



Longer Term Fixed Price  
Access  
*a sketch of an approach*



## Basic Principles

- Parties are free to contract bilaterally
- Fixed price access may be desirable for some
- No price volatility risk spillage
- TNUoS Model runs as per now



## Why buy Fixed Price?

- NGC will probably offer a conservative estimate with a risk premium
- Party may still value fixed price because of other issues
  - Financing risk premia
  - Competitive benefit of offering LT fixed price deal

## Contract options

- Tariff 5 year option alongside 1 year option
  - Transparent but commodity
- Bilateral options
  - Components of price fixed
  - Other components indexed
  - Other contract terms
  - Anything you want and can agree with each other
  - Bespoke but opaque

## Issues

- Information Asymmetry
  - 5 year scenarios
- Confidence of other users in TNUoS model.
- Regulatory Oversight
- Licence mod versus Charging mod?
- Other suppliers TNUoS CfD?