

# Offtake RIA Decision Implementation

Option 2 cashflows

DISG, 19<sup>th</sup> October 2004

## Option 2 Implementation

This is envisaged to be the first of a series of presentations for DISG that will outline the framework that will define the basis for DN sales implementation should the appropriate consents be granted.

# NTS Charges

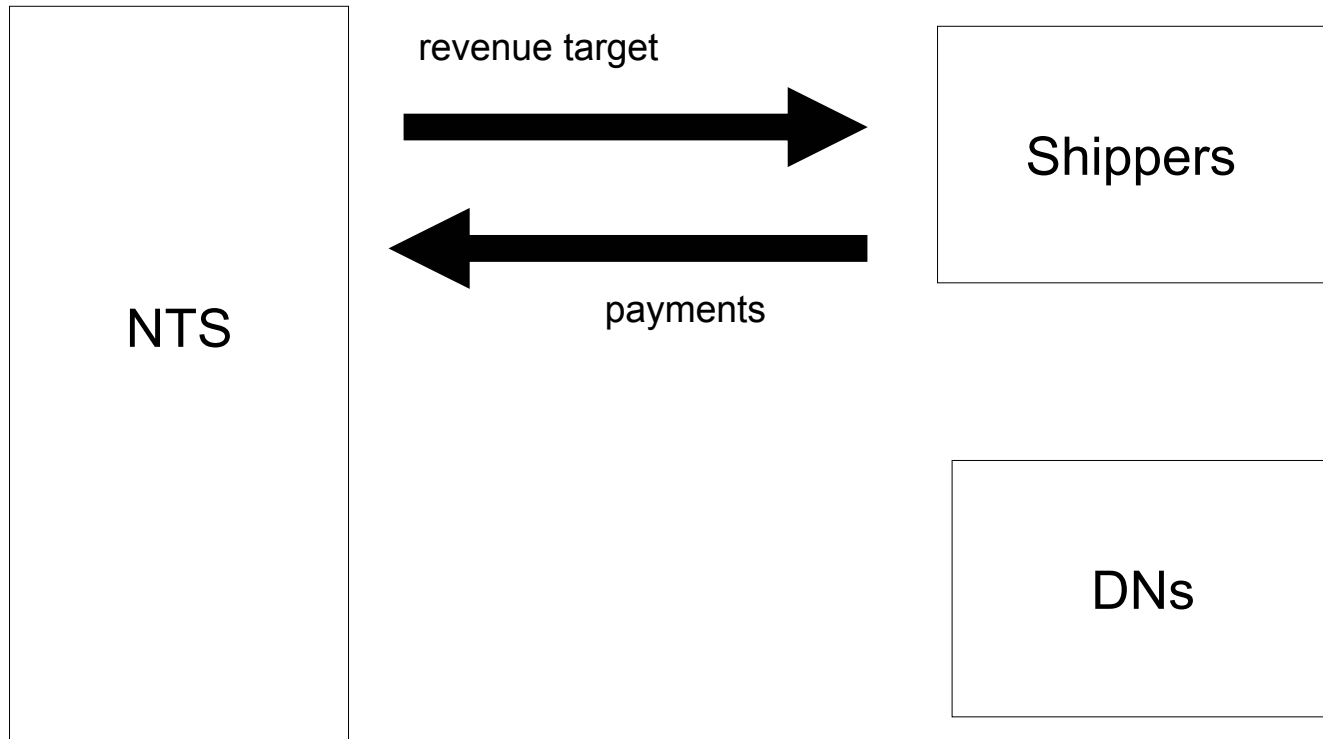
Charge	Levied upon:
NTS Entry Capacity	Entry capacity purchased
NTS Exit Capacity	NTS Exit capacity holdings
SO Commodity	Entry and Exit flows
TO Commodity	Entry flows

Entry capacity payments are auction price based

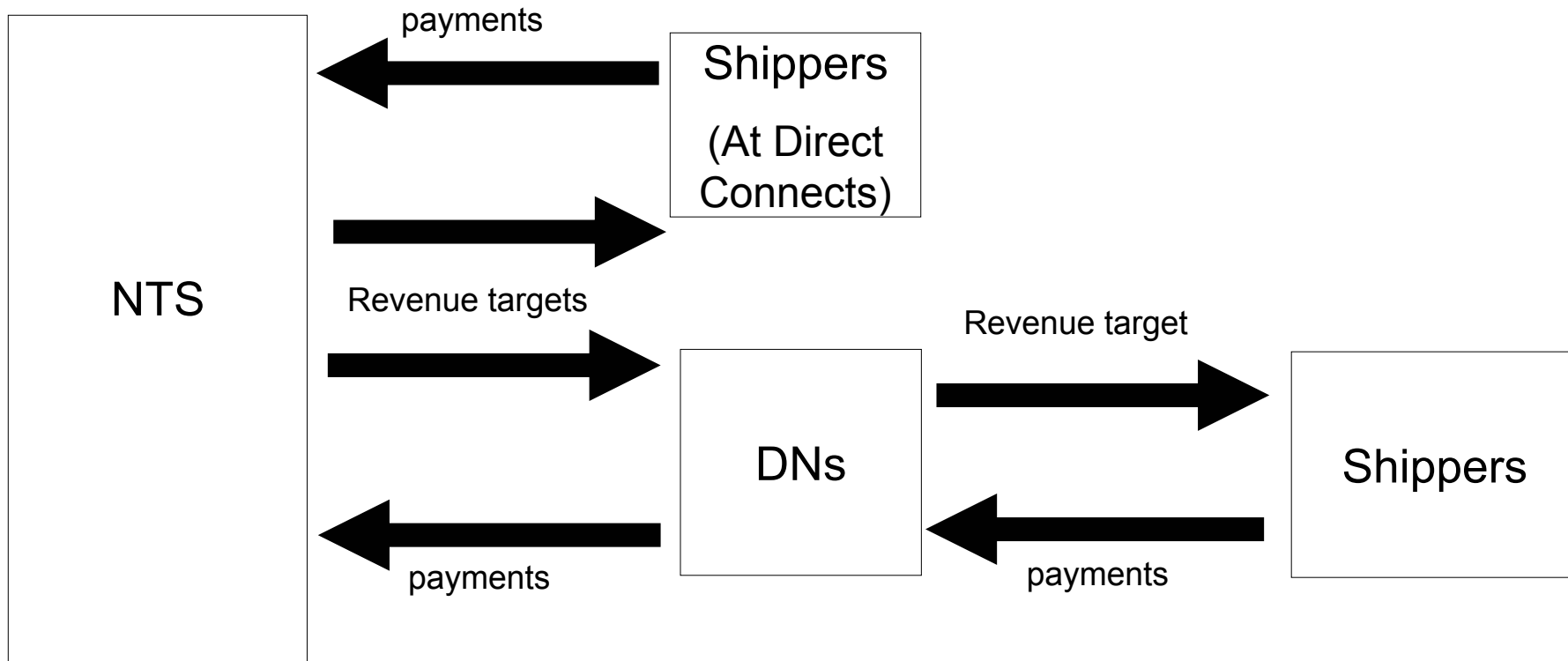
# DN Charges

Charge	Levied upon:
DN capacity	Supply point capacity holding
DN customer	Supply point capacity holding
DN commodity	Supply point offtake quantity

# Current World – NTS Exit Capacity Charges and Revenue Recovery



# Future World – NTS Exit Capacity Charges and Revenue Recovery



DNs to have revised  
charging methodology for  
additional revenues

# NTS SO Commodity Charges

May be simplest, and appropriate, to leave the NTS SO Commodity Charge levied on shippers as at present

# NTS TO Commodity Charges

May be simplest, and appropriate, to leave the TO Commodity Charge levied on shippers as at present

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but this might need to be reconsidered should NTS charge arrangements give rise to significant risk of over or under recovery of target NTS TO exit income



# Future Regime Price Control Impacts

- NTS Price Control
  - DNs to be a source of revenue
  - New incentive on release of NTS exit capacity products
- DN Price Controls
  - Additional cost stream to be recognised
  - New NTS exit product booking incentive