

TNUoS Charge Setting Update

Wayne Mullins - 6th January 2010



nationalgrid

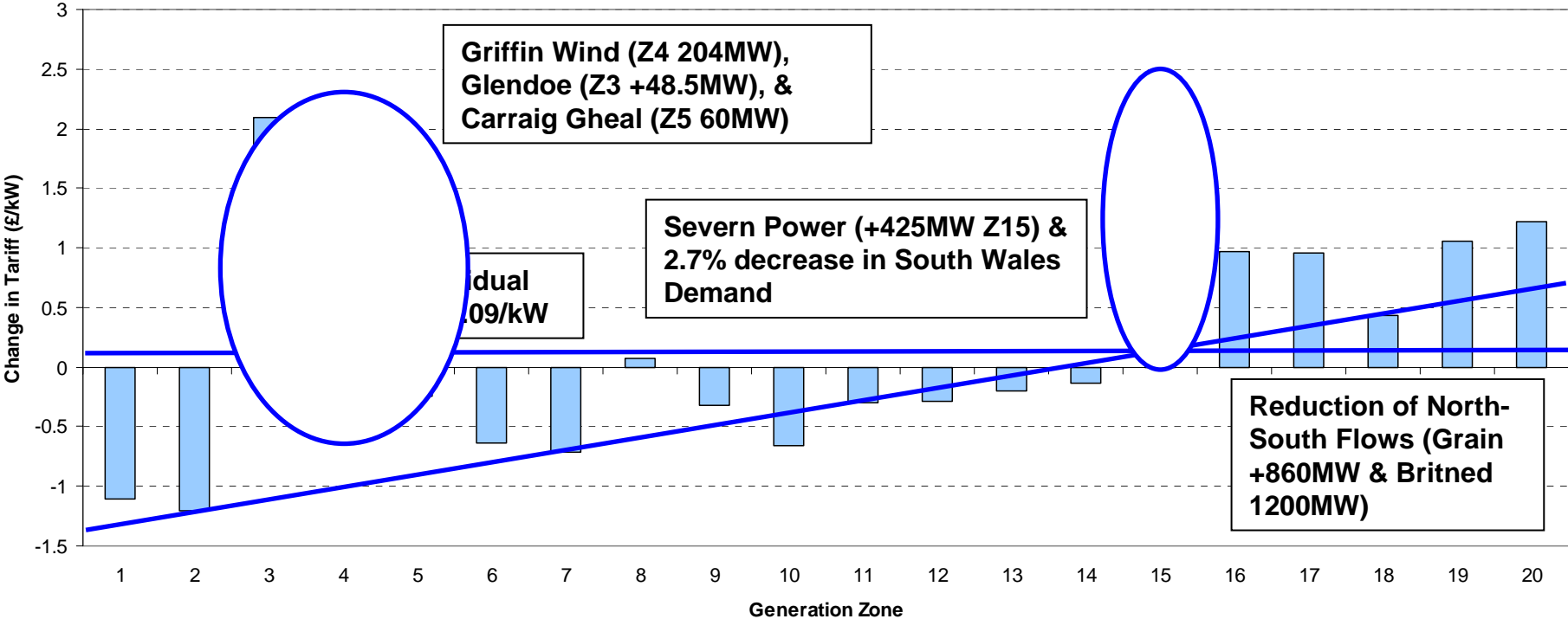
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Draft TNUoS Tariffs for 2010-11

- ◆ Published 24th December.
- ◆ Locational elements correspond with those in the Condition 5 report published 16th December.
- ◆ Residual elements of tariffs include National Grid's latest view of OFTO Revenues
 - ◆ based upon latest available info and assumptions consistent with the analysis presented in GB ECM-21; and
 - ◆ with an aim to minimise the impact of any mid-year tariff changes.
- ◆ No effect of locational BSUoS included in calculation.

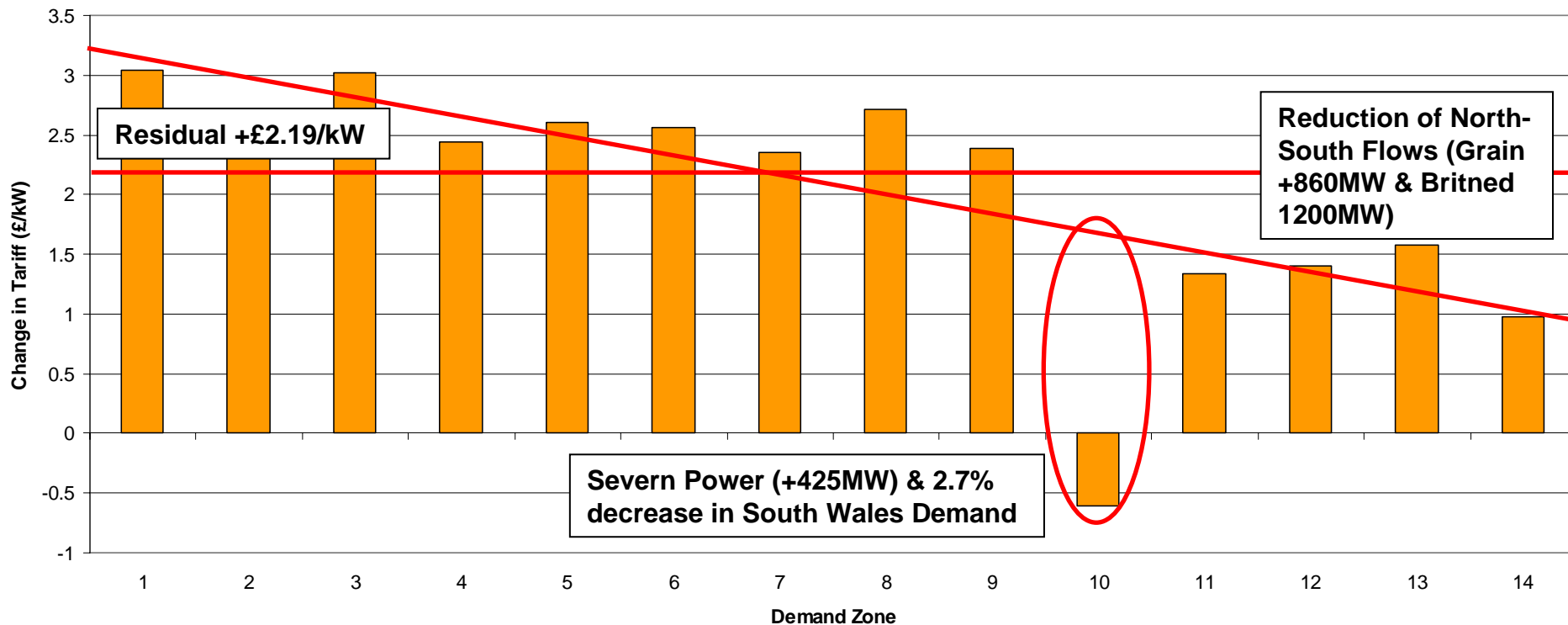
Changes in Wider Zonal Generation Tariffs

Year on Year Comparison of Generation Tariffs (2010-11 Draft vs 2009-10 tariffs)

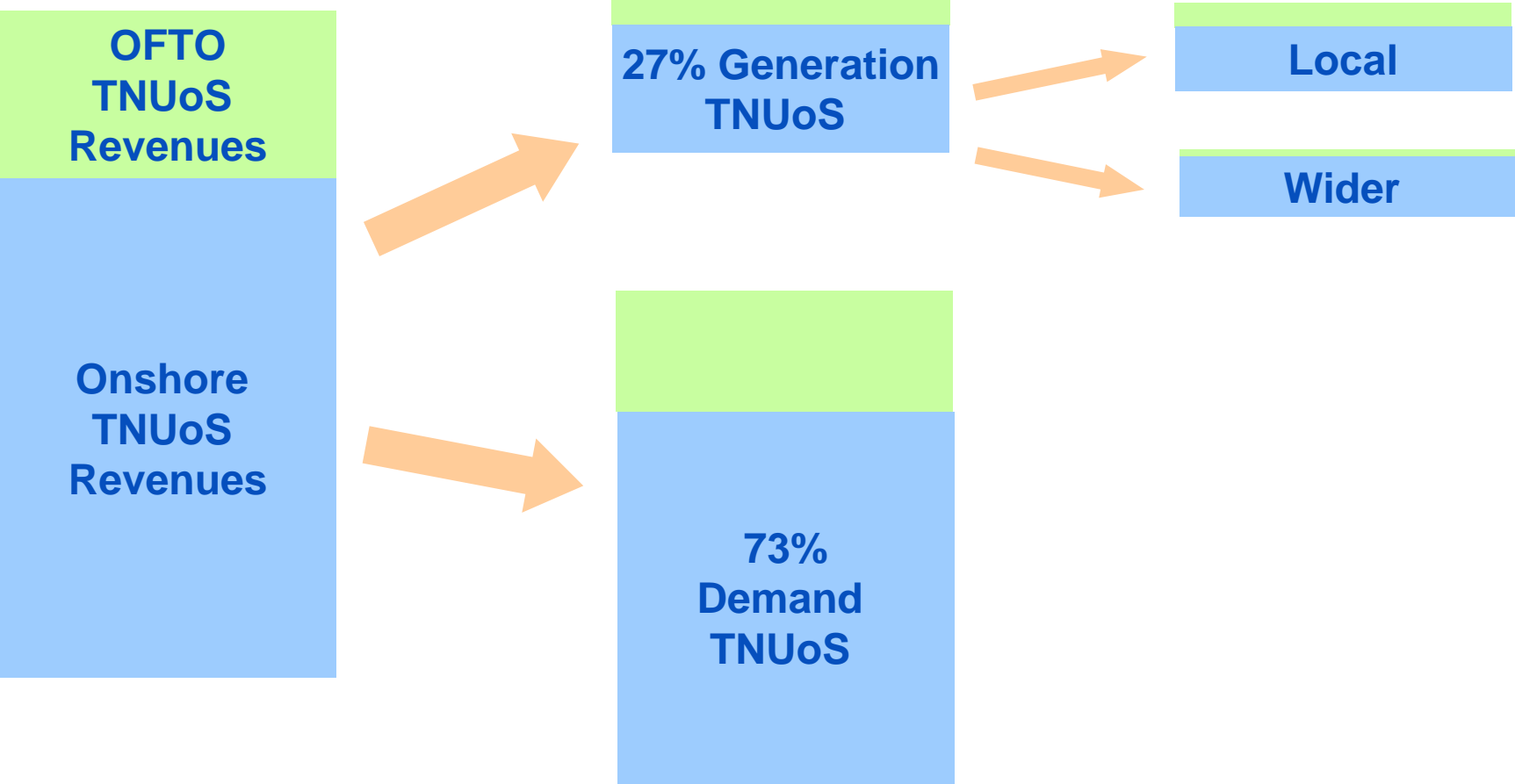


Changes in Zonal Demand Tariffs

Year on Year Comparison of Demand Tariffs (2010-11 Draft vs 2009-10 tariffs)



Effect of Offshore Charging on Residual Tariff Elements



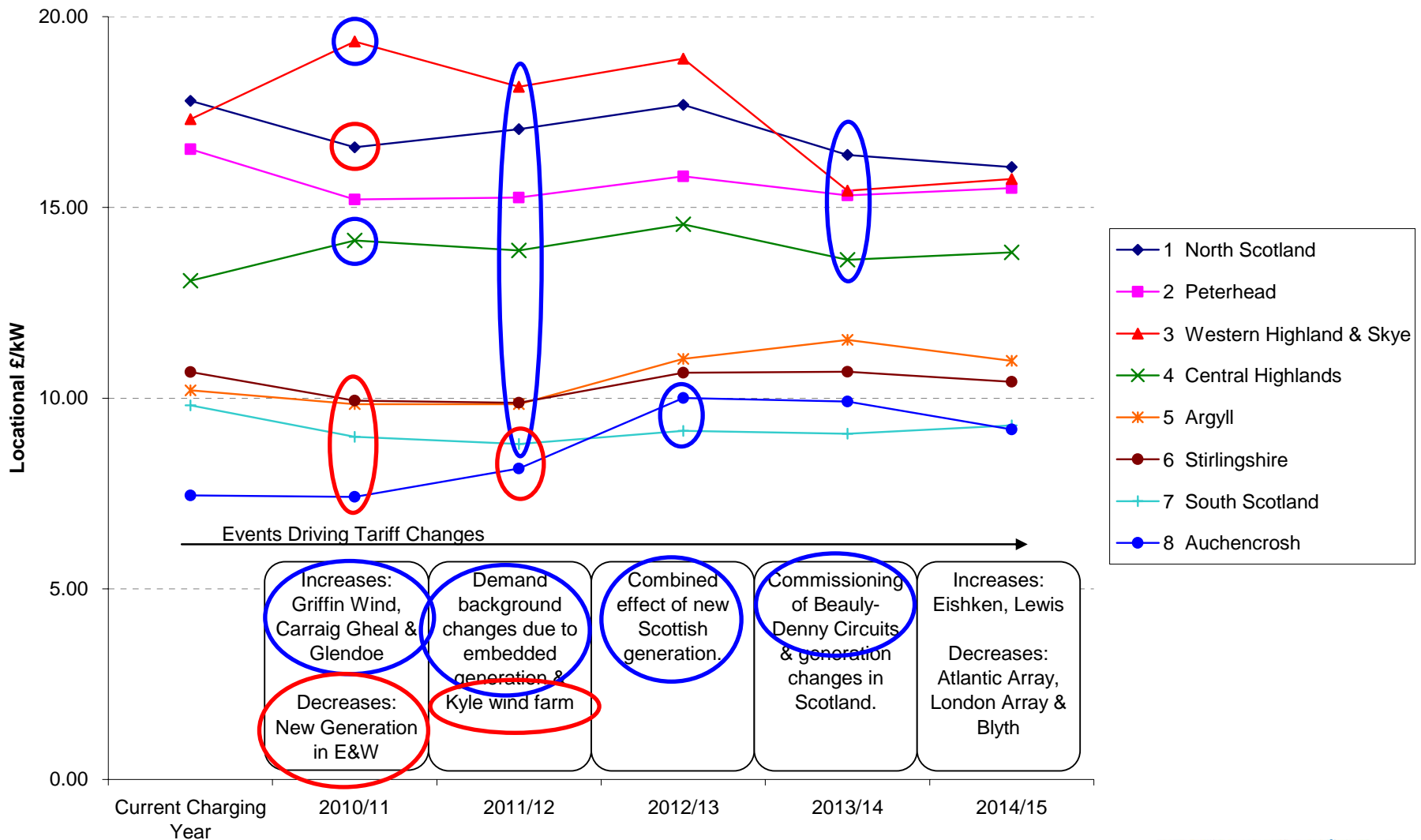
Final TNUoS Tariffs for 1st April

- ◆ To be published by end of January.
- ◆ Intention to publish two sets of tariffs (assuming locational BSUoS is/isn't implemented).
- ◆ No other changes in the onshore locational elements are anticipated.
- ◆ Residual elements of tariffs to be updated to include latest view of allowed revenues with an aim to minimise the impact of any mid-year tariff change.

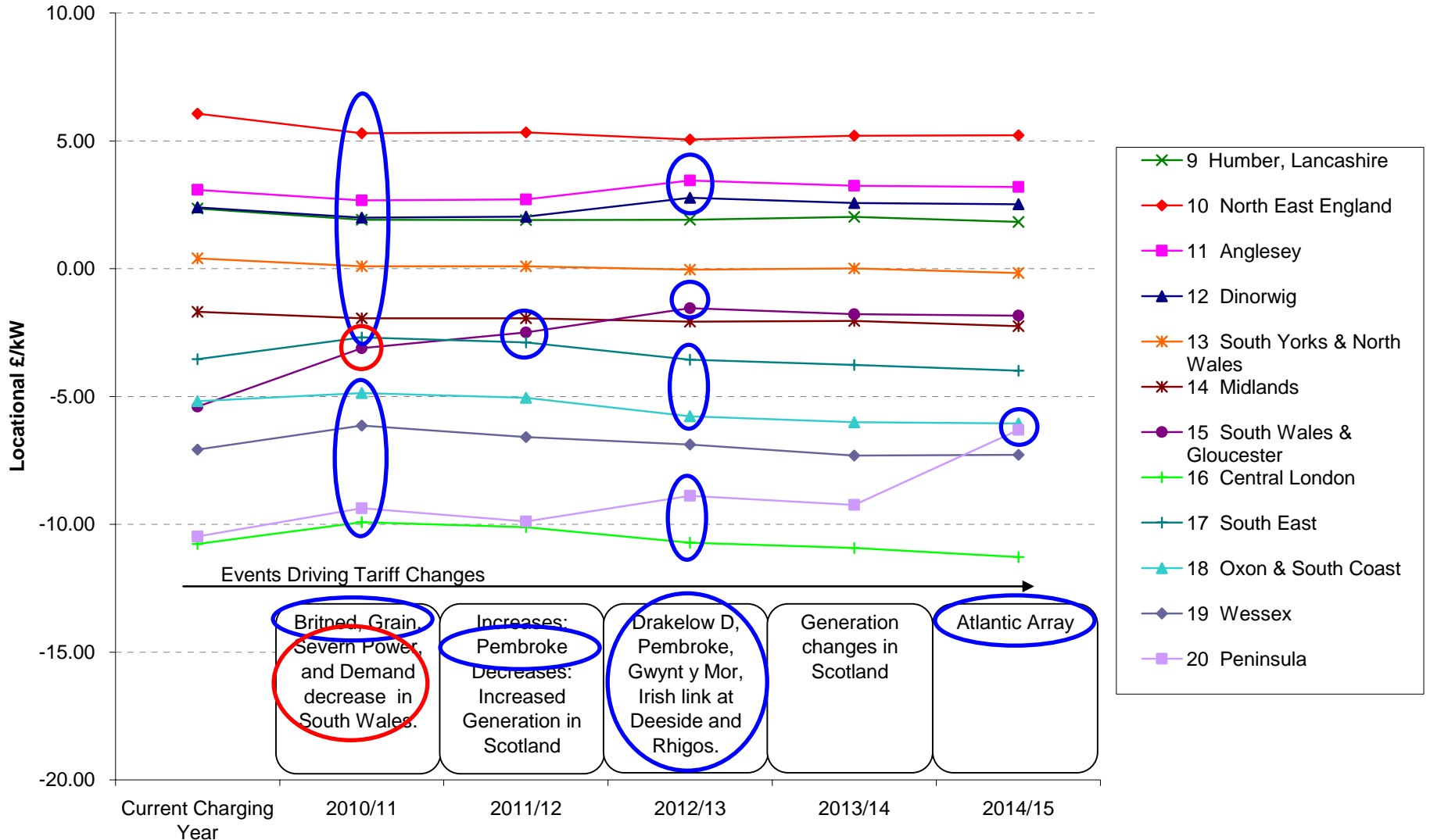
Five year forecast of tariffs

- ◆ Based upon Seven Year Statement data set for 2010-11 to 2014-15.
- ◆ Generation base updated in October 2009 SYS update to reflect contracted position at 31st October 2009.
- ◆ Consideration of:
 - ◆ Transport model changes on wider zonal tariffs;
 - ◆ Transport model changes on local circuit tariffs;
 - ◆ The effect of RPI on local substation tariffs; and
 - ◆ How the residual tariff elements will evolve as offshore generation connects.

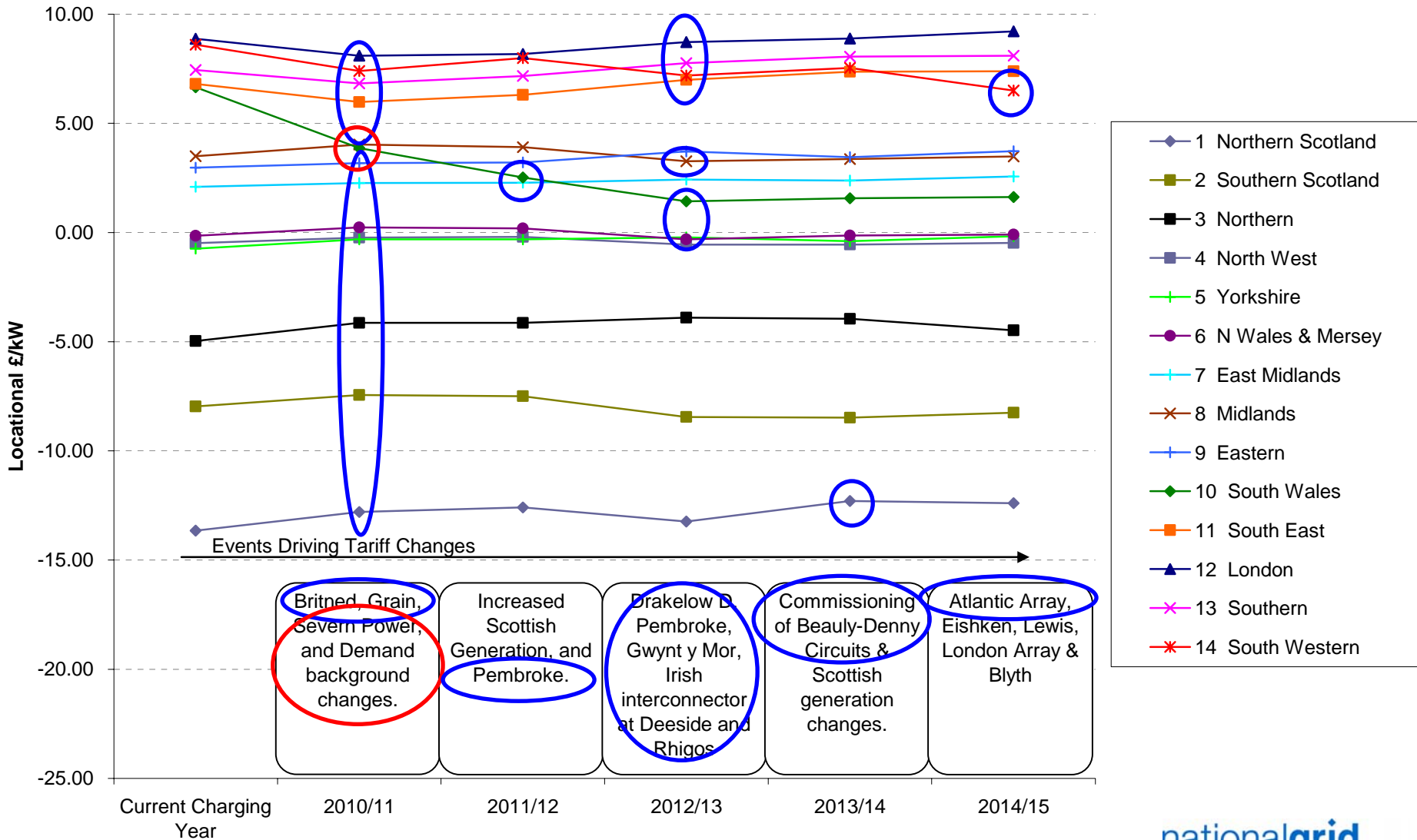
Five year forecast of wider generation tariffs (1)



Five year forecast of wider generation tariffs (2)



Five year forecast of demand tariffs



Analysis of local Circuit tariffs

- ◆ Majority of year on year changes due to RPI.
- ◆ Other changes due to:
 - ◆ Changes in flows on local circuits caused by generation and demand changes;
 - ◆ Circuit reconfiguration;
 - ◆ New nodes added to the model; or
 - ◆ Existing nodes being re-classified as MITS nodes.

Any questions?

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