transmission Services Prices (p/kWh)	Current	Indicative	Indicative			
	24/25	25/26	26/27	27/28	28/29	29/30
General Non-Transmission Services	0.0075	0.0207	0.0212	0.0226	0.0236	0.0244

Final General Non-Transmission Services Prices to be published by end July 2025



# NTS Transportation Charges: October 2025

Indicative Transmission Services Prices (p/kWh)	Current	Indicative	Indicative			
	24/25	25/26	26/27	27/28	28/29	29/30
General Non-Transmission Services	0.0075	0.0207	0.0212	0.0226	0.0236	0.0244

	Tx Entry	GnTx Entry	ENTRY	Tx Exit	GnTx Exit	EXIT	TOTAL
FY26	0.1086	0.0207*	0.1293	0.0299	0.0207*	0.0506	0.1799
FY25	0.1308	0.0075	0.1383	0.0265	0.0075	0.0340	0.1723
FY24	0.0784	0.0533	0.1317	0.0127	0.0533	0.0660	0.1977

\* Indicative Values

Final General Non-Transmission Services Prices to be published by end July 2025

# Transmission Services

# NTS Transportation Charges: Drivers

Charges are calculated using two key drivers:

- Forecasted Contracted Capacity
- Revenue – the target revenue for the required period(s)

## FCC

- The amount of capacity forecast to be purchased across the Gas Year
- The Forecasted Contracted Capacity follows the FCC Methodology
  - Exceptions to the methodology can be applied

## Revenues

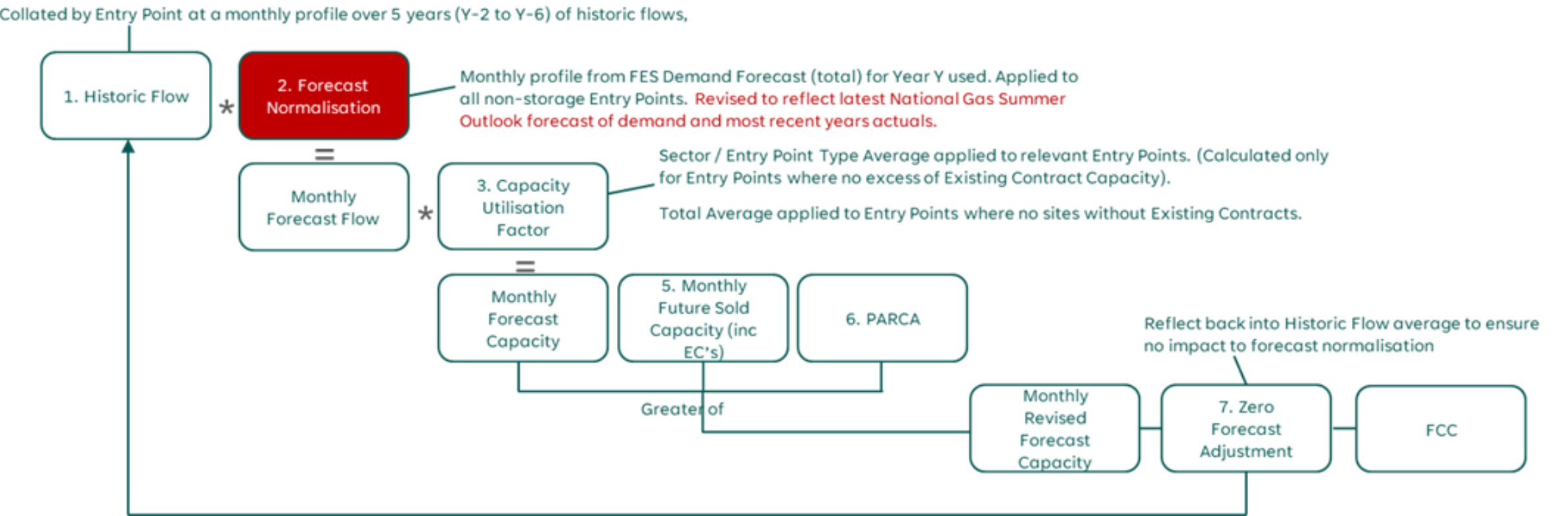
- The target revenue takes into account:
  - Allowed Revenue for regulatory years (i.e. April to March) Y and Y+1
  - Revenue, actual and forecast, up to 30 September 2025 (the first 6 months of the regulatory year, based on the previous Gas Years prices)
  - Revenue profiles across the Gas Years (i.e. October to September)
  - Application of UNC Code Modification 0796

# Transmission Services Forecasted Contracted Capacity (FCC)

# Forecasted Contracted Capacity

- The FCC forecasts the volume of capacity that will be purchased at Entry and Exit for the forthcoming gas year. This is used to drive the reference price for capacity to collect allowed revenues.
- Latest FCC methodology has been applied to the FCC for use in setting charges from Oct 25.
- However, this methodology is based on historic flow data (Y-2 to Y-6), and the most recent years FES forecasts (published July 2024), neither of which take account of the activity seen over recent months.
- National Gas can revise these data inputs used to derive the FCC:
  - Adjustments made to demand forecasts to revise in line with most recent actuals and Summer Demand forecast and to GDN booking Profiles to align with Enduring holdings.

# Forecasted Contracted Capacity

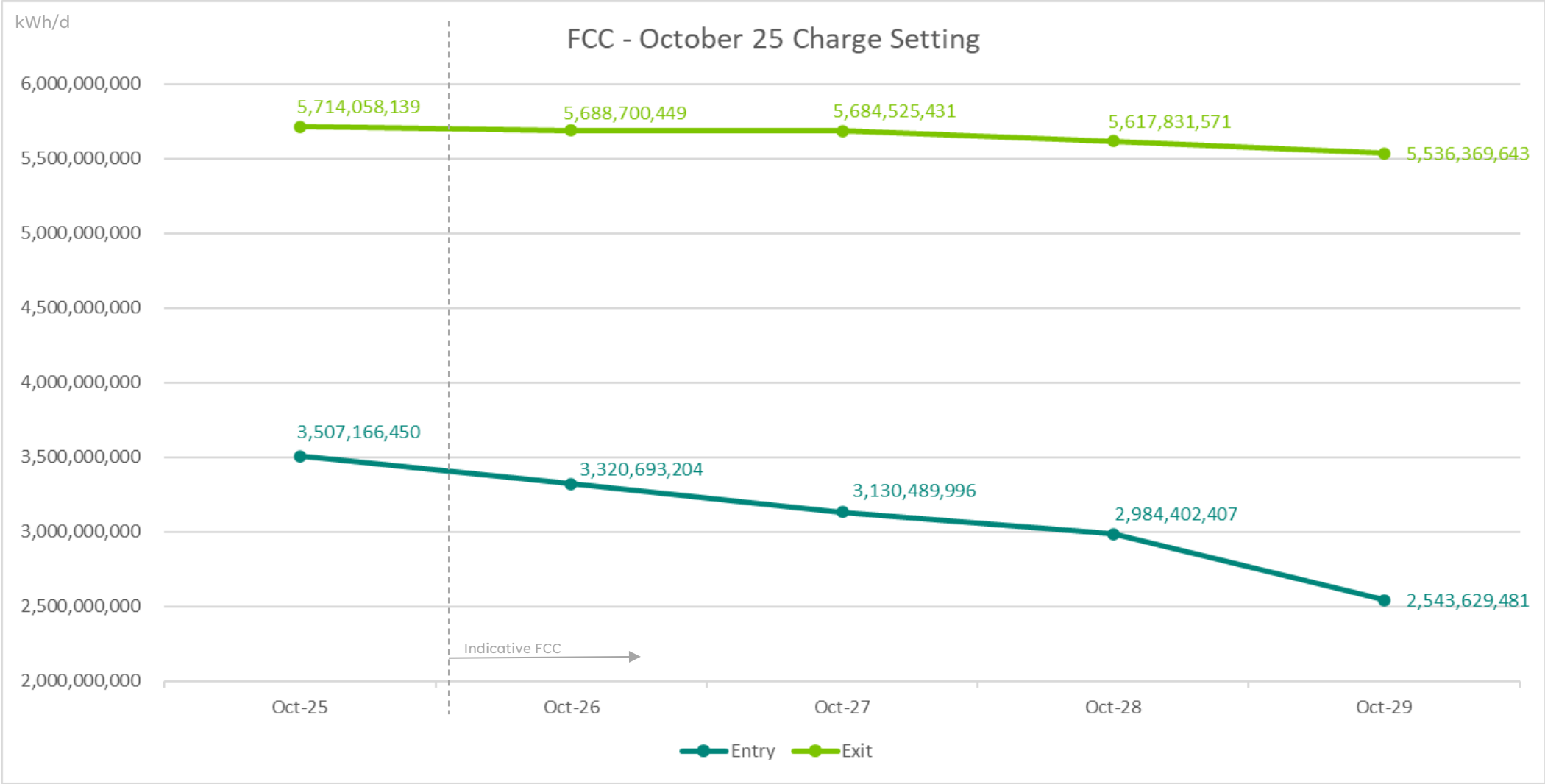


The same revision made to Demand Forecasts for Exit, plus GDN forecast based on Enduring holdings.

# Demand Forecast – Revisions to FCC

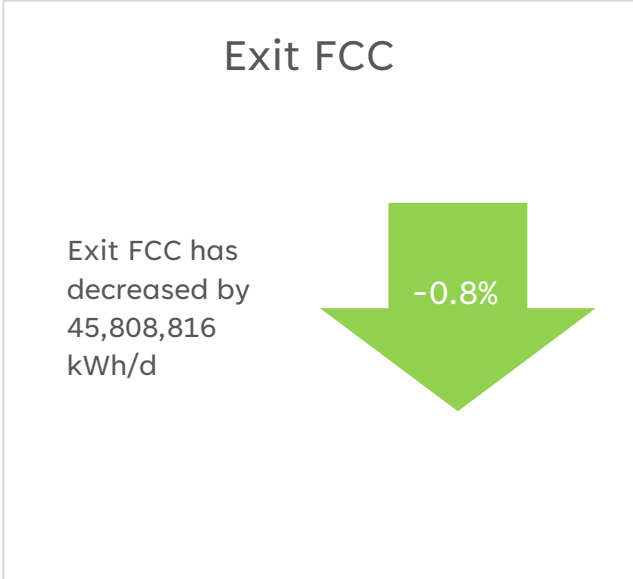
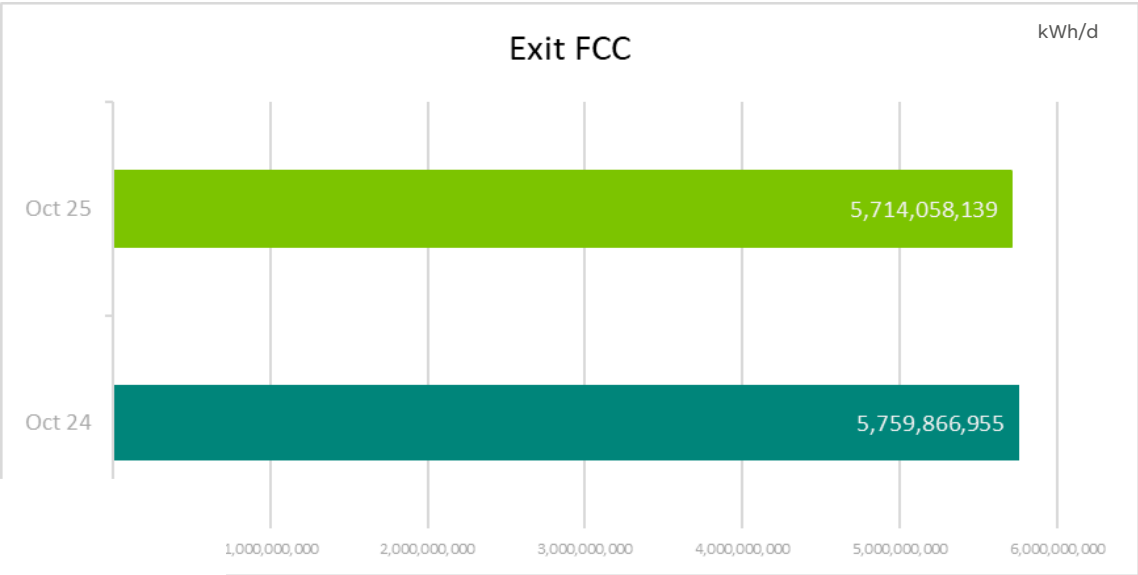
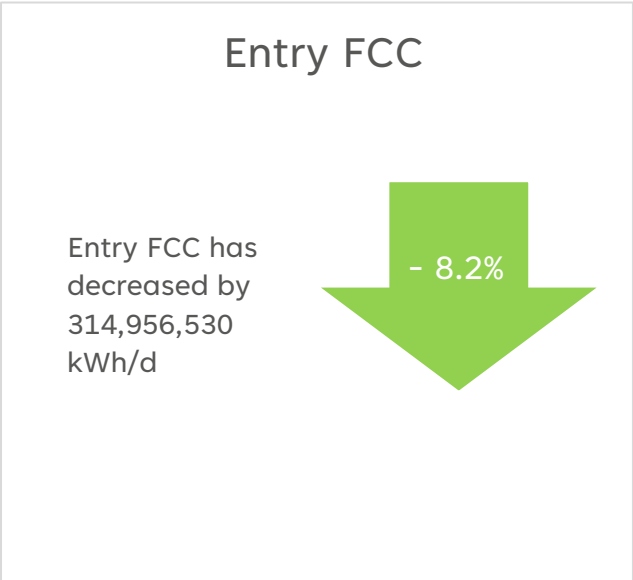
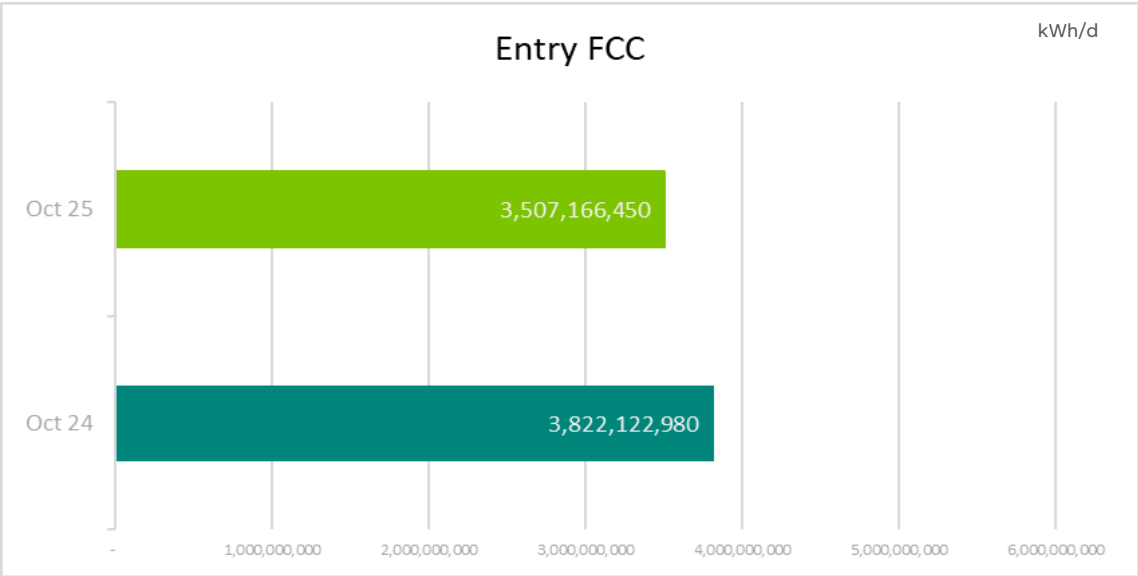
Gwh	Actual Apr 24-Mar 25	June 2024 Forecast for GY26	Charge Setting GY26
LDZ Demand	477.9	509.6	468.6
Power Generation	155.3	122.4	138.0
NTS Industrial	8.2	10.1	8.0
Exports to Ireland	64.2	73.8	57.2
Exports to Europe	68.8	12.6	72.3
NTS Shrinkage	2.8	2.8	2.8
<b>TOTAL Demand</b>	<b>777.2</b>	<b>731.3</b>	<b>746.9</b>

# October 2025 FCC

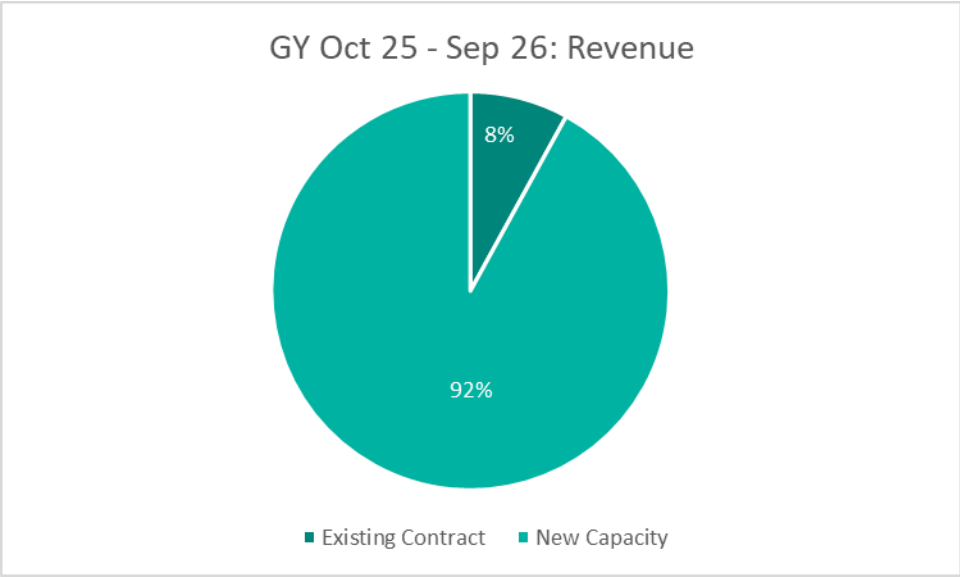
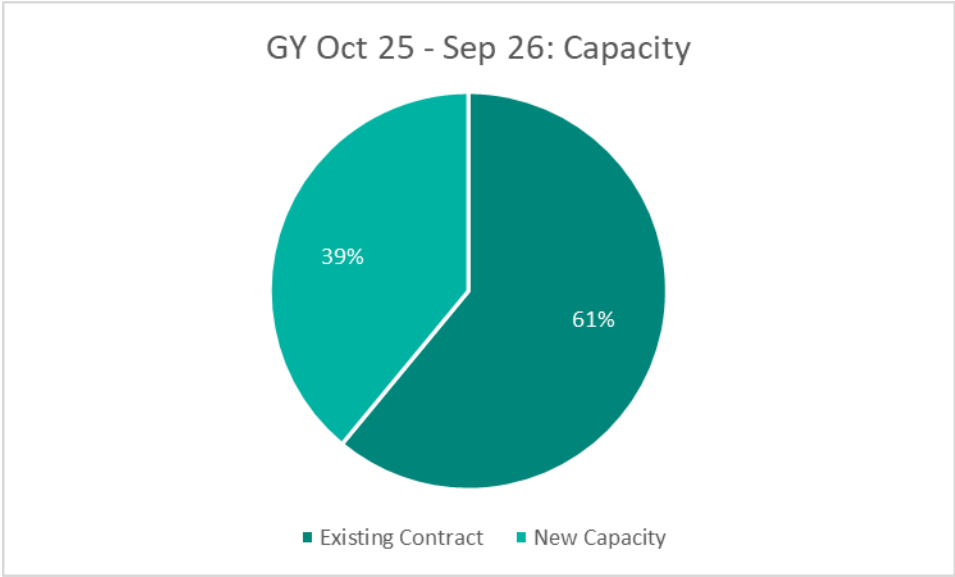
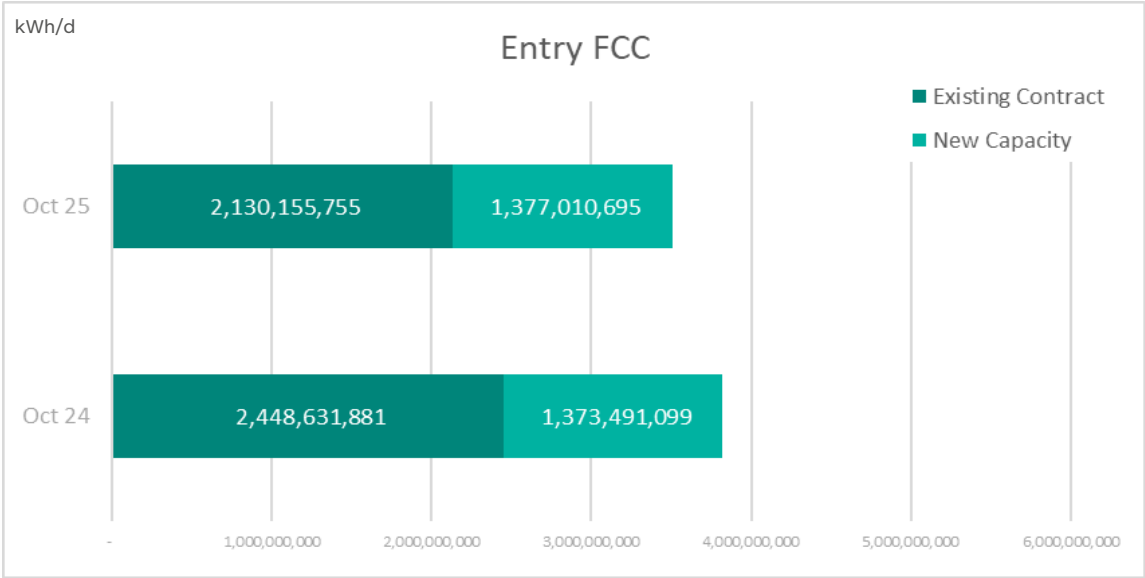




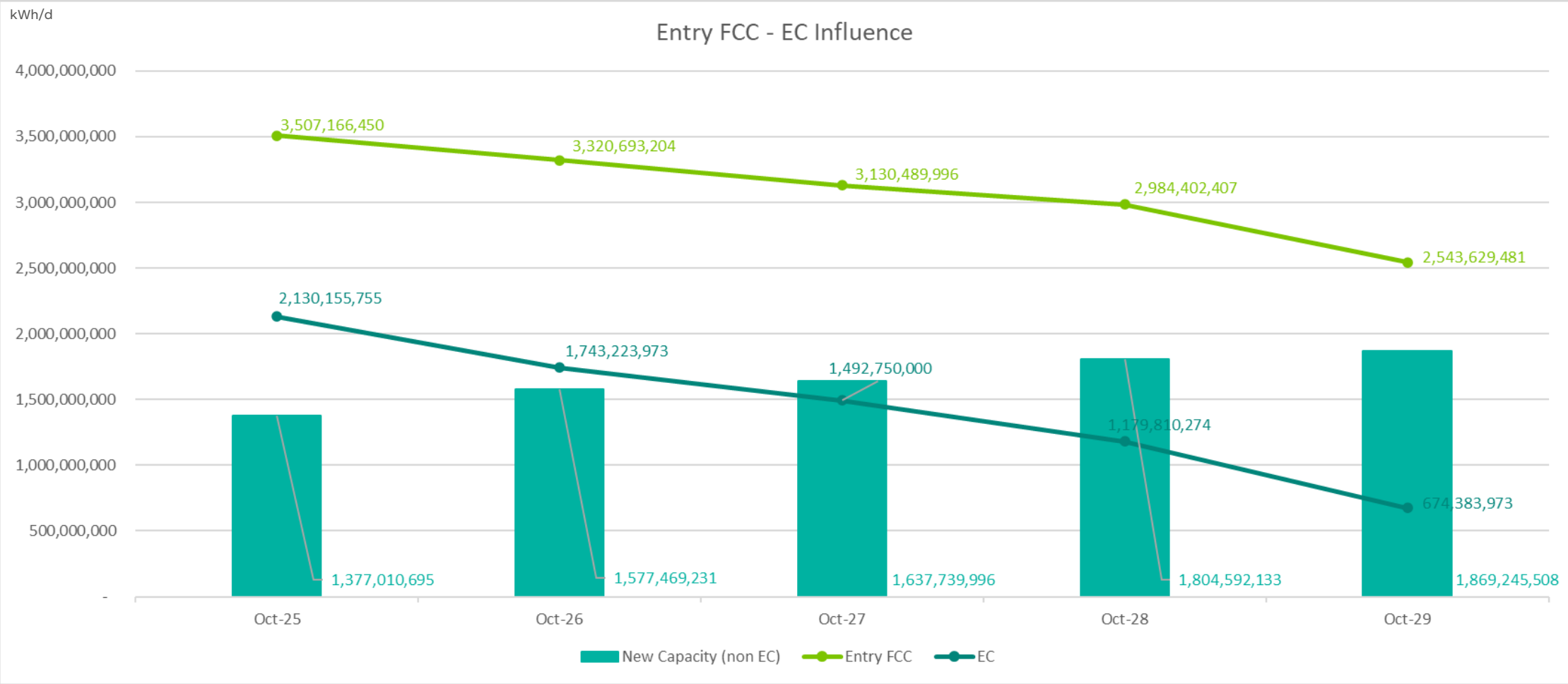
# Forecasted Contracted Capacity (FCC)



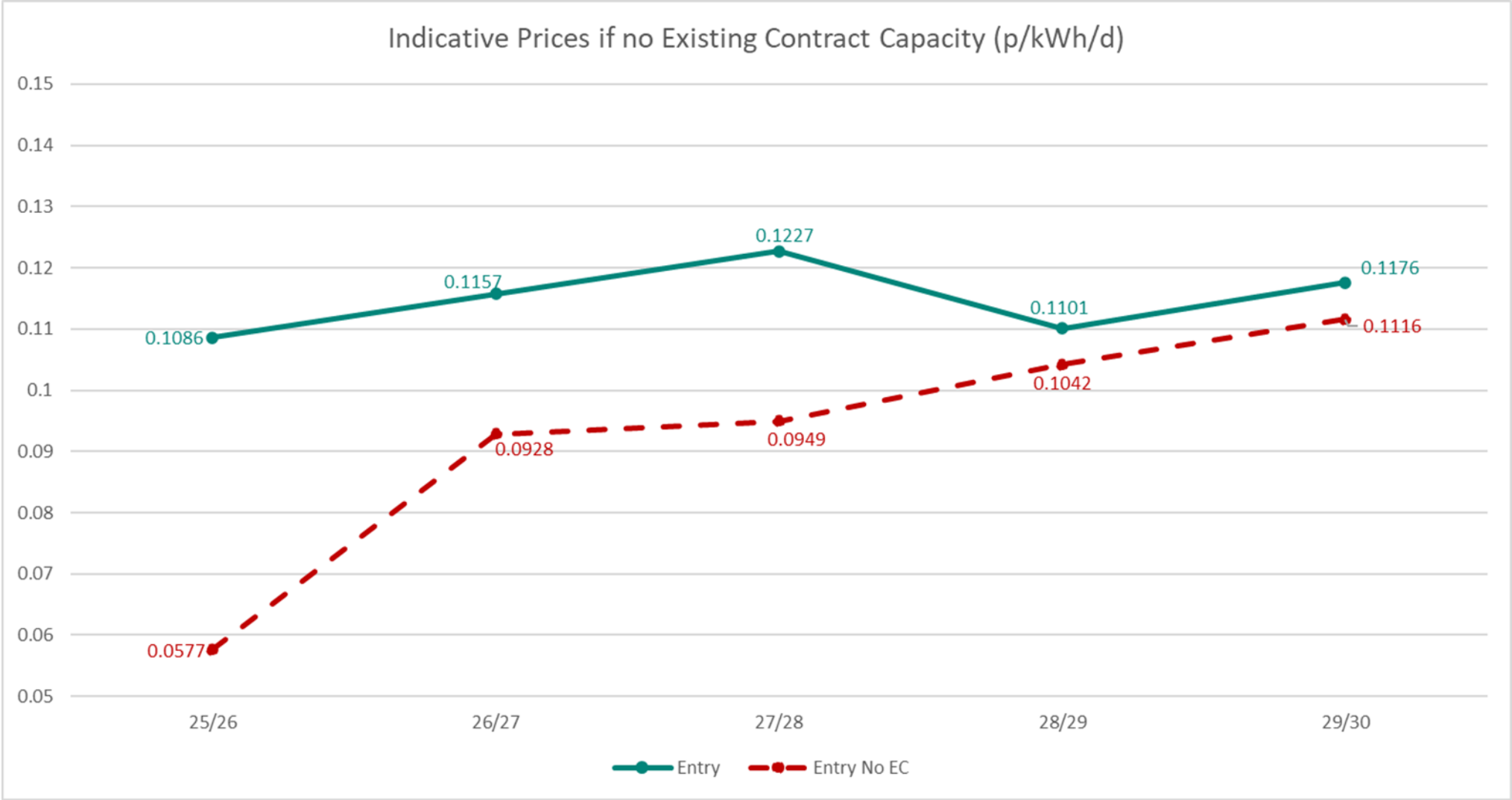
# FCC – Entry Adjusted for Existing Contracts



# Existing Contract Capacity Influence at Entry



# Impact of Existing Contracts on Entry Prices

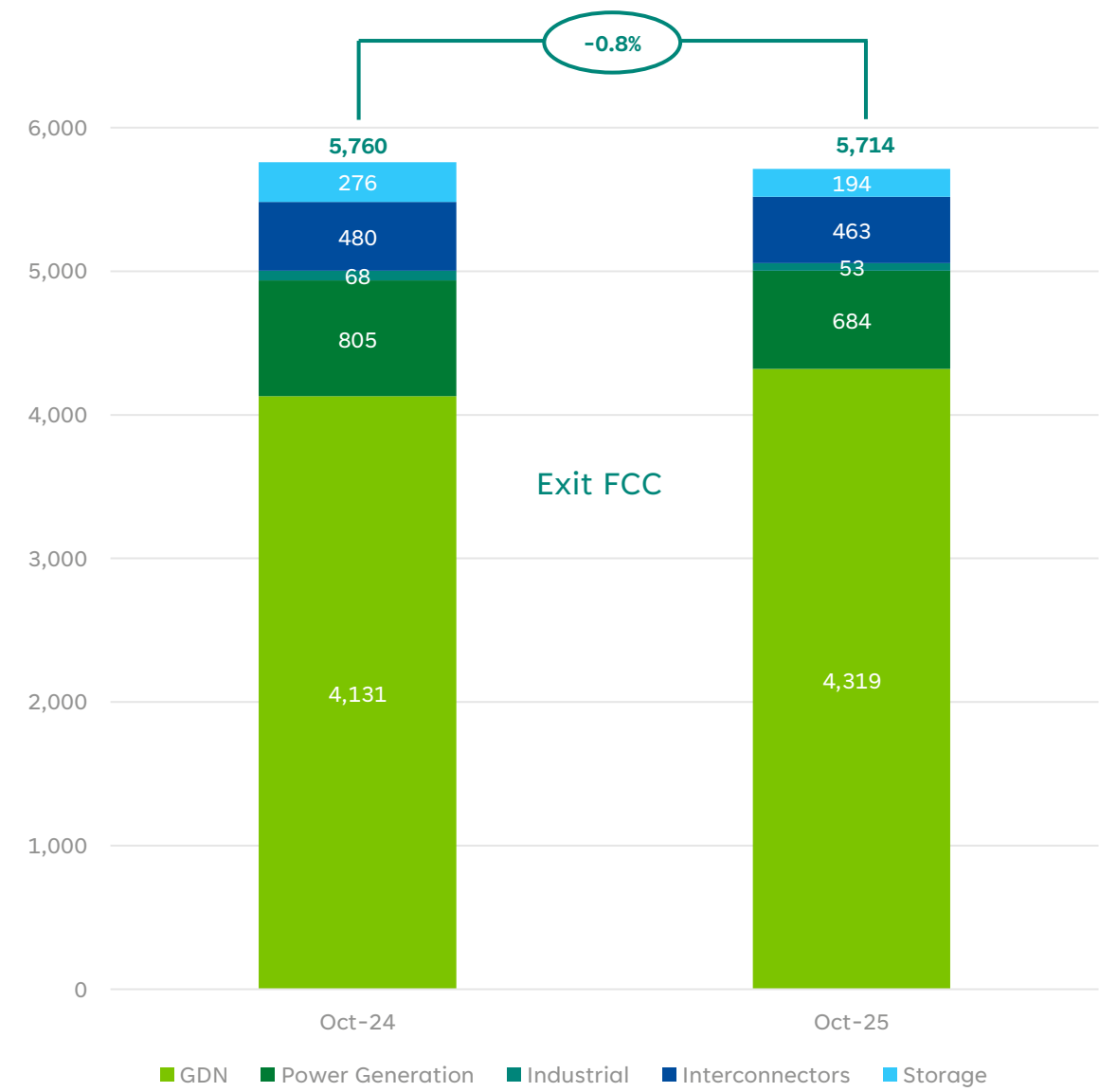
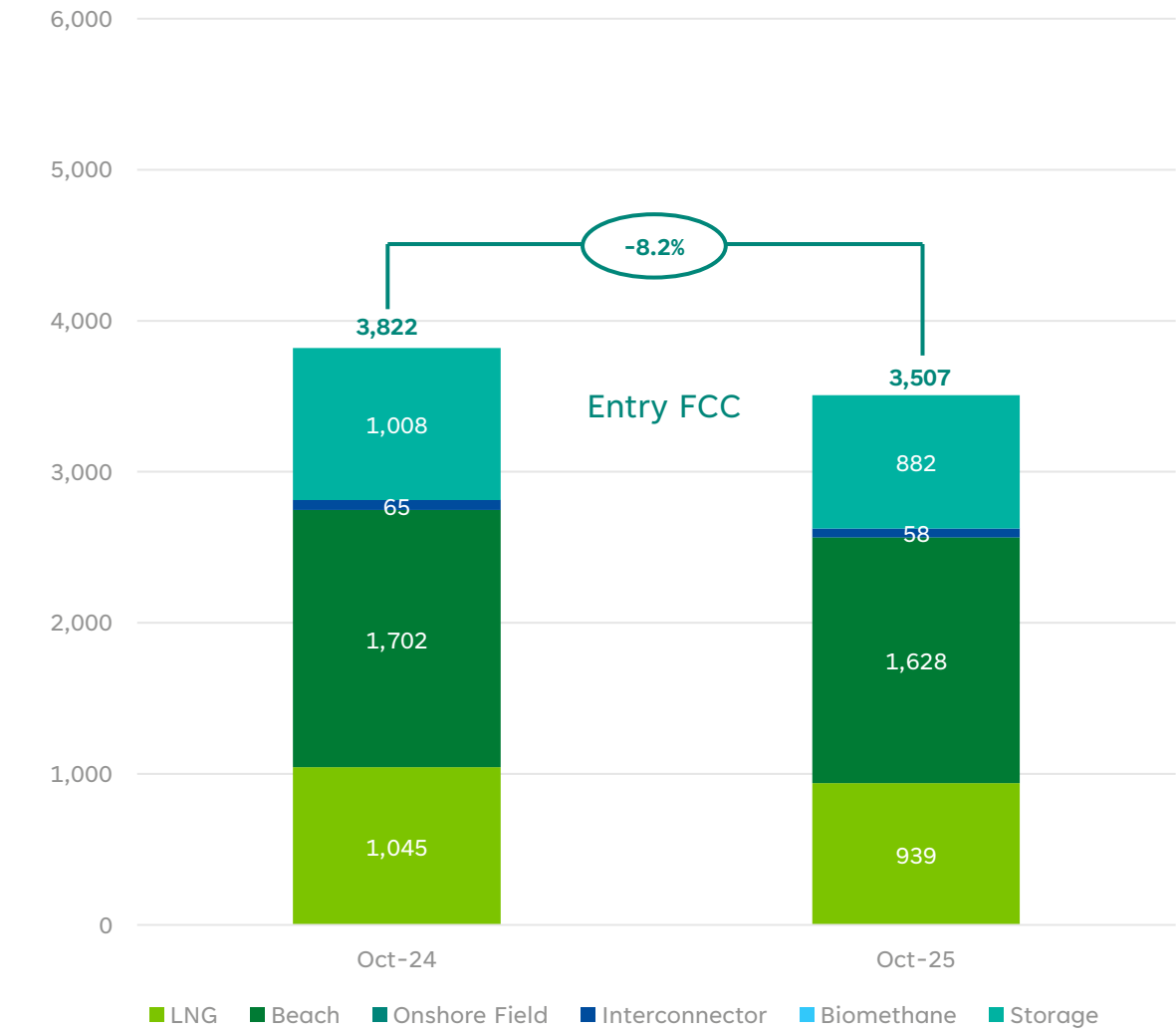


# Discounted Product Influence on Entry Capacity

## Reference Prices

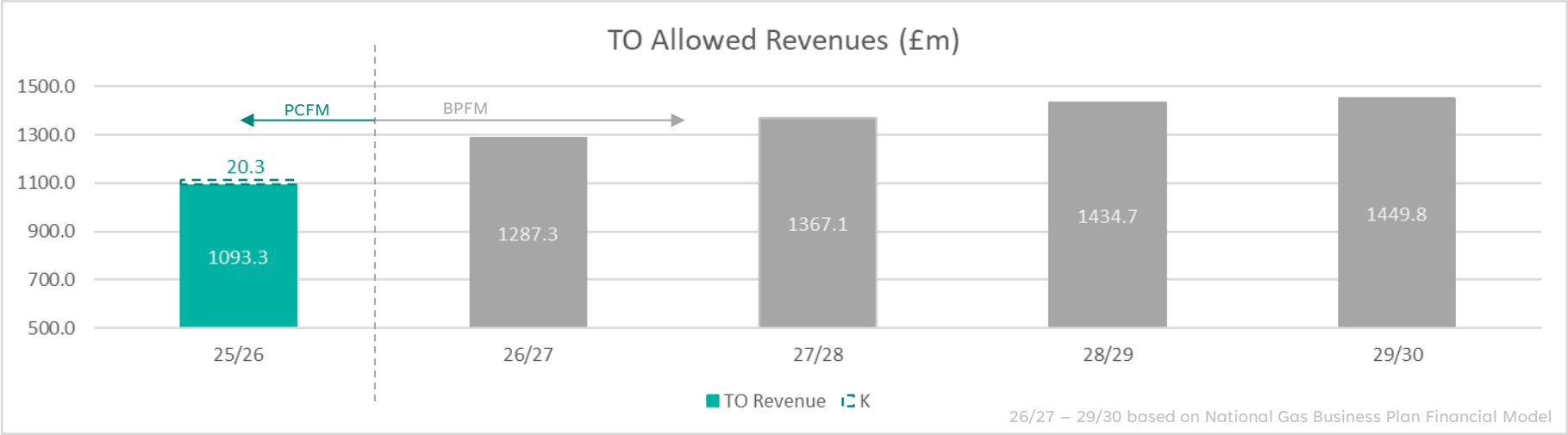
	% of Capacity	(WA) Price <sub>p/kWh/d</sub>	% Discount
Existing Contract	61%	0.0058	95%
Shorthaul	3%	0.0222	80%
Storage	2%	0.0217	80%
Storage Interruptible	-	0.0195	82%
Interruptible	1%	0.0977	10%
Reserve Price	33%	0.1086	-

# FCC Oct 25 vs Oct 24 Gwh



# Transmission Services Target Revenues

# Allowed Revenues:





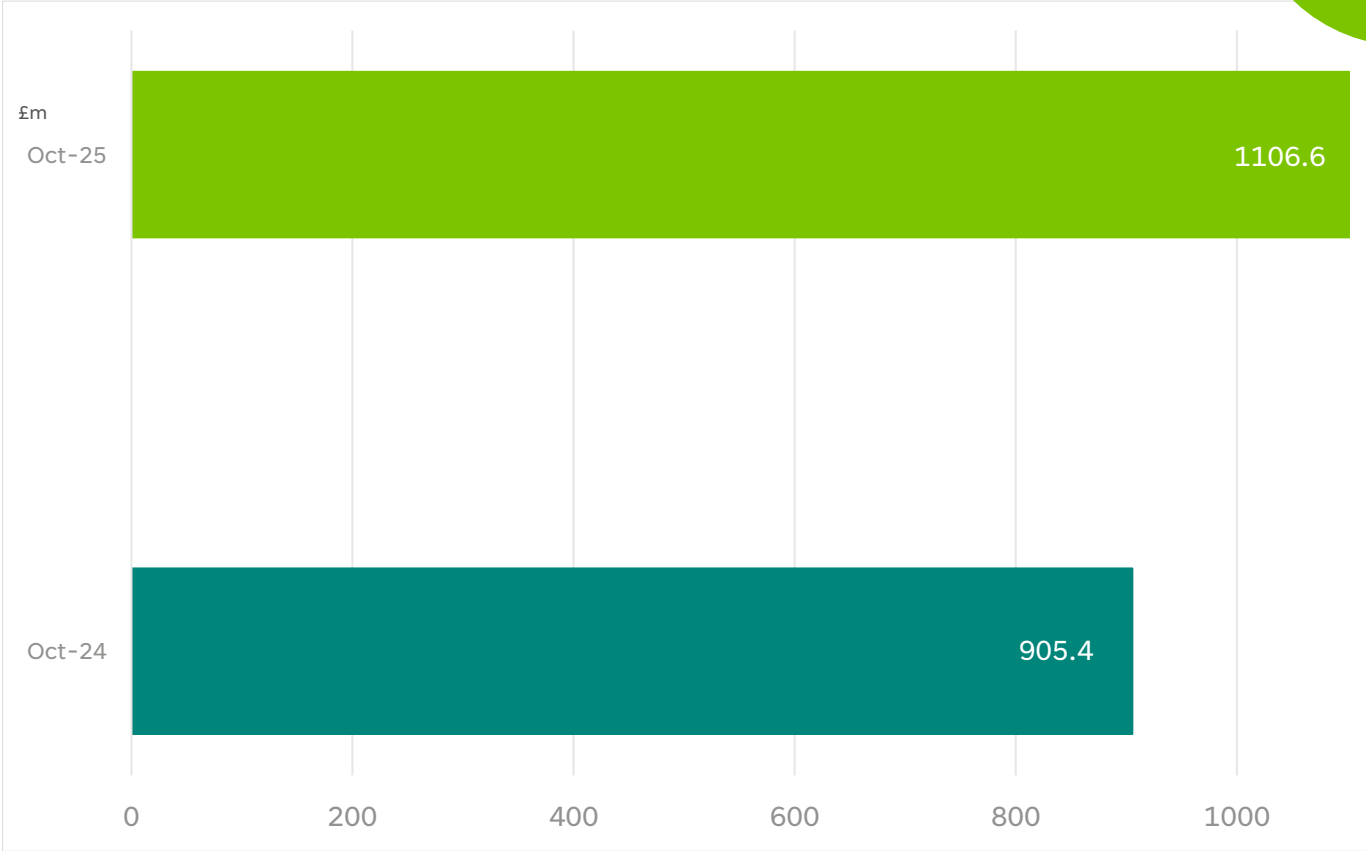
# AR: TS Allowed Revenues

£m	ENTRY	EXIT
TO Allowed Revenue (inc. 'K' & 'LK')	1,093.342	
Meter Maintenance	(1.943)	
Non-Ob Capacity (SO Revenue)	15.157	
Tx Target Revenue	1,106.557	
	To be split across Entry and Exit charges	

# AR: TS Allowed Revenues

FY26 TO  
Allowed  
Revenue  
£1,113.6m.  
'K' 20.3m.

TO AR 25/26 (inc. 'K')
£1,093.3m
Transmission Services / General Non-Transmission Services (DN Pension / Meter Maintenance / SO Capacity) Adjustments
£13.3m
Target Revenue
£1,106.6m



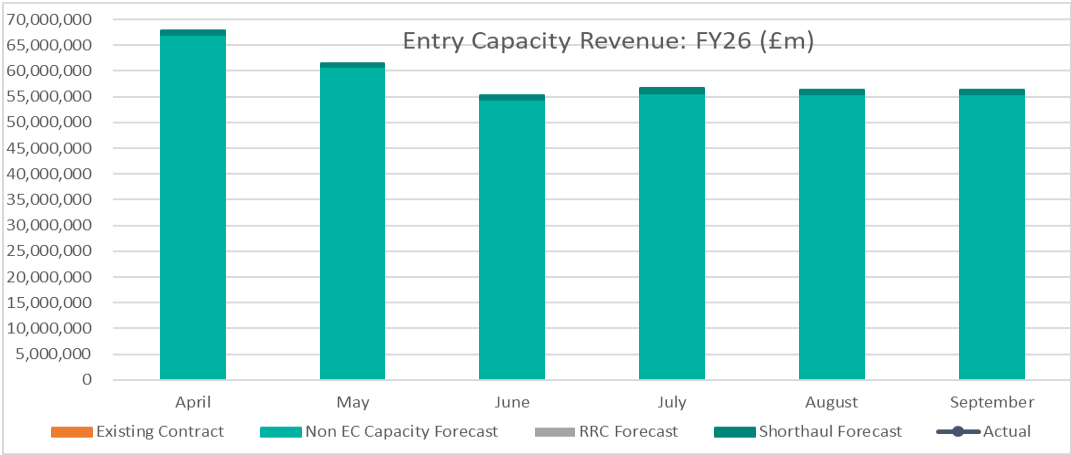
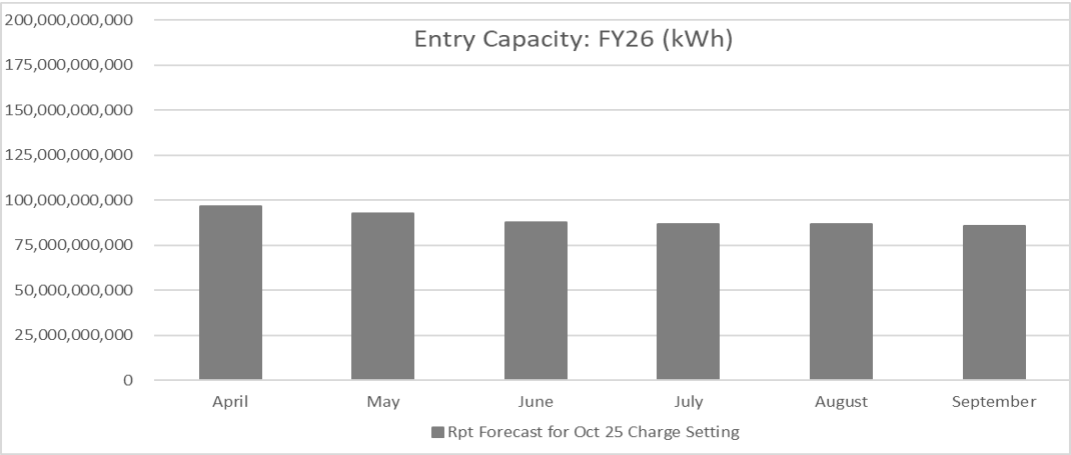
Target  
Revenue  
Increase  
£201.2m  
22%

FY25 TO  
Allowed  
Revenue  
£927.3m.  
'K' 33.5m.

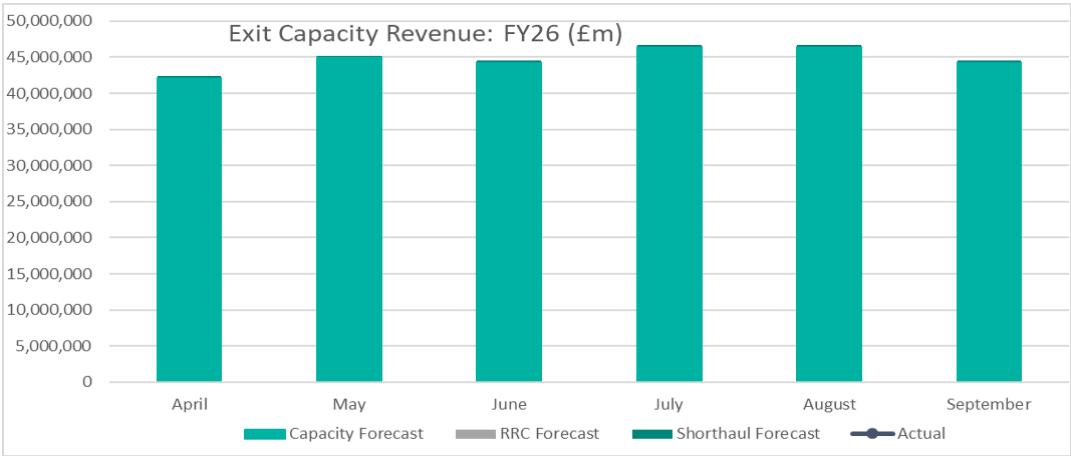
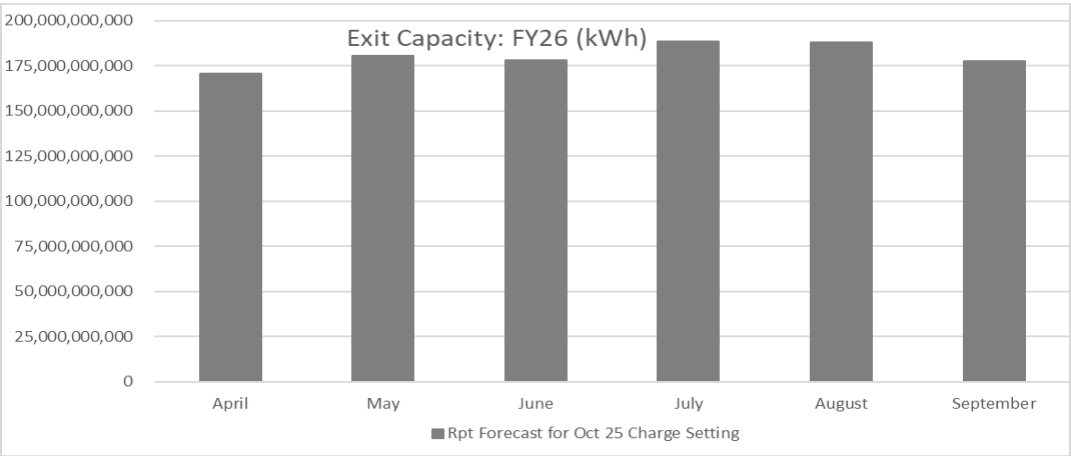
# AR: TS Allowed Revenues

£m	ENTRY		EXIT
TO Allowed Revenue (inc. 'K')	1,093.342		
Meter Maintenance	(1.943)		
Non-Ob Capacity (SO Revenue / Neutrality)	15.157		
Tx Target Revenue	1,106.557		
	To be split across Entry and Exit charges		
'K'	20.288		
TO Allowed Revenue (Minus 'K')	1,113.630		
TO Allowed Revenue (Minus Meter Maintenance)	1,111.687		
50/50 Entry Exit Split	555.844		555.844
Non-Ob Capacity (SO Revenue)	5.536		9.621
Entry 'K'	(3.717)		
Exit 'K'			24.005
Tx Services Target Revenue	565.097		541.460
Total	1,106.557		

# RPT: FY26 – April 25 – September 25

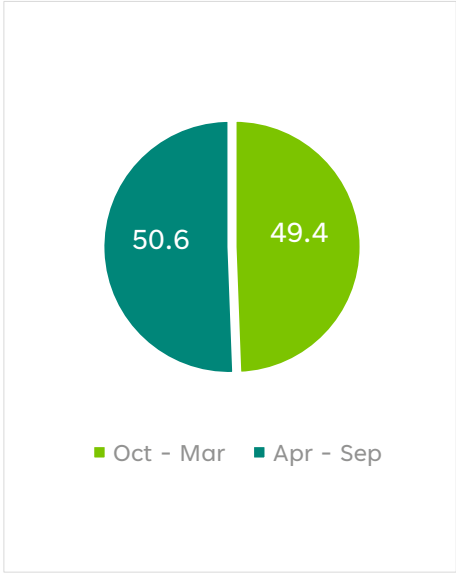
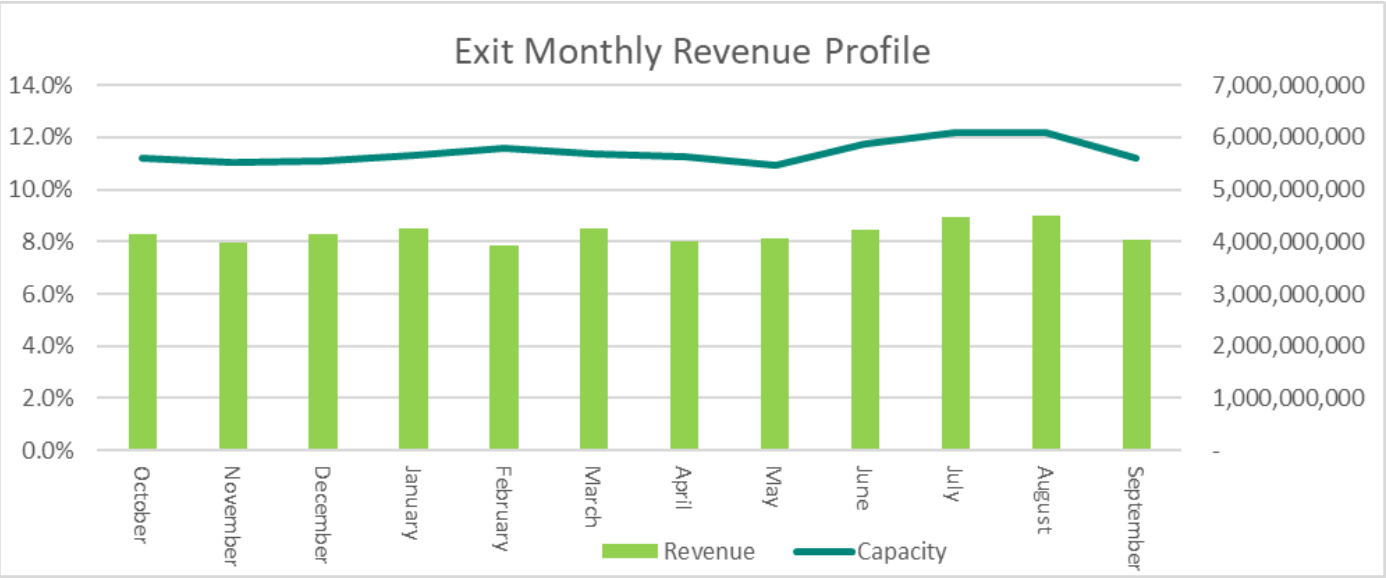
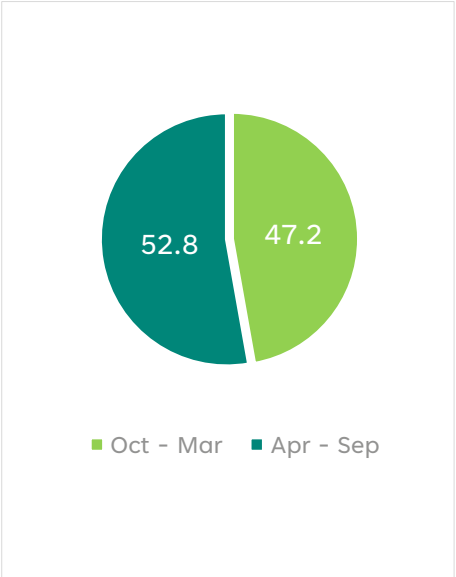
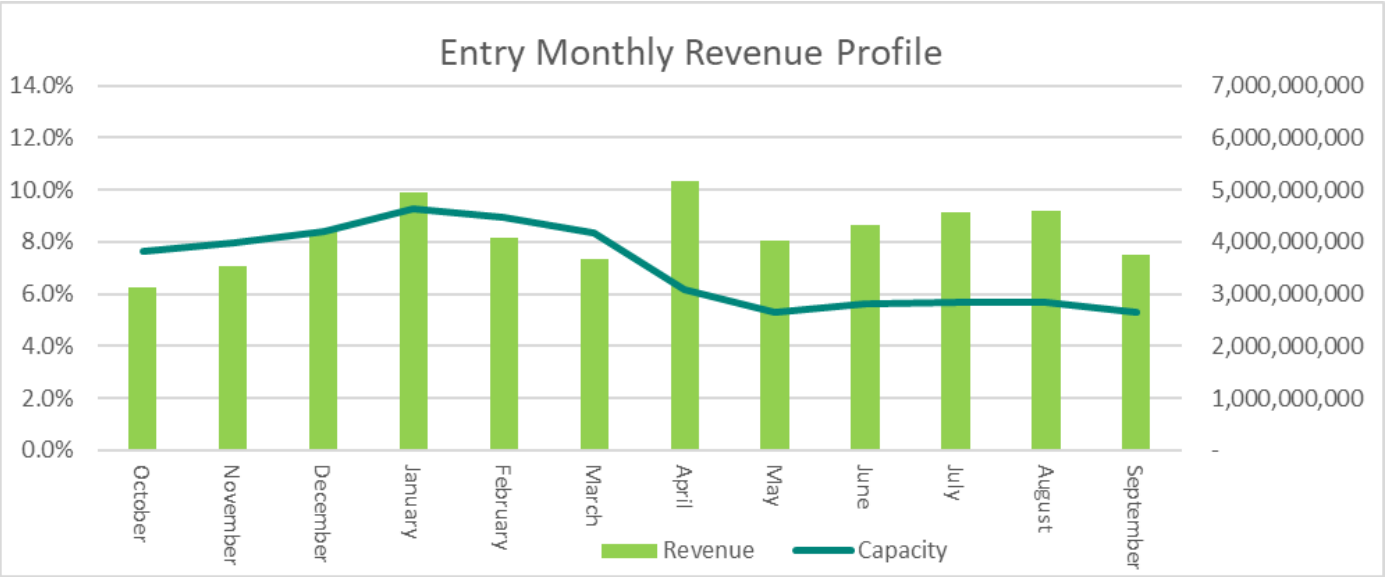


Entry	
RPT Forecast	£352.4m



Exit	
RPT Forecast	£271.6m

# Revenue Profile



# 0796 Example Workings – Entry

Target Revenues as per the FY PCFM and BPFM Allowed Revenues inc. K

	Y (FY)		Y+1 (FY)	
	Apr - Sep	Oct - Mar	Apr - Sep	Oct Mar
Target Revenue (FY)	565.097		648.181	
Forecast Revenue Collection (GY-1)				
Revenue to be collected (FY)				
Derived 'K'				
Target Revenue including 'K'				
Seasonal Revenue Profile (GY)				
6 Monthly Target Revenue (Apr – Sep Y+1)				
Gas Year Target Revenue				
Forecast Revenue Collection				
Forecast Revenue Collection (FY)				
Revenue Variance to Target ('K')				

# 0796 Example Workings – Entry

Target Revenues as per the FY PCFM and BPFM Allowed Revenues inc. K

Revenue Collection projection for the first six months of the FY (Apr – Sep) collected under the existing charges from FY-1

Difference between FY Target Revenue for Y and Forecast Revenue collected in the first 6 months of Y

	Y (FY)		Y+1 (FY)	
	Apr - Sep	Oct - Mar	Apr - Sep	Oct - Mar
Target Revenue (FY)	565.097		648.181	
Forecast Revenue Collection (GY-1)	352.421			
Revenue to be collected (FY)		212.676		
Derived 'K'				
Target Revenue including 'K'				
Seasonal Revenue Profile (GY)				
6 Monthly Target Revenue (Apr – Sep Y+1)				
Gas Year Target Revenue				
Forecast Revenue Collection				
Forecast Revenue Collection (FY)				
Revenue Variance to Target ('K')				

# 0796 Example Workings – Entry

Target Revenues as per the FY PCFM and BPFM Allowed Revenues inc. K

Revenue Collection projection for the first six months of the FY (Apr – Sep) collected under the existing charges from FY-1

Difference between FY Target Revenue for Y and Forecast Revenue collected in the first 6 months of Y

Split of Gas Year annual revenue collected across the 6 monthly periods, (Iterative process driven by FCC, price and levels of existing contracts (at Entry)).

Target Revenue for Y+1 plus forecast under/over recovery from Y.

Y+1 Target Revenue including K multiplied by Seasonal Revenue profile for Apr – Sep. Calculates the target revenue collection for the 2<sup>nd</sup> 6 months of the Gas Year.

Sum of 'Revenue to be collected (FY)' covering the 1<sup>st</sup> 6 months of the Gas Year and '6 monthly target revenue (Apr – Sep Y+1)' covering the 2<sup>nd</sup> 6 months of the Gas Year.

	Y (FY)		Y+1 (FY)	
	Apr - Sep	Oct - Mar	Apr - Sep	Oct Mar
Target Revenue (FY)	565.097		648.181	
Forecast Revenue Collection (GY-1)	352.421			
Revenue to be collected (FY)		212.676		
Derived 'K'			39.369	
Target Revenue including 'K'			608.812	
Seasonal Revenue Profile (GY)		0.472	0.528	
6 Monthly Target Revenue (Apr – Sep Y+1)			321.611	
Gas Year Target Revenue		534.287		
Forecast Revenue Collection				
Forecast Revenue Collection (FY)				
Revenue Variance to Target ('K')				



# 0796 Example Workings – Entry

Target Revenues as per the FY PCFM and BPFM Allowed Revenues inc. K

Revenue Collection projection for the first six months of the FY (Apr – Sep) collected under the existing charges from FY-1

Difference between FY Target Revenue for Y and Forecast Revenue collected in the first 6 months of Y

Split of Gas Year annual revenue collected across the 6 monthly periods, (Iterative process driven by FCC, price and levels of existing contracts (at Entry)).

Gas Year Target Revenue multiplied by Seasonal Revenue Profile (GY) to forecast actual revenue collected in each of these 6 months.

Sum of Forecast Revenue Collection for 1) Apr – Sep of FY Y and 2) Oct – Mar of FY Y.

Difference between Forecast Revenue Collection (FY) and Target Revenue (FY). This value becomes the derived 'K' added into the Target Revenue for collection in Y+1.

	Y (FY)		Y+1 (FY)	
	Apr - Sep	Oct - Mar	Apr - Sep	Oct Mar
Target Revenue (FY)	565.097		648.181	
Forecast Revenue Collection (GY-1)	352.421			
Revenue to be collected (FY)		212.676		
Derived 'K'			39.369	
Target Revenue including 'K'			608.812	
Seasonal Revenue Profile (GY)		0.472	0.528	
6 Monthly Target Revenue (Apr – Sep F+1)			321.611	
Gas Year Target Revenue		534.287		
Forecast Revenue Collection	352.421	252.045		
Forecast Revenue Collection (FY)	604.465			
Revenue Variance to Target ('K')	39.369			

Forecast under/over recovery position from Y. (Revenue Variance to Target ('K')). Iterative process based on target revenues and revenue collection.

Target Revenue for Y+1 plus forecast under/over recovery from Y.

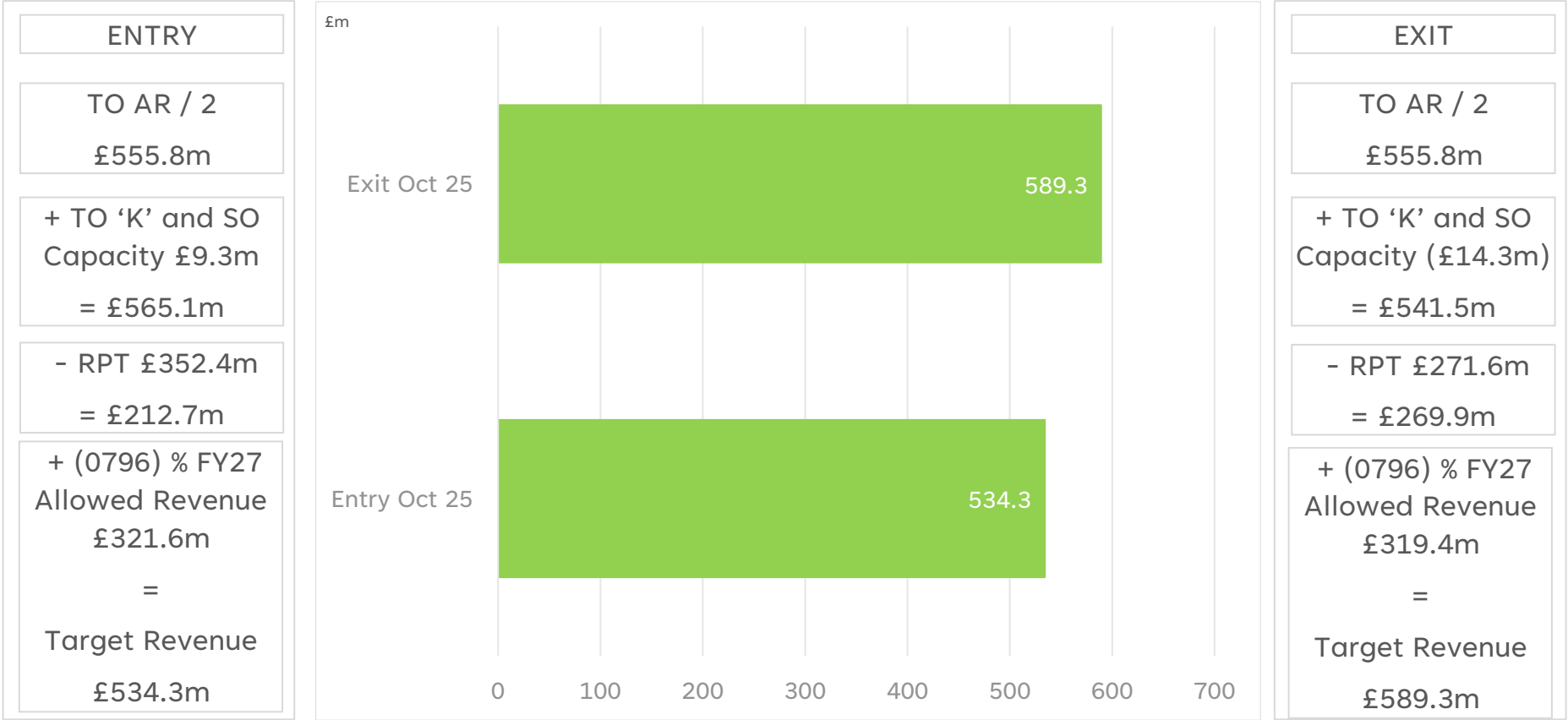
Y+1 Target Revenue including K multiplied by Seasonal Revenue profile for Apr – Sep. Calculates the target revenue collection for the 2<sup>nd</sup> 6 months of the Gas Year.

Sum of 'Revenue to be collected (FY)' covering the 1<sup>st</sup> 6 months of the Gas Year and '6 monthly target revenue (Apr – Sep F+1)' covering the 2<sup>nd</sup> 6 months of the Gas Year.

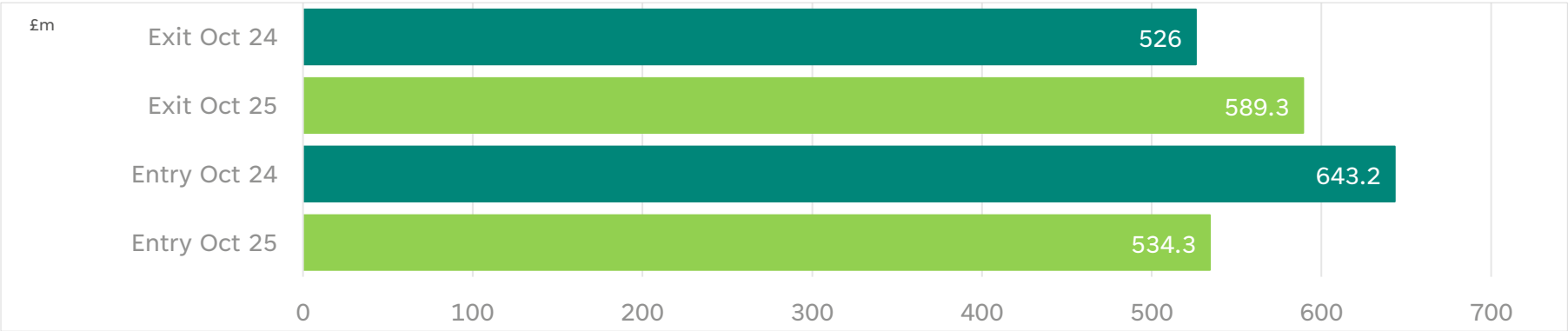
# 0796 Example Workings – Exit

	Y (FY)		Y+1 (FY)	
	Apr - Sep	Oct - Mar	Apr - Sep	Oct Mar
Target Revenue (FY)	541.460		652.267	
Forecast Revenue Collection (GY-1)	271.581			
Revenue to be collected (FY)		269.879		
Derived 'K'			21.150	
Target Revenue including 'K'			631.116	
Seasonal Revenue Profile (GY)		0.494	0.506	
6 Monthly Target Revenue (Apr – Sep F+1)			319.452	
Gas Year Target Revenue		589.331		
Forecast Revenue Collection	271.581	291.030		
Forecast Revenue Collection (FY)	562.611			
Revenue Variance to Target ('K')	21.150			

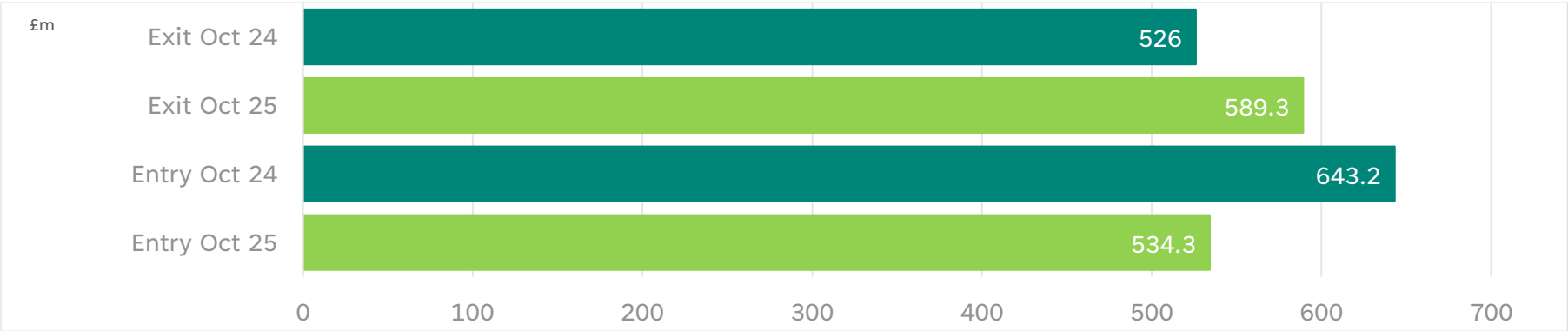
# GY Target Revenues



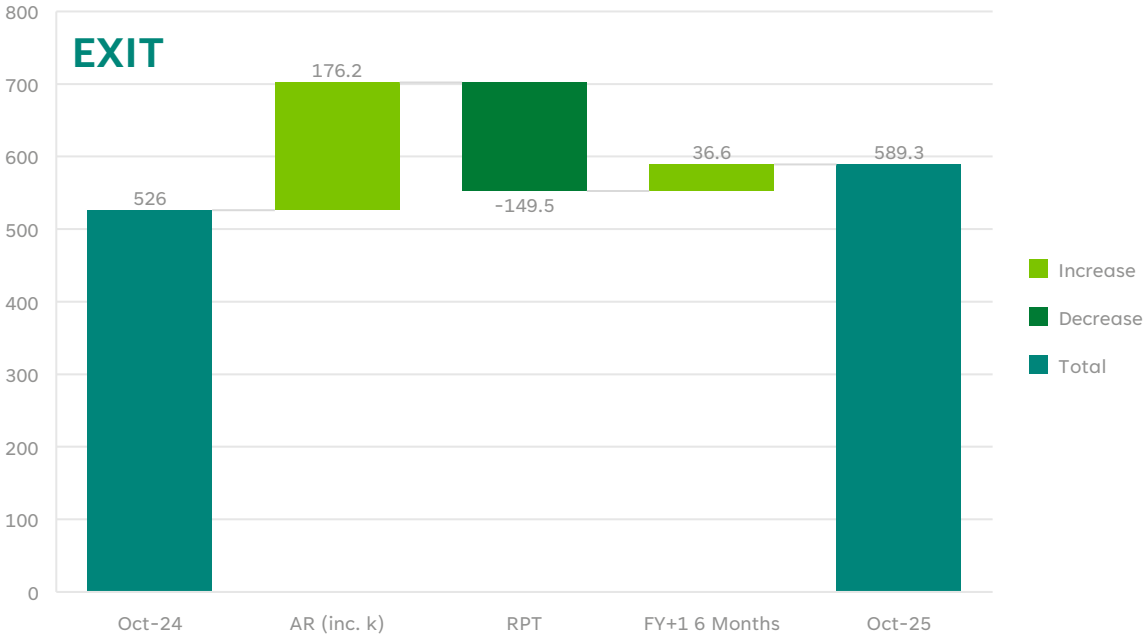
# GY Target Revenues



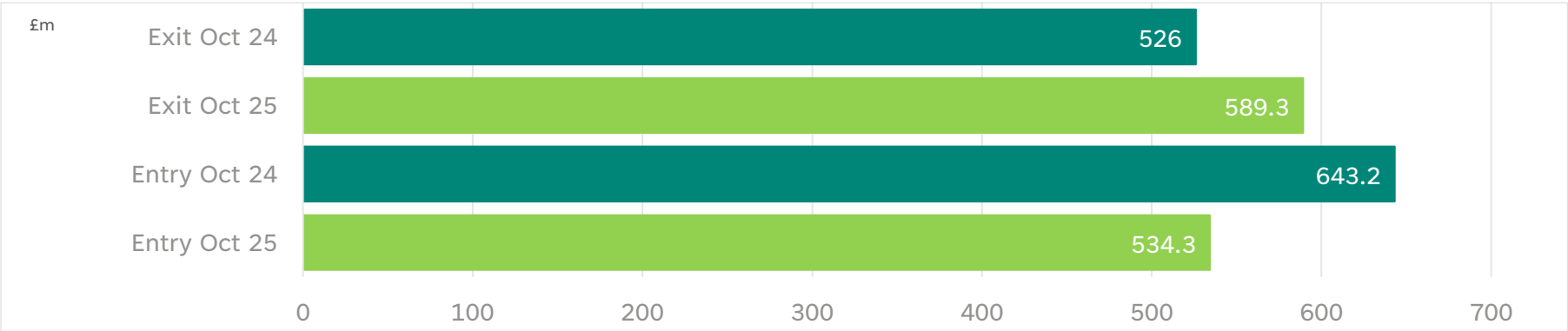
# GY Target Revenues



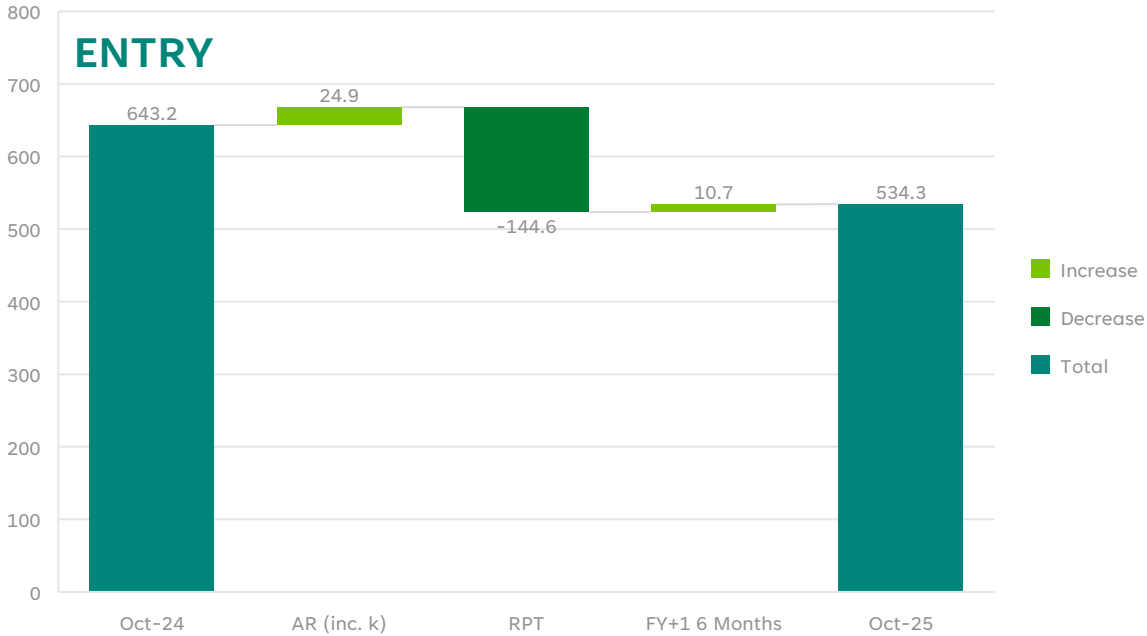
EXIT	Oct 24	Oct 25	Variance	
Exit Revenue (inc. K)	365.270	541.460	176.190	
RPT	122.112	271.581	(149.469)	
FY+1 6 Months	282.879	319.452	36.573	
GY Target	526.037	589.331	63.294	(12.0%)



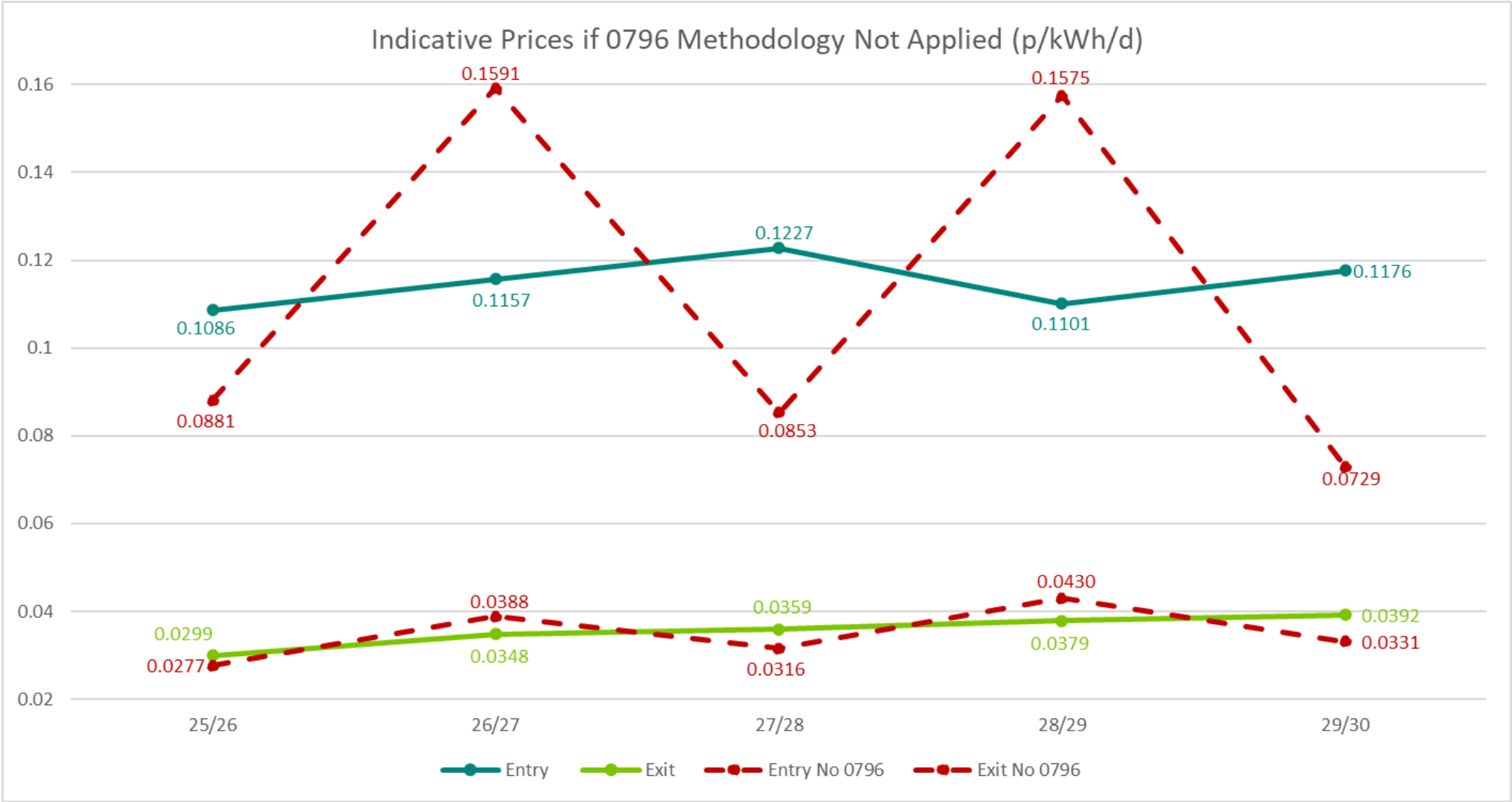
# GY Target Revenues



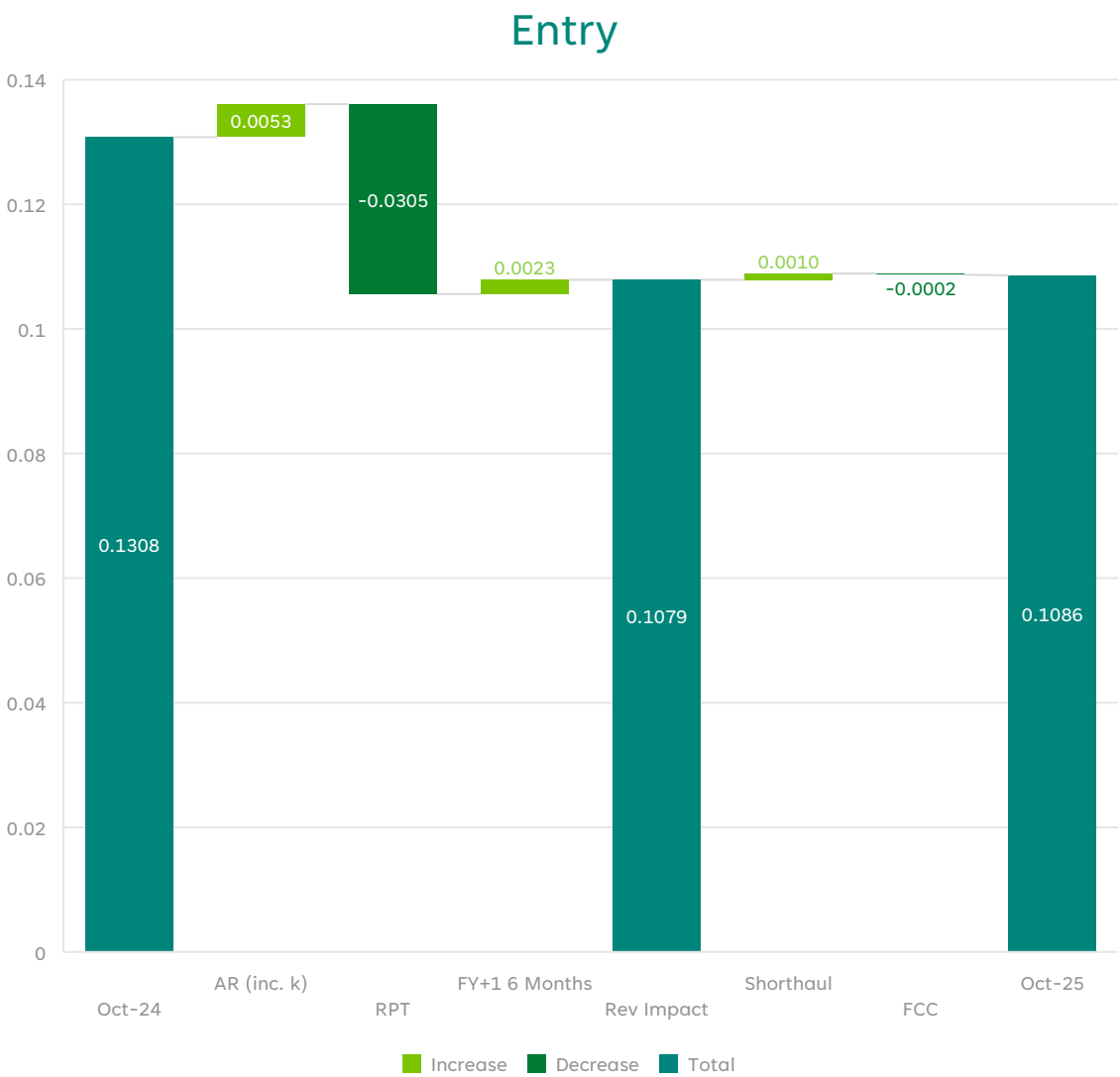
ENTRY	Oct 24	Oct 25	Variance	
Entry Revenue (inc. K)	540.155	565.097	24.942	
RPT	207.857	352.421	(144.564)	
FY+1 6 Months	310.895	321.611	10.716	
GY Target	643.193	534.287	(108.906)	(16.9%)
EC Revenue	50.339	45.066		
Via Tx Charge	592.854	489.221	(103.633)	(17.5%)



# Impact of 0796 on Reserve Prices



# Indicative Impact on Prices: Oct 24 – Oct 25

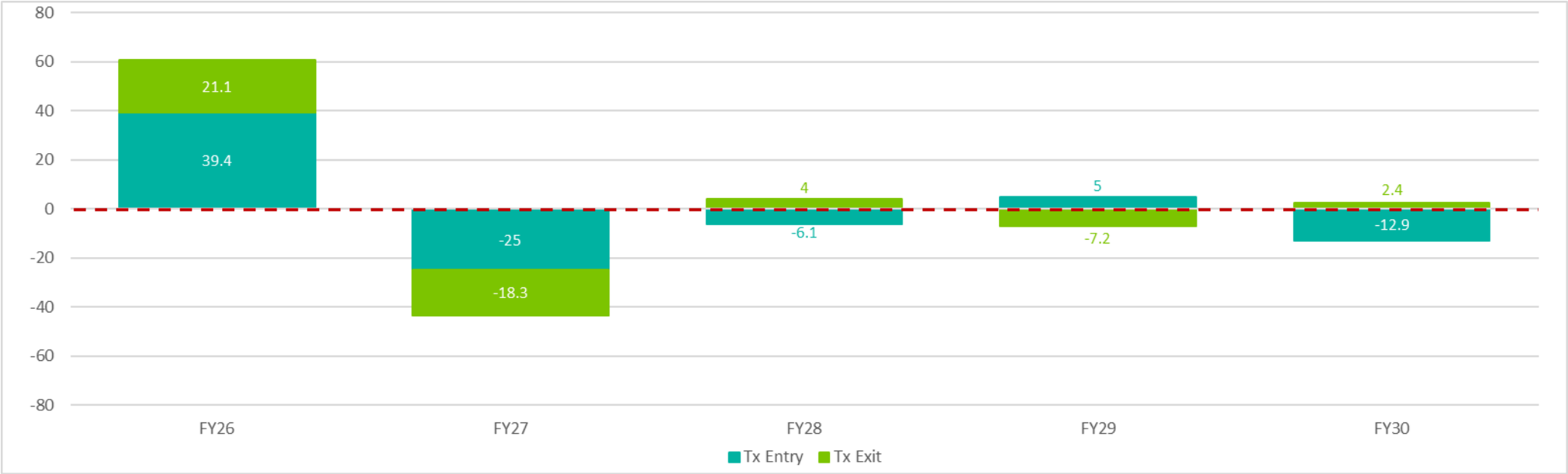




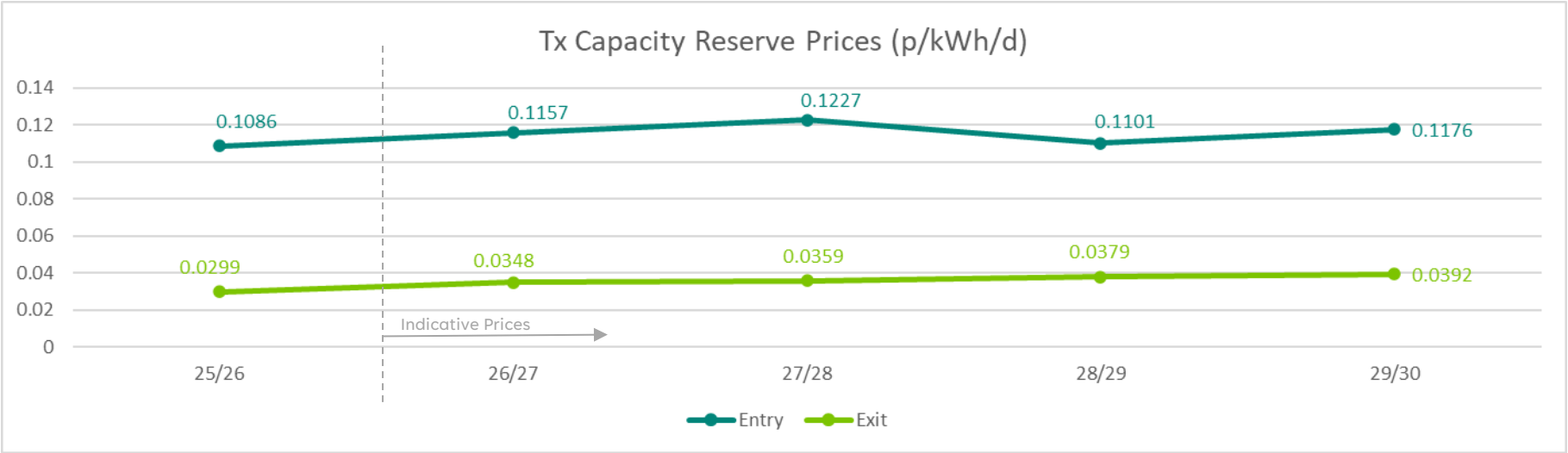
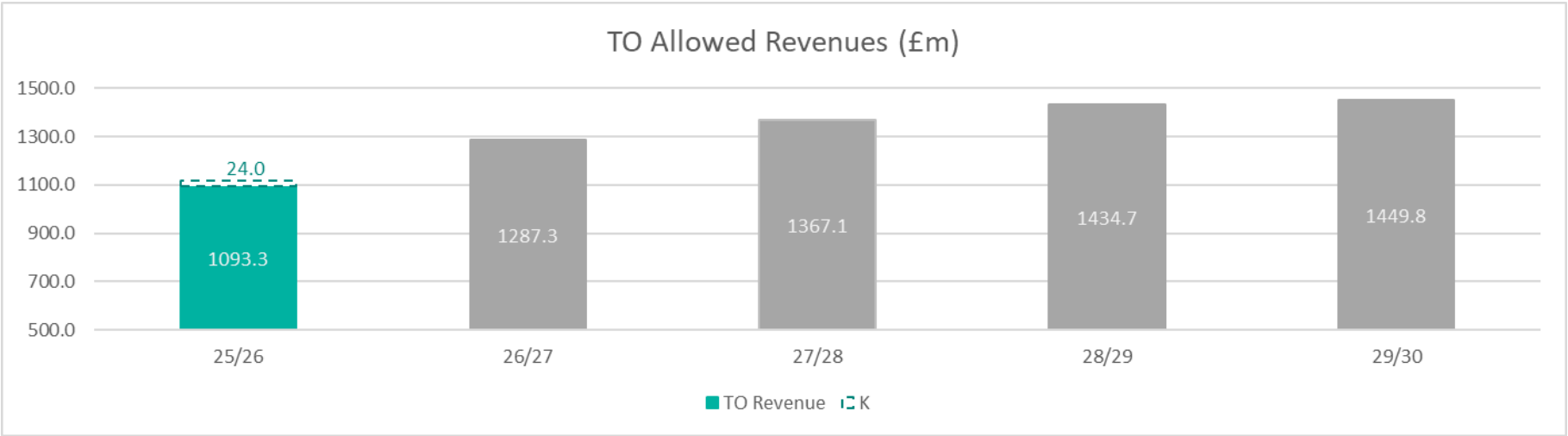
# Transmission Services Forecast Revenues

# FY26 Under/Over-Collection

FY26 Forecast Revenue Summary	ENTRY		EXIT	
Tx Target Revenue	1106.557			
	565.097		541.460	
Forecast Collection	604.465 39.369		562.611 21.150	
	1167.076 60.519			



# Revenues & Prices:



# Indicative General Non-Transmission Services

# GnTx Indicative Charges: October 2025

Indicative Transmission Services Prices (p/kWh)	Current	Indicative	Indicative			
	24/25	25/26	26/27	27/28	28/29	29/30
General Non-Transmission Services	0.0075	0.0207	0.0212	0.0226	0.0236	0.0244

<div>Allowed Revenues</div> <div>£260.6m (FY26)</div> <div>£339.0m (FY25)</div> <div>.....</div> <div>(£78.4m)</div>	<div>Non-Ob</div> <div>£15.2m (FY26)</div> <div>£10.4m (FY25)</div> <div>.....</div> <div>(£4.8m)</div>	<div>RPT / Price</div> <div>£51.6m Apr-Sep (FY26)</div> <div>£300.3m Apr-Sep (FY25)</div> <div>.....</div> <div>£248.7</div>	<div>Mod 0857 Y+1</div> <div>£124.6m (FY26)</div> <div>£98.1m (FY25)</div> <div>.....</div> <div>£26.5m</div>	<div>Net Revenue</div> <div>£320.4m (FY26)</div> <div>£128.4m (FY25)</div> <div>.....</div> <div>£192m</div>
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<div>Throughput (Gwh)</div> <div>1,489,930 (FY26)</div> <div>1,546,372 (FY25)</div>
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Final General Non-Transmission Services Prices to be published by end July 2025

# Summary

# Summary

- **Summary**

- Revenue Smoothing modifications UNC0796 for Transmission Services is delivering on its objective. For Non-Transmission UNC0857, implemented in time for October 24 charges, is doing the same.
- Revenue & volume drivers in the methodology – notably on Entry will continue to yield high prices

- **Further Developments & Charging Discussion**

- Main forum to discuss charging developments and proposals as the NTS Charging Methodology Forum <https://www.gasgovernance.co.uk/ntscmf>
- Webinars, such as this, can sometimes be used to help support developments to seek input

- **Current topics of discussion**

- The topic of the Entry / Exit split was extensively discussed across 2024, seeking views on what impacts there might be if it were changed using a range of values
  - The ‘split’ is the proportion of Allowed Revenue recovered through Entry and Exit Capacity charges
  - UNC0903 was proposed early 2025 – proposing a single price for Entry and Exit, effectively having a variable split as an output

# Charging Developments



# Charging Developments: UNC0903

UNC0903 (raised early in 2025) - The Introduction of a Single NTS Capacity Reference Price aims to offer improvements the GB charging methodology and framework by:

- **Reduce tariff volatility** in Transmission Services Entry and Exit Capacity Reserve Prices by changing the methodology to remove the effective ring-fencing of Entry and Exit.
- **Reducing sensitivity** in Transmission Services Entry and Exit Capacity Reserve Prices. Changes to the charging methodology can reduce the impacts of sensitivity in the calculations of key drivers.
- **Reducing Entry reserve prices**, compared to what they would be under the status quo. This offers lower costs than it would otherwise be under the As-is method, could help support cost effective security of supply (with respect to network costs) for GB.
- Whilst not an explicit driver of the proposal, analysing and understanding the **Consequential impacts** is important to discuss as part of the workgroups.
  - This has focused on understanding NTS pricing updates, GDN pricing impacts to pay and pass on NTS charges, Ofgem's price cap calculator and the timing impacts of all these together.
  - More on these impacts can be found under the UNC0903 pages. Overall, there is marginal impacts, and these would vary year to year.

# Proposal Solution

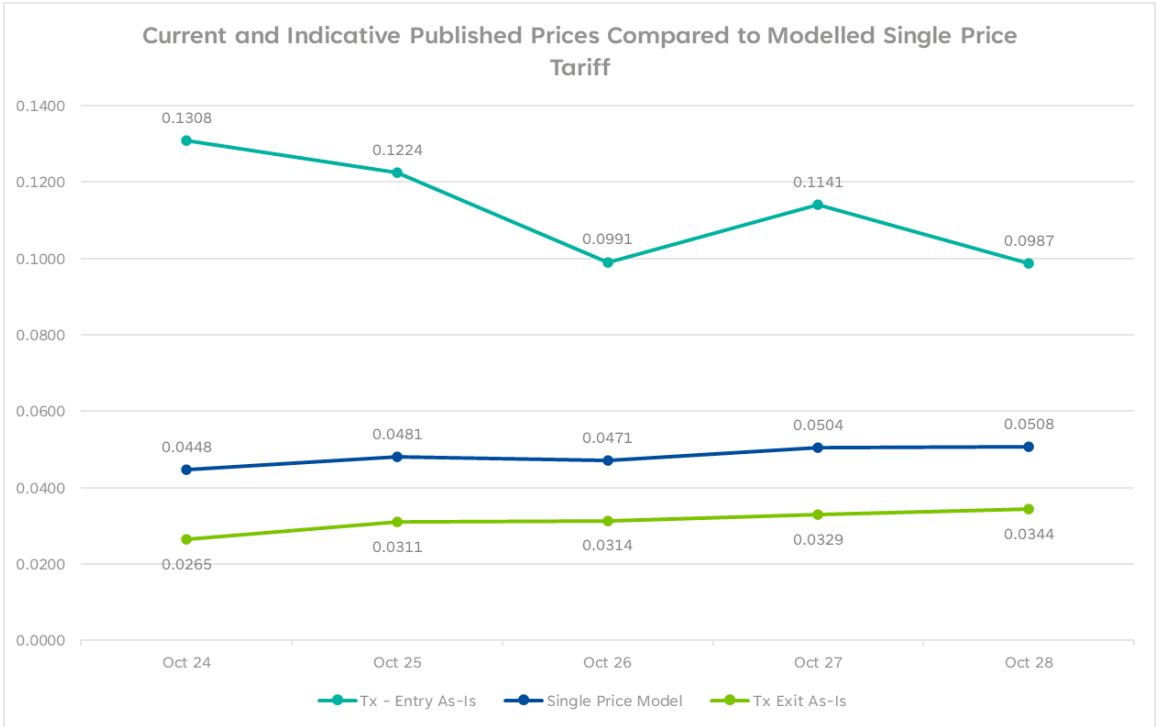
Introduction of a single Capacity tariff across all Entry Points and all Exit Points (with the exception of those points where existing discounts apply)

Entry tariffs are circa 5 times higher than Exit for GY 24/25 and will continue to remain higher if the current arrangements continue.

Existing Contracts largely end in 27/28 & 28/29. However, there is no sign this would significantly reduce charges.

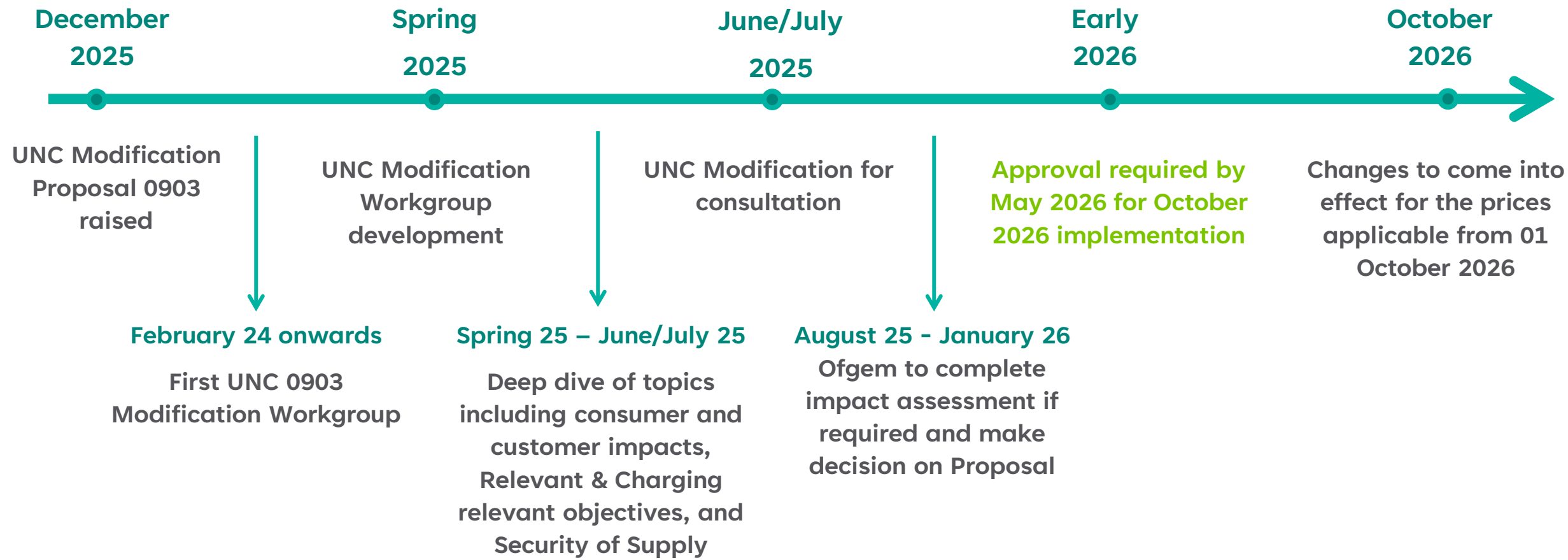
Entry prices are increasing and likely to remain high due to revenue and demand drivers.

Exit prices, whilst they can fluctuate, remain inherently more stable over time largely due to the nature of GDN capacity bookings



*This chart is based on the October 2024 published Entry and Exit Capacity charges. An updated chart will be available as part of the 0903 workgroup on 30<sup>th</sup> June, with materials available here: <https://www.gasgovernance.co.uk/0903/300625>*

# Indicative Timeline



# UNC 0903: Resources

- All information related to UNC0903 can be found on the Joint Office of Gas Transporters website
- This includes all workgroup materials, analysis, legal text and modification drafting <https://www.gasgovernance.co.uk/0903>
  - For information two remaining workgroups are expected:
  - 30<sup>th</sup> June (<https://www.gasgovernance.co.uk/0903/300625>) – focus on providing some updated analysis using recently published prices
  - 1<sup>st</sup> July (<https://www.gasgovernance.co.uk/0903/010725>) - focus on workgroup report for submission to July Panel)
  - UNC consultation will follow (<https://www.gasgovernance.co.uk/0903> will also include the consultation response template once live)
- For awareness: All discussions methodology views, analysis and discussion, leading to the proposal can also be found under the NTS Charging Methodology Forum (NTSCMF) webpages (for meetings between Jan 24 and Dec 24): <https://www.gasgovernance.co.uk/ntscmf>

# Q&A

# Thank you for joining

Any questions please contact us:

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