

# **Interconnector (UK) Limited**



**Charging Statement  
related to the  
IUK Access Agreement  
and  
IUK Access Code  
Issue 22**

**Applicable from 05 December 2019**

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## 1. Introduction

This statement sets out the charges that Interconnector (UK) Limited (“IUK”) will apply from the publication date for transportation services provided under an IUK Access Agreement (the “IAA”) and the IUK Access Code (“IAC”). The statement will be revised and reissued when appropriate. These charges are consistent with the principles outlined in IUK’s Charging Methodology including its pricing publication timetable.

Entry and Exit Capacity is made available for sale by means of auctions on the PRISMA platform in accordance with Commission Regulation (EU) 2017/459 (“CAM Code”). In addition, capacity may be made available via an Implicit Allocation Mechanism using an Implicit Allocation Partner according to the rules set out in Annex B-3 of the IAC.

For all capacity offered the factors determining the prices are:

- Competitive forces and the prices of competing and complementary services;
- Operating costs for operating and maintaining the company and its assets;
- Capital expenditures required to maintain the service;
- Projected customer demand for IUK capacity and the forecast volume of both long term and short term sales under a range of market scenarios; and
- A risk premium applied to the yearly standard capacity product reflecting the benefits of certainty regarding the level of the price. The level of the premium has been set to zero.

IUK’s reserve prices for allocation through an auction or prices for allocation through implicit allocation are fixed at the time of allocation. For products to be used in a future year, this fixed price will be subject to annual indexation<sup>1</sup>. Any auction premium will be used by IUK to contribute to maintaining and operating the pipeline.

IUK offers capacity in kWh/h and all capacity related charges are calculated as p/(kWh/h)/h. For capacity products offered on PRISMA, the runtime price is calculated using the number of hours in the relevant runtime. Capacity offered via an Implicit Allocation Mechanism (“IAM”) will be in p/(kWh/h)/h or p/(kWh/h)/d. Capacity charges will be calculated using the relevant p/(kWh/h)/h and the hours in the billing period. Invoiced amounts will be either in Pounds sterling to the nearest penny or Euros to the nearest euro cent.

The absolute level of the price multipliers caps to be applied relative to the prices for firm Annual Capacity are:

Monthly	3
Daily	6
Within Day	6

Further information on the charges that apply for transportation services under an IAA is set out in Section F of the IAC and IUK’s Charging Methodology. The definitions of terms used in this document can be found in the IAA.

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<sup>1</sup> See IAC Section F paragraph 5.3. Indexation is based on RPI - “CHAW” Index numbers of consumer prices – “RPI All Items”.

Information about IUK and copies of the IAA, IAC and IUK's Charging Methodology can be found on the IUK website at [www.interconnector.com](http://www.interconnector.com).

## 2. Reserve Prices for Firm Capacity offered via PRISMA for use during the Gas Year 2019-20 and future Gas Years

### 2.1 Annual Firm Capacity for offer in July 2020

The prices to apply are as follows:

		2020-21	2021-22 to 2024-25	2025-26 to 2034-35
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.017061	0.015355
	Zeebrugge Exit	0.018767	0.017061	0.015355
BE to UK	Zeebrugge Entry	0.018767	0.017061	0.015355
	Bacton Exit	0.018767	0.017061	0.015355

These prices are subject to indexation in accordance with Section F paragraph 5.3 of the IUK Access Code. See Appendix 1 for an example of how indexation is applied.

### 2.2 Quarterly Firm Capacity for Gas Year 2019-20

The prices to apply are as follows:

		Oct 19 – Dec 19 Q4 2019	Jan 20 – Mar 20 Q1 2020	Apr 20 – Jun 20 Q2 2020	Jul 20 – Sep 20 Q3 2020
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.018767	0.025591	0.025591
	Zeebrugge Exit	0.018767	0.018767	0.025591	0.025591
BE to UK	Zeebrugge Entry	0.018767	0.025591	0.018767	0.018767
	Bacton Exit	0.018767	0.025591	0.018767	0.018767

The large price step in an auction is set at 5% of the applicable IUK reserve price published on the PRISMA platform.

### 2.3 Monthly Firm Capacity for Gas Year 2019-20

The prices to apply are as follows:

		Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.018767	0.018767	0.018767	0.018767	0.018767
	Zeebrugge Exit	0.042652	0.018767	0.018767	0.018767	0.018767	0.018767
BE to UK	Zeebrugge Entry	0.018767	0.018767	0.025591	0.042652	0.042652	0.025591
	Bacton Exit	0.018767	0.018767	0.025591	0.042652	0.042652	0.025591

		Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.042652	0.042652	0.042652	0.042652	0.042652
	Zeebrugge Exit	0.042652	0.042652	0.042652	0.042652	0.042652	0.042652
BE to UK	Zeebrugge Entry	0.018767	0.018767	0.018767	0.018767	0.018767	0.018767
	Bacton Exit	0.018767	0.018767	0.018767	0.018767	0.018767	0.018767

IUK will notify any changes to the monthly firm capacity prices at least two weeks in advance of the relevant monthly auction.

## 2.4 Daily Firm Capacity for Gas Year 2019-20

The prices to apply are as follows:

		Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.037534	0.037534	0.037534	0.037534	0.037534
	Zeebrugge Exit	0.068243	0.037534	0.037534	0.037534	0.037534	0.037534
BE to UK	Zeebrugge Entry	0.037534	0.037534	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.037534	0.037534	0.068243	0.068243	0.068243	0.068243

		Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.037534	0.037534	0.037534	0.037534	0.037534	0.037534
	Bacton Exit	0.037534	0.037534	0.037534	0.037534	0.037534	0.037534

IUK will notify any changes to the daily firm capacity prices at least six hours in advance of the relevant daily auction.

## 2.5 Within Day Firm Capacity for Gas Year 2019-20

The prices to apply are as follows:

		Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.037534	0.037534	0.037534	0.037534	0.037534
	Zeebrugge Exit	0.068243	0.037534	0.037534	0.037534	0.037534	0.037534
BE to UK	Zeebrugge Entry	0.037534	0.037534	0.068243	0.068243	0.068243	0.068243
	Bacton Exit	0.037534	0.037534	0.068243	0.068243	0.068243	0.068243

		Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
	Zeebrugge Exit	0.068243	0.068243	0.068243	0.068243	0.068243	0.068243
BE to UK	Zeebrugge Entry	0.037534	0.037534	0.037534	0.037534	0.037534	0.037534
	Bacton Exit	0.037534	0.037534	0.037534	0.037534	0.037534	0.037534

IUK will notify any changes to the within day firm capacity prices at least one hour in advance of the relevant within day auction.

### 3. Prices for Firm Capacity offered via Implicit Allocation for use during the Gas Year 2019-20 and future Gas Years

#### 3.1 Annual Firm Capacity

Annual Firm Capacity may be offered for any of the following fifteen Gas Years. The fixed prices to apply are as follows:

		2020-21	2021-22 to 2024-25	2025-26 to 2034-35
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.017061	0.015355
	Zeebrugge Exit	0.018767	0.017061	0.015355
BE to UK	Zeebrugge Entry	0.018767	0.017061	0.015355
	Bacton Exit	0.018767	0.017061	0.015355

These prices are subject to indexation in accordance with Section F paragraph 5.3 of the IUK Access Code. See Appendix 1 for an example of how indexation is applied.

#### 3.2 Seasonal Firm Capacity

Capacity may be offered for any two consecutive Quarters in the next fifteen years. The fixed prices to apply are as follows:

		Oct 19 - Mar 20 Winter	Jan 20 - June 20 H1 2020	Apr 20 – Sep 20 Summer	Jul 20 – Dec 20 H2 2020
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.021326	0.023885	0.021326
	Zeebrugge Exit	0.018767	0.021326	0.023885	0.021326
BE to UK	Zeebrugge Entry	0.023885	0.021326	0.018767	0.021326
	Bacton Exit	0.023885	0.021326	0.018767	0.021326

		Oct 20 - Mar 21 to Oct 35 - Mar 36	Jan 21 - June 21 to Jan 36 - June 36	Apr 21 – Sep 21 to Apr 35 – Sep 35	Jul 21 – Dec 21 to Jul 35 – Dec 35
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.021326	0.023885	0.021326
	Zeebrugge Exit	0.018767	0.021326	0.023885	0.021326
BE to UK	Zeebrugge Entry	0.023885	0.021326	0.018767	0.021326
	Bacton Exit	0.023885	0.021326	0.018767	0.021326

These prices are subject to indexation in accordance with Section F paragraph 5.3 of the IUK Access Code. See Appendix 1 for an example of how indexation is applied.

#### 3.3 Quarterly Firm Capacity

Capacity may be offered for any of the four Quarters in the next fifteen years. The prices to apply are as follows:

		Oct 19 – Dec 19 Q4 2019	Jan 20 – Mar 20 Q1 2020	Apr 20 – Jun 20 Q2 2020	Jul 20 – Sep 20 Q3 2020
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.018767	0.025591	0.025591
	Zeebrugge Exit	0.018767	0.018767	0.025591	0.025591
BE to UK	Zeebrugge Entry	0.018767	0.025591	0.018767	0.018767
	Bacton Exit	0.018767	0.025591	0.018767	0.018767

		Q4 2020 to Q4 2035	Q1 2020 to Q1 2036	Q2 2020 to Q2 2035	Q3 2020 to Q3 2035
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.018767	0.018767	0.025591	0.025591
	Zeebrugge Exit	0.018767	0.018767	0.025591	0.025591
BE to UK	Zeebrugge Entry	0.018767	0.025591	0.018767	0.018767
	Bacton Exit	0.018767	0.025591	0.018767	0.018767

IUK has the right to change the quarterly firm capacity prices at least a week in advance of the relevant Implicit Allocation offering.

### 3.4 Monthly Firm Capacity

Capacity may be offered for any of the following eight months. The prices to apply are as follows:

		Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.018767	0.018767	0.018767	0.018767	0.018767
	Zeebrugge Exit	0.042652	0.018767	0.018767	0.018767	0.018767	0.018767
BE to UK	Zeebrugge Entry	0.018767	0.018767	0.025591	0.042652	0.042652	0.025591
	Bacton Exit	0.018767	0.018767	0.025591	0.042652	0.042652	0.025591

		Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.042652	0.042652	0.042652	0.042652	0.042652
	Zeebrugge Exit	0.042652	0.042652	0.042652	0.042652	0.042652	0.042652
BE to UK	Zeebrugge Entry	0.018767	0.018767	0.018767	0.018767	0.018767	0.018767
	Bacton Exit	0.018767	0.018767	0.018767	0.018767	0.018767	0.018767

		Oct 20	Nov 20	Dec 20
		p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
UK to BE	Bacton Entry	0.042652	0.018767	0.018767
	Zeebrugge Exit	0.042652	0.018767	0.018767
BE to UK	Zeebrugge Entry	0.018767	0.018767	0.025591
	Bacton Exit	0.018767	0.018767	0.025591

IUK has the right to change the monthly firm capacity prices at least a day in advance of the relevant Implicit Allocation offering.



## 3.5

### 3.5 Balance of Month Firm Capacity (“BOM”)

Capacity may be offered two days in advance of the capacity start date for all remaining Gas Days within the current Month. The pricing will be based on a sliding scale between the relevant Monthly price and the relevant Daily price based on the number of days remaining in the month.

See Appendix 2 for the prices to be applied for the next three months.

IUK has the right to change the monthly firm capacity prices at least a day in advance of the relevant Implicit Allocation offering.

### 3.6 Half Month Firm Capacity

Capacity may be offered for the Front Half and Back Half of any month. Product durations are aligned with the contracts offered on the brokered OTC gas commodity market<sup>3</sup>.

The pricing will be based on the Balance of Month Capacity calculation, using the number of days offered in the period.

See Appendix 3 for the prices to be applied for Q1-20.

IUK has the right to change the Half Month firm capacity prices at least a day in advance of the relevant Implicit Allocation offering.

### 3.7 Working Days Next Week Firm Capacity (“WDNW”)

Capacity may be offered for the following week (Monday-Friday). UK Bank Holidays will be excluded from the WDNW product and instead treated as a Weekend product. The pricing will be based on the Balance of Month Capacity calculation, using the number of days offered in the period.

See Appendix 4 for the prices to be applied for Q1-20.

IUK has the right to change the WDNW firm capacity prices at least a day in advance of the relevant Implicit Allocation offering.

### 3.8 Weekend Capacity (“WE”)

Capacity may be offered for the following Weekend (Saturday-Sunday) assuming no UK Bank Holidays fall either side of these days. Where they do, they will be included in the Weekend product.

The prices to apply are based on the Daily tariff with prices to be applied for Q1-20 in Appendix 4. IUK has the right to change the WE firm capacity prices at least a day in advance of the relevant Implicit Allocation offering.

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<sup>3</sup> Typically the Front Half/Back Half split will be calculated by the number of days in the month divided by 2, where the Front Half adopts the extra day in the case of odd numbered days. This methodology can be overturned by committee and as a result, IUK will align, in advance of the period, with the OTC defined periods.

## 4. Conditional Firm Capacity (CF1) Products

IUK shall offer Conditional Firm (CF1) capacity products during Q4 and Q1 in the UK import direction, for up to 30% of IUK's technical UK import capacity.

Conditional Firm CF1 capacity tariffs will be the same as the corresponding Firm products. If a Demand Response event is called by IUK's Electricity Supplier for the next calendar day, IUK will notify the market via its website and an Urgent Market Message (UMM). Holders of Conditional Firm CF1 Registered Capacity can then make the choice to either pay the Exceptional Commodity Charge (as described in Paragraph 6.2) or reduce their gas flow nominations for the affected gas day.

Shippers who hold Registered Conditional Firm (CF1) Capacity on a gas day where a Demand Response has been called will receive a 100% rebate of the relevant Zeebrugge Entry Capacity tariff and Bacton Exit Capacity tariffs only for all hours of the effected gas day, reflected in their next invoice.

## 5. Standard Interruptible Capacity Products

IUK will offer daily interruptible capacity if the corresponding daily standard firm capacity product was sold at an auction premium, was sold out, or was not offered. The daily interruptible capacity reserve prices will be at a 10% discount to the prevailing daily standard firm product reserve prices.

IUK may offer annual, quarterly, monthly and within day interruptible capacity if the corresponding standard firm capacity product was sold at an auction premium, was sold out, or was not offered. If offered, the interruptible capacity reserve prices will be at a 10% discount to the corresponding standard firm product of the same period.

The interruptible capacity discount has been set to 10% to the corresponding standard firm capacity product to signal that this capacity may be interrupted<sup>4</sup>.

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<sup>4</sup> In last 10 years there have been very few interruptions to firm capacity rights as shown in the table below:

Year	Hours Lost	Hours in Year
2009/10	0	8,760
2010/11	0	8,760
2011/12	0	8,784
2012/13	9	8,760
2013/14	0	8,760
2014/15	0	8,760
2015/16	20	8,784
2016/17	15	8,760
2017/18	11	8,759
2018/19	0	8,760
<b>Total (10 years)</b>	<b>55</b>	<b>87,647</b>

Whilst this suggests a very low discount relative to standard firm products, in a situation when the corresponding standard firm capacity has all been sold out, given IUK is a single asset without access to a wider system, IUK's capacity is limited by its interconnection point technical capacity. There will therefore be a higher risk of interruption than suggested by looking at just historical hours lost. IUK has hence rounded the discount to 10%.

## 6. Commodity Charges

### 6.1 Commodity Charges for the Gas Year 2019-20

In accordance with Section F paragraph 9.3 of the IAC, IUK will invoice each Shipper with a Monthly Commodity Charge which covers the cost of flowing gas taking into account shrinkage.

The commodity unit costs are calculated using the following formulae:

Commodity Unit Cost (Bacton) in p/kWh =  $0.0001515 * ICE (M+1) NBP (p/th)$

Commodity Unit Cost (Zeebrugge) in p/kWh =  $0.0136486 + [ 0.0002525 * ICE (M+1) NBP (p/th) ]$

Where:

- (i) ICE (M+1) NBP means the monthly Natural Gas Index price listed for the ICE UK Natural Gas Futures Contract at the National Balancing Point.

The commodity unit costs for the following month will be calculated and fixed on the first trading day of the month preceding the month for which the commodity charge applies, and published on IUK's website at <https://www.interconnector.com/access-services/iaa-contract/costs/>.

### 6.2 Exceptional Commodity Charge during Q1 and Q4 of any calendar year

For holders of Conditional Firm (CF1) Capacity during Q1 and Q4 of any calendar year, the Commodity Charges will be supplemented by an exceptional charge in the event that IUK's electricity supplier for its Zeebrugge terminal calls for a demand response. This charge will only be applicable to those who choose to flow during the event.

Specifically, upon receipt of such demand response notification for the next calendar day, IUK will notify the market via its website and via an Urgent Market Message (UMM), indicating the hours during which the demand response applies.

Such demand response hours are:

- (a) 3 consecutive hours;
- (b) with a possibility for a second activation of 3 consecutive hours on days for which:
  - (i) a brown-out has been announced for the Belgian market, or
  - (ii) the BELPEX day-ahead market has cleared above 2,000EUR/MWh for at least two non-consecutive hours).

For electricity consumed during the demand response hours IUK will incur costs at the negative imbalance tariff as published by the Belgian electricity transmission grid operator, Elia (<http://www.elia.be/en/grid-data/balancing/imbalance-prices>). IUK will allocate these costs as an exceptional charge to the holders of Conditional Firm (CF1) Capacity who flow during the period, pro-rated to the sum of their Entry Allocations at the Zeebrugge Entry Point on the affected Gas Day.

## 7. Initial Registration Fee

The Initial Registration Fee charged by IUK for any new Shippers signing an IAA during the Gas Year 2019-20 is set to zero.

## 8. Monthly Administration Fee

The Monthly Administration Fee payable by each Shipper under an IAA during the Gas Year 2019-20 is £563. The fee for future Gas Years will be calculated as set out in Appendix 1.

## 9. Maximum Buy-back Price

When IUK implements the Buy-back procedure as set out in the IAC Section C paragraph 3.1, it will accept offers from shippers subject to paying no more than the Maximum Buy-back Price. This is the aggregate price that IUK will pay for offered Entry Capacity and Exit Capacity and will be calculated as the weighted average price paid for that day's Entry Capacity and Exit Capacity plus a premium of 0.038446 p/(kWh/h)/h for Gas Year 2019-20. The premium for future Gas Years will be calculated as set out in Appendix 1.

## 10. Forced Buy-back Price

When IUK implements the Forced Buy-back procedure set out in the IAC Section C paragraph 3.2, it will pay a Shipper for the reduction in Entry Capacity and Exit Capacity at the Forced Buy-back Price. This price shall be the price paid by the Shipper for such capacity plus a premium equal to 5% of the weighted average price paid for all Entry Capacity and Exit Capacity for that day.

## 11. Net OS Revenue Account

IUK will keep track of the revenue from IAA Capacity sales that originated from oversubscription on a cumulative basis over the Gas Year, minus any payments made for Buy-back during that time. The net amount will be allowed to go negative up to a limit, the "**Maximum Deficit**", of £100,000. At this level, if further Buy-back is required, IUK will implement the Forced Buy-back procedure.

At the end of the Gas Year, if the balance in the Net OS Revenue Account is positive, then 75% of this amount (the "**Net Revenue Share**") will be distributed to all shippers based on their allocated flow over the year. If the balance in the Net OS Revenue Account is negative, the amount to be distributed shall be zero.

## 12. Balancing Charges

A Shipper has an obligation to be in balance on an hourly basis such that its Intended Inputs equal its Intended Outputs. Intended Inputs and Intended Outputs take into account the Shipper's Confirmed Nomination Quantities for Entry and Exit and additionally any Acquiring or Disposing Trade Notifications.

Any differences that occur between allocated Inputs and Outputs (such differences only arise during exceptional circumstances), are allowed to accumulate from one day to the next without any penalty or recompense within an allowed cumulative tolerance ("**Allowed Tolerance**") for each Shipper of ±560,000 kWh.

On any Gas Day on which the Shipper's accumulated imbalance exceeds the Allowed Tolerance, a Balancing Charge shall apply as detailed in the IAC Section E and Section F.

## Appendix 1 – Indexation

### 1 Indexation Factor

The following prices and fees are indexed using an Indexation Factor defined below:

- (a) The Contracted Capacity Price for Capacity Products that cover multiple Gas Years, in accordance with Section F paragraphs 5.1 to 5.3 of the IUK Access Code;
- (b) Monthly Administration Fee;
- (c) Maximum Buy-back Price premium.

“**Indexation Factor**” means for Gas Year Y the ratio of  $RPI_Y/RPI_0$  where:

- (i) RPI means the “CHAW” Index numbers of consumer prices – “RPI All Items” as published by the Office for National Statistics in the monthly Consumer Price Inflation Reference Tables (or any successor to such Index published by such Office or any other department of HM Government) at [www.ons.gov.uk](http://www.ons.gov.uk);
- (ii)  $RPI_Y$  = the average value of the RPI for the twelve month period ending on 30 June immediately prior to the commencement of Gas Year Y;
- (iii)  $RPI_0$  = average RPI for twelve months ending 30 June prior to the commencement of the Initial Gas Year, such value to be revised by IUK in the event of the index being updated or replaced.

The values of RPI are follows:

Base 1987=100														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Avg	RPI <sub>Y</sub>
<b>2013-14</b>	249.1	251	251.9	251.9	252.1	235.4	252.6	254.2	254.8	255.7	255.9	256.3	<b>253.2917</b>	RPI <sub>14</sub>
<b>2014-15</b>	256	257	257.6	257.7	257.1	257.5	255.4	256.7	257.1	258	258.5	258.9	<b>257.2917</b>	RPI <sub>15</sub>
<b>2015-16</b>	258.6	259.8	259.6	259.5	259.8	260.6	258.8	260	261.1	261.4	262.1	263.1	<b>260.3667</b>	RPI <sub>16</sub>
<b>2016-17</b>	263.4	264.4	264.9	264.8	265.5	267.1	265.5	268.4	269.3	270.6	271.7	272.3	<b>267.325</b>	RPI <sub>17</sub>
<b>2017-18</b>	272.9	274.7	275.1	275.3	275.8	278.1	276	278.1	278.3	279.7	280.7	281.5	<b>277.1833</b>	RPI <sub>18</sub>
<b>2018-19</b>	281.7	284.2	284.1	284.5	284.6	285.6	283	285	285.1	288.2	289.2	289.6	<b>285.400</b>	RPI <sub>19</sub>

### 2 Application

#### 2.1 Contracted Capacity Price

**Example** : calculation of the indexed Contracted Capacity Price in Gas Year 2019-20

Suppose Annual Capacity (Entry or Exit) was allocated in the auction in March 2016 with a Contracted Capacity Price (CCP<sub>16</sub>) of 0.018767 p/(kWh/h)/h, i.e. no IUK Auction Premium, with the Capacity Period starting on 1 October 2019:

The payable price for Gas Year 2019-20 is calculated as follows -

Gas Year	Calculation method	RPI	Indexation Factor	Payable Price		
				p/(kWh/h)/h		
2016-17	CCP <sub>16</sub>	No indexation	RPI <sub>0</sub> = 260.3667	-	0.018767	No capacity held
2017-18	CCP <sub>17</sub>	CCP <sub>16</sub> x IF <sub>17</sub>	RPI <sub>17</sub> = 267.325	1.026725	0.019269	No capacity held

2018-19	<b>CCP<sub>18</sub></b>	CCP <sub>16</sub> × IF <sub>18</sub>	RPI <sub>18</sub> = 277.1833	1.064588	0.019979
2019-20	<b>CCP<sub>19</sub></b>	CCP <sub>16</sub> × IF <sub>19</sub>	RPI <sub>19</sub> = 285.4	1.096146	<b>0.020571</b>

Price applied to Contracted Capacity

## 2.2 Monthly Administration Fee (“MAF”)

The fee will be calculated as (RPI<sub>0</sub> being RPI<sub>14</sub>):

$$\text{MAF}_Y = \text{£}500 * \text{RPI}_Y / 253.2917$$

## 2.3 Maximum Buy-back Price premium (“MBPP”)

The premium will be calculated as (RPI<sub>0</sub> being RPI<sub>14</sub>):

$$\text{MBBP}_Y = 0.034121 * \text{RPI}_Y / 253.2917 \quad (\text{expressed in p/(kWh/h)/h})$$

## Appendix 2 – Prices of Balance of Month Firm Capacity

The prices to apply for the next three months are as follows:

### December 2019

Booking Date	Capacity Start Date	Product Duration (days)	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
30/11/2019	Not Offered					
01/12/2019	Not Offered					
02/12/2019	04/12/2019	28	0.020643	0.020643	0.028150	0.028150
03/12/2019	05/12/2019	27	0.020643	0.020643	0.028150	0.028150
04/12/2019	06/12/2019	26	0.020643	0.020643	0.028150	0.028150
05/12/2019	07/12/2019	25	0.020643	0.020643	0.028150	0.028150
06/12/2019	09/12/2019	23	0.021690	0.021690	0.030635	0.030635
07/12/2019	Not Offered					
08/12/2019	Not Offered					
09/12/2019	11/12/2019	21	0.022995	0.022995	0.033732	0.033732
10/12/2019	12/12/2019	20	0.023778	0.023778	0.035591	0.035591
11/12/2019	13/12/2019	19	0.024632	0.024632	0.037617	0.037617
12/12/2019	14/12/2019	18	0.025543	0.025543	0.039780	0.039780
13/12/2019	16/12/2019	16	0.027488	0.027488	0.044396	0.044396
14/12/2019	Not Offered					
15/12/2019	Not Offered					
16/12/2019	18/12/2019	14	0.029510	0.029510	0.049197	0.049197
17/12/2019	19/12/2019	13	0.030519	0.030519	0.051592	0.051592
18/12/2019	20/12/2019	12	0.031509	0.031509	0.053942	0.053942
19/12/2019	21/12/2019	11	0.032468	0.032468	0.056218	0.056218
20/12/2019	23/12/2019	9	0.034240	0.034240	0.060425	0.060425
21/12/2019	Not Offered					
22/12/2019	Not Offered					
23/12/2019	25/12/2019	7	0.035734	0.035734	0.063971	0.063971
24/12/2019	27/12/2019	5	0.036848	0.036848	0.066616	0.066616
25/12/2019	Not Offered					
26/12/2019	Not Offered					
27/12/2019	30/12/2019	2	0.037534	0.037534	0.068243	0.068243
28/12/2019	Not Offered					
29/12/2019	Not Offered					
30/12/2019	Not Offered					
31/12/2019	Not Offered					



## January 2020

Booking Date	Capacity Start Date	Product Duration (days)	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
31/12/2019	Not Offered					
01/01/2020	Not Offered					
02/01/2020	04/01/2020	28	0.020643	0.020643	0.046917	0.046917
03/01/2020	06/01/2020	26	0.020643	0.020643	0.046917	0.046917
04/01/2020	Not Offered					
05/01/2020	Not Offered					
06/01/2020	08/01/2020	24	0.021194	0.021194	0.047613	0.047613
07/01/2020	09/01/2020	23	0.021690	0.021690	0.048239	0.048239
08/01/2020	10/01/2020	22	0.022295	0.022295	0.049002	0.049002
09/01/2020	11/01/2020	21	0.022995	0.022995	0.049886	0.049886
10/01/2020	13/01/2020	19	0.024632	0.024632	0.051953	0.051953
11/01/2020	Not Offered					
12/01/2020	Not Offered					
13/01/2020	15/01/2020	17	0.026499	0.026499	0.054311	0.054311
14/01/2020	16/01/2020	16	0.027488	0.027488	0.055559	0.055559
15/01/2020	17/01/2020	15	0.028496	0.028496	0.056831	0.056831
16/01/2020	18/01/2020	14	0.029510	0.029510	0.058112	0.058112
17/01/2020	20/01/2020	12	0.031509	0.031509	0.060636	0.060636
18/01/2020	Not Offered					
19/01/2020	Not Offered					
20/01/2020	22/01/2020	10	0.033382	0.033382	0.063001	0.063001
21/01/2020	23/01/2020	9	0.034240	0.034240	0.064084	0.064084
22/01/2020	24/01/2020	8	0.035028	0.035028	0.065079	0.065079
23/01/2020	25/01/2020	7	0.035734	0.035734	0.065971	0.065971
24/01/2020	27/01/2020	5	0.036848	0.036848	0.067377	0.067377
25/01/2020	Not Offered					
26/01/2020	Not Offered					
27/01/2020	29/01/2020	3	0.037534	0.037534	0.068243	0.068243
28/01/2020	30/01/2020	2	0.037534	0.037534	0.068243	0.068243
29/01/2020	31/01/2020	1	0.037534	0.037534	0.068243	0.068243
30/01/2020	Not Offered					
31/01/2020	Not Offered					

## February 2020

Booking Date	Capacity Start Date	Product Duration (days)	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
31/01/2020	03/02/2020	27	0.020643	0.020643	0.046917	0.046917
01/02/2020	Not Offered					
02/02/2020	Not Offered					
03/02/2020	05/02/2020	25	0.020643	0.020643	0.046917	0.046917
04/02/2020	06/02/2020	24	0.020643	0.020643	0.046917	0.046917
05/02/2020	07/02/2020	23	0.020643	0.020643	0.046917	0.046917
06/02/2020	08/02/2020	22	0.021292	0.021292	0.047736	0.047736
07/02/2020	10/02/2020	20	0.022570	0.022570	0.049349	0.049349
08/02/2020	Not Offered					
09/02/2020	Not Offered					
10/02/2020	12/02/2020	18	0.024273	0.024273	0.051500	0.051500
11/02/2020	13/02/2020	17	0.025244	0.025244	0.052726	0.052726
12/02/2020	14/02/2020	16	0.026272	0.026272	0.054024	0.054024
13/02/2020	15/02/2020	15	0.027342	0.027342	0.055374	0.055374
14/02/2020	17/02/2020	13	0.029539	0.029539	0.058149	0.058149
15/02/2020	Not Offered					
16/02/2020	Not Offered					
17/02/2020	19/02/2020	11	0.031706	0.031706	0.060885	0.060885
18/02/2020	20/02/2020	10	0.032738	0.032738	0.062188	0.062188
19/02/2020	21/02/2020	9	0.033713	0.033713	0.063419	0.063419
20/02/2020	22/02/2020	8	0.034615	0.034615	0.064558	0.064558
21/02/2020	24/02/2020	6	0.036137	0.036137	0.066480	0.066480
22/02/2020	Not Offered					
23/02/2020	Not Offered					
24/02/2020	26/02/2020	4	0.037173	0.037173	0.067788	0.067788
25/02/2020	27/02/2020	3	0.037534	0.037534	0.068243	0.068243
26/02/2020	28/02/2020	2	0.037534	0.037534	0.068243	0.068243
27/02/2020	29/02/2020	1	0.037534	0.037534	0.068243	0.068243
28/02/2020	Not Offered					
29/02/2020	Not Offered					

## March 2020

Booking Date	Capacity Start Date	Product Duration (days)	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
29/02/2020	Not Offered					
01/03/2020	Not Offered					
02/03/2020	04/03/2020	28	0.020643	0.020643	0.028150	0.028150
03/03/2020	05/03/2020	27	0.020643	0.020643	0.028150	0.028150
04/03/2020	06/03/2020	26	0.020643	0.020643	0.028150	0.028150
05/03/2020	07/03/2020	25	0.020643	0.020643	0.028150	0.028150
06/03/2020	09/03/2020	23	0.021690	0.021690	0.030635	0.030635
07/03/2020	Not Offered					
08/03/2020	Not Offered					
09/03/2020	11/03/2020	21	0.022995	0.022995	0.033732	0.033732
10/03/2020	12/03/2020	20	0.023778	0.023778	0.035591	0.035591
11/03/2020	13/03/2020	19	0.024632	0.024632	0.037617	0.037617
12/03/2020	14/03/2020	18	0.025543	0.025543	0.039780	0.039780
13/03/2020	16/03/2020	16	0.027488	0.027488	0.044396	0.044396
14/03/2020	Not Offered					
15/03/2020	Not Offered					
16/03/2020	18/03/2020	14	0.029510	0.029510	0.049197	0.049197
17/03/2020	19/03/2020	13	0.030519	0.030519	0.051592	0.051592
18/03/2020	20/03/2020	12	0.031509	0.031509	0.053942	0.053942
19/03/2020	21/03/2020	11	0.032468	0.032468	0.056218	0.056218
20/03/2020	23/03/2020	9	0.034240	0.034240	0.060425	0.060425
21/03/2020	Not Offered					
22/03/2020	Not Offered					
23/03/2020	25/03/2020	7	0.035734	0.035734	0.063971	0.063971
24/03/2020	26/03/2020	6	0.036345	0.036345	0.065421	0.065421
25/03/2020	27/03/2020	5	0.036848	0.036848	0.066616	0.066616
26/03/2020	28/03/2020	4	0.037231	0.037231	0.067525	0.067525
27/03/2020	30/03/2020	2	0.037534	0.037534	0.068243	0.068243
28/03/2020	Not Offered					
29/03/2020	Not Offered					
30/03/2020	Not Offered					
31/03/2020	Not Offered					

### Appendix 3 – Prices of Half Month Firm Capacity

The prices to apply for December 2019 to March 2020 are as follows:

Month	Product Type	Capacity Duration	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
Dec-19	Front Half	01/12 - 15/12/2019	0.028496	0.028496	0.046789	0.046789
	Back Half	16/12 - 31/12/2019	0.027488	0.027488	0.044396	0.044396
Jan-20	Front Half	01/01 - 16/01/2020	0.027488	0.027488	0.055559	0.055559
	Back Half	17/01 - 31/01/2020	0.028496	0.028496	0.056831	0.056831
Feb-20	Front Half	01/02 - 14/02/2019	0.028436	0.028436	0.056756	0.056756
	Back Half	15/02 - 29/02/2019	0.027342	0.027342	0.055374	0.055374
Mar-20	Front Half	01/03 - 15/03/2020	0.028496	0.028496	0.046789	0.046789
	Back Half	16/03 - 31/03/2020	0.027488	0.027488	0.044396	0.044396

## Appendix 4 – Prices of Working Days Next Week and Weekend Firm Capacity

The prices to apply for December 2019 to March 2020 are as follows:

Week	Product Type	Capacity Duration	UK to BE		BE to UK	
			Bacton Entry	Zeebrugge Exit	Zeebrugge Entry	Bacton Exit
			p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h	p/(kWh/h)/h
Week 48	WE	30/11 - 01/12/2019	0.037534	0.037534	0.052889	0.052889
Week 49	WDNW	02/12 - 06/12/2019	0.036848	0.036848	0.066616	0.066616
	WE	07/12 - 08/12/2019	0.037534	0.037534	0.068243	0.068243
Week 50	WDNW	09/12 - 13/12/2019	0.036848	0.036848	0.066616	0.066616
	WE	14/12 - 15/12/2019	0.037534	0.037534	0.068243	0.068243
Week 51	WDNW	16/12 - 20/12/2019	0.036848	0.036848	0.066616	0.066616
	WE	21/12 - 22/12/2019	0.037534	0.037534	0.068243	0.068243
Week 52	WDNW	23/12 - 24/12/2019	0.037534	0.037534	0.068243	0.068243
	WE	25/12 - 26/12/2019	0.037534	0.037534	0.068243	0.068243
	WE 2	28/12 - 29/12/2019	0.037534	0.037534	0.068243	0.068243
Week 1	WDNW	30/12 - 31/12/2019	0.037534	0.037534	0.068243	0.068243
	WDNW 2	02/01 - 03/01/2020	0.037534	0.037534	0.068243	0.068243
	WE	04/01 - 05/01/2020	0.037534	0.037534	0.068243	0.068243
Week 2	WDNW	06/01 - 10/01/2020	0.036848	0.036848	0.067377	0.067377
	WE	11/01 - 12/01/2020	0.037534	0.037534	0.068243	0.068243
Week 3	WDNW	13/01 - 17/01/2020	0.036848	0.036848	0.067377	0.067377
	WE	18/01 - 19/01/2020	0.037534	0.037534	0.068243	0.068243
Week 4	WDNW	20/01 - 24/01/2020	0.036848	0.036848	0.067377	0.067377
	WE	25/01 - 26/01/2020	0.037534	0.037534	0.068243	0.068243
Week 5	WDNW	27/01 - 31/01/2020	0.036848	0.036848	0.067377	0.067377
	WE	01/02 - 02/02/2020	0.037534	0.037534	0.068243	0.068243
Week 6	WDNW	03/02 - 07/02/2020	0.036724	0.036724	0.067221	0.067221
	WE	08/02 - 09/02/2020	0.037534	0.037534	0.068243	0.068243
Week 7	WDNW	10/02 - 14/02/2020	0.036724	0.036724	0.067221	0.067221
	WE	15/02 - 16/02/2020	0.037534	0.037534	0.068243	0.068243
Week 8	WDNW	17/02 - 21/02/2020	0.036724	0.036724	0.067221	0.067221
	WE	22/02 - 23/02/2020	0.037534	0.037534	0.068243	0.068243
Week 9	WDNW	24/02 - 28/02/2020	0.036724	0.036724	0.067221	0.067221
	WE	29/02 - 01/03/2020	0.037534	0.037534	0.068243	0.068243
Week 10	WDNW	02/03 - 06/03/2020	0.036848	0.036848	0.066616	0.066616
	WE	07/03 - 08/03/2020	0.037534	0.037534	0.068243	0.068243
Week 11	WDNW	09/03 - 13/03/2020	0.036848	0.036848	0.066616	0.066616
	WE	14/03 - 15/03/2020	0.037534	0.037534	0.068243	0.068243
Week 12	WDNW	16/03 - 20/03/2020	0.036848	0.036848	0.066616	0.066616
	WE	21/03 - 22/03/2020	0.037534	0.037534	0.068243	0.068243
Week 13	WDNW	23/03 - 27/03/2020	0.036848	0.036848	0.066616	0.066616
	WE	28/03 - 29/03/2020	0.037534	0.037534	0.068243	0.068243
Week 14	WDNW	30/03 - 03/04/2020	0.055122	0.055122	0.048720	0.048720

