

# FORECAST ANNUAL RECONCILIATION PAYMENT

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Q3 GAS YEAR 2023/2024



# Forecast Annual Reconciliation Payments

- GMO NI are providing information on the actual licence revenue collected in the gas year to date and an estimate of the annual reconciliation payment due to/from Shippers to aid Shipper planning and budgeting during the gas year.
- This information is published on the GMO NI website in the month following each gas year quarter and is based on the following assumptions.
- **Assumptions:**
  - Forecast Required Revenue (FRR) of TSOs equal Actual Required Revenue (ARR) of TSOs\*
  - Shippers' actual capacity and volumes for the remainder of the gas year are in line with their forecasts
  - No auction premium charges are incurred for the remainder of the gas year
  - No entry overrun charges are incurred for the remainder of the gas year

\* Mutual Energy have provided an indicative FRR for their gas TSO businesses, following Q3, which forecasts their overall costs to approximately be £1.0-1.5m below the FRR. The FRR has not been updated to reflect this in the following slide. Mutual Energy's forecasts are an early estimate based on costs forecasted for Q4 and unbilled costs for Q3 (a large proportion of which are costs passed through from 3rd parties which are outside the group's control), and also on the contingency that no material unplanned engineering works will take place on the Gas Transmission Network during the remaining months of the gas year. Some variations are therefore to be expected in Mutual Energy's final ARR.

# Forecast Annual Reconciliation Payments

<b>GY2023/24</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
Forecast Licence revenue	20,119	24,256	18,108	17,703	80,187
Actual Licence revenue	18,009	20,138	18,471		56,618

<b>GY2023/24</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	
Licence revenue	18,009	20,138	18,471	17,703	74,322
FRR					80,187
Total Reconciliation Estimate to / (from) Shippers					(5,865)

As previously mentioned in Shipper Forums, the under recovery is primarily driven by the underutilisation of Daily Entry Capacity products over the Winter period compared to what was submitted in Shippers' forecasts and the subsequent tariff calculations.

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<b>GY2023/24</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
Actual Licence Revenue relating to overrun charges	22	-	2.0		24
Actual Licence Revenue (incl. VAT)	20,943	23,282	21,556	-	65,781