



Notification of Exit Capacity Charges

To apply from
4th December 2018





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1.0 Introduction

1.1. Exit Capacity allowance

RIIO GD1 requires networks to set charges to collect the forecast allowed revenue calculated under the price control. This allowance is split between Transportation revenue and Exit Capacity revenue which recovers the costs incurred from utilising the upstream network, the National Transmission System (NTS).

Where Network actual costs from the NTS deviate from the costs assumed in this forecast the difference is adjusted in T+2.

In the current regulatory year our forecast allowance was based on the forecast costs published by the NTS in May 2016. This forecast was far higher than costs WWU have eventually received.

If WWU were to do nothing then the result would be the collection of our allowances as intended, and a large give back to the shippers in T+2. What WWU therefore intends to do is adjust its prices now so as to give this money back as it is being incurred, faster than our allowance intends.

	£'m 2018/19	Commentary
Exit Capacity Allowance 2018/19	47.6	
Forecast exit capacity collection for 2018/19	49.7	Of this a forecasted £33.2m will be collected by the end of November.
Net over / (under) collection	2.1	The over collection was a result of an increased chargeable base following the data cleanses over the period of December 2017 from those assumed when charges were set.
Revised Exit Allowance Collection target	35.8	WWU seeks to reduce its overall collection from £49.7m down to £35.8m. This reduction comprises: <ul style="list-style-type: none"> • £2.1m give back of the amount already overcollected • £11.8m give back of the amount our costs have decreased over the period October 2018 – March 2019.





1.2. Revised Exit Capacity prices

As a result of significant changes to our NTS exit capacity costs effective from 1 October 2018, we are reducing our charges to shippers from 4 December 2018 in order to pass on this benefit to our customers faster than would otherwise happen in the current price control.

Our new prices are as follows:

Exit capacity unit rates by exit zone	Final Prices effective 1 April 2018	Final Prices effective 4 December 2018
	Pence per peak day kwh per day	Pence per peak day kwh per day
SW1	0.0213	0.0018
SW2	0.0341	0.0076
SW3	0.0512	0.0093
WA1	0.0333	0.0107
WA2	0.0100	0.0001

For the avoidance of doubt there are no changes to all other transportation charges.

1.3. Contact Us

Any questions or queries relating to this document or transportation charges in general please do not hesitate to contact our Pricing Team on 02920 278838 or visit our website:

<http://www.wutilities.co.uk/>

