Decision on Short Term Tariffs and Transmission Exit Capacity Transfers

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1.0 Introduction

This consultation was carried out following a commitment in CER10/166 to examine the seasonal multipliers for short term tariffs. The original aim of the consultation was to seek to increase utilisation of the gas network during summer months (primarily through fuel switching) thereby potentially lowering overall tariffs.

In the 2011 Joint Gas Capacity Statement a potential supply shortfall in winter 2013/14 was identified. One of the factors involved was the likelihood that supplies from the Inch entry point would be in decline by that time.
It was noted that facilitating the ongoing use of seasonal storage at Inch might help alleviate this concern and that lower short summer multipliers could help prolong the operation of the gas storage facility at Inch.

On the 7th of June, the CER published a Consultation Paper (CER/12/075) which proposed reduced summer short-term entry and exit capacity multipliers in light of analysis by Bord Gáis Networks (BGN). Taking this update into account and given impending changes to the 'secondary capacity' regime in October 2013, this paper also addressed the floor price of transmission exit capacity transfers. In the Consultation Paper, the CER invited comments on the proposed tariff levels for the Gas Year 2012/13.

In this Decision Paper, the CER sets out that:

- a reduction in the summer short-term capacity multipliers from 8% to 1% for monthly capacity and from 0.4% to 0.05% for daily capacity are to be applied for the Gas Year 2012/13;
- the existing floor price of transmission exit capacity transfers will continue to be in place for the Gas Year 2012/13.
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This paper sets out the CER's response to comments received.

1.1 Legislative Background

Under the Gas (Interim) (Regulation) Act, 2002, the CER is responsible for regulating charges in the natural gas market. Under Section 14 of that Act the CER may set the basis for charges for transporting gas through transmission systems.

In relation to EU Legislation, we draw particular reference to Article 14.1(c) and 14.2 of Regulation 715/2009[1] which requires TSOs to offer both long term and short-term network services.

[1] Regulation No 715/2009 of 13 July 2009 on conditions for access to the natural gas transmission networks

1.2 Background Information

In the interest of clarity we reproduce here information on previous relevant CER papers, as summarised in the Consultation Paper CER/12/075:

1. In June 2010, the CER published a decision paper on transmission exit capacity transfers following a detailed consultation on the same issue.[2] As part of its decision[3], the CER committed to carrying out a consultation on the current short term capacity tariffs.

2. BGN subsequently carried out a review of these tariffs and the CER decided upon revised tariff multipliers in September 2010 (CER/10/166). The CER noted in its decision that a further more detailed examination of the respective seasonal pricing levels would be undertaken in 2011.

3. In July 2011, the CER issued an Information Paper (CER/11/131) which stated that this analysis would not be progressed in 2011 on account of the volume of CER and CAG consultation papers then ongoing. It was also noted that the floor price of exit capacity transfers would not be increased for 2011/12 as originally stated in CER/10/089.

4. In March 2012, the CER produced a further Information Paper (CER/12/033) which provided an update to the CER's decision on secondary capacity transfers and the future examination of short-term capacity tariffs. In this Information Paper, the CER decided to defer the implementation of certain changes to the secondary capacity regime[4] to October 2013.

5. The CER also noted that the floor price of BG Energy exit secondary capacity sales for the Gas Year 2012/13 will be considered as part of a consultation on short-term capacity tariffs. These two issues are addressed in this Consultation Paper.

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[2] Decision on Transmission Exit Capacity Transfers in the Gas Market (CER/10/089) Published on the 17th of June 2010.

[3] In this paper the CER decided, *inter alia*, that:

1. the floor price of secondary capacity for 2011/12 would be increased from 80% to 90% of the average cost of annual strip.
2. the floor price for the shoulder and winter months would increase to greater than 80% and 110% respectively.
3. the CER would cease setting the floor price for BG Energy NDM secondary capacity sales in October 2012, when the transfer of such capacity will no longer be allowed.
4. from October 2012 the exit capacity sold by an individual shipper may only be passed to the customer sector for which it was originally booked.

In order to implement the latter two changes, Gaslink produced the Code Modification Proposal 046, 'Secondary Capacity Transfers', which detailed necessary amendments to relevant provisions in the Code of Operations.

[4] See the Gaslink Code Modification Proposal 046, 'Secondary Capacity Transfers'. The implementation of this Code Modification was deferred by one year as noted in the Information Paper CER/12/033.

1.3 Comments Received

The CER received comments to the Consultation Paper from six parties. Non-confidential responses are listed below and are published in conjunction with this paper on the CER website unless otherwise requested.

1. Bord Gais Networks
2. Bord Gais Energy
3. Endesa
4. Kinsale Energy Limited
5. Manx Electrcitiy Authority
6. Vayu

In reaching its decision, the CER has taken due account of the arguments presented in the submissions and representations made by the parties above. Key points raised by respondents are summarised in Section 3 and are accompanied by the CER's response.

2.0 Proposed Revision to Short Term Tariff Multipliers

The purpose of the Consultation Paper CER/12/075 was to put forward reductions to relevant multipliers so as to reduce the overall level of the short-term tariffs and encourage the take-up of short term products. The CER specifically proposed a reduction to either 25% or 12.5% of the current levels of the summer monthly and daily short-term tariff multipliers from October 2012.[5]

This proposal was made in light of BGN's analysis which examined (*inter alia*) the impact of these reductions on shipper bookings and recovered revenues using 2010/11 actual demand for entry and exit capacity.

CER Proposed Short Term Capacity Tariff Multipliers

Short Term Capacity Tariff[6]	Current Multipliers[7]	Proposed Multipliers (25%)	Proposed Multipliers (12.5%)	Current Multipliers	Proposed Multipliers (25%)	Proposed Multipliers (12.5%)
Period	**Monthly**	**Monthly**	**Monthly**	**Daily**	**Daily**	**Daily**
October	13.2%	13.2%	13.2%	0.66%	0.66%	0.66%
November	13.2%	13.2%	13.2%	0.66%	0.66%	0.66%
December	17.6%	17.6%	17.6%	1.18%	1.18%	1.18%
January	30.9%	30.9%	30.9%	2.06%	2.06%	2.06%
February	35.3%	35.3%	35.3%	2.35%	2.35%	2.35%
March	26.5%	26.5%	26.5%	1.76%	1.76%	1.76%
April	13.2%	13.2%	13.2%	0.66%	0.66%	0.66%
May	8.0%	*2.0%*	*1.0%*	0.40%	*0.1%*	*0.05%*
June	8.0%	*2.0%*	*1.0%*	0.40%	*0.1%*	*0.05%*
July	8.0%	*2.0%*	*1.0%*	0.40%	*0.1%*	*0.05%*
August	8.0%	*2.0%*	*1.0%*	0.40%	*0.1%*	*0.05%*
September	8.0%	*2.0%*	*1.0%*	0.40%	*0.1%*	*0.05%*
Annual Tariff-Total[8]	190%	*160%*	*155%*	342%	*296%*	*289%*

The analysis carried out by BGN and the CER's subsequent proposed revision took into account the following objectives:

- providing appropriate incentives to book long-term capacity where users have long term capacity requirements;
- the potential for summer peakers to cost-effectively utilise the gas transportation system;

[5] Current winter and shoulder multipliers were left unaltered as these had previously been addressed in the CER's last review of short-term tariff levels (see CER/10/166).
[6] Short term tariffs have the same commodity element as annual tariffs.
[7] See CER/10/166.
[8] Any difference in the total is due to rounding.

- facilitating greater seasonal utilisation of gas storage by shippers;
- the impact on TSO revenues and cash-flows and any corresponding effect on network tariffs.

Using the above objectives the analysis was considered in the context of the following considerations:

1. The impending changes to transmission exit capacity transfers as per the CER's update in the Information Paper CER/12/033.

2. The aim of facilitating greater usage of gas storage considering the need for supply-side measures to mitigate the potential for capacity constraints at Moffat in the winter of 2013/14 (see CER Consultation Paper CER/12/058).[9] This was issue further emphasised in the Gaslink Network Development Statement 2011/12 - 2020/21[10], which referred to the need for appropriate instruction from the regulatory authorities regarding such mitigation.

[9] See section 9.6.1 of the CER's PC3 consultation paper entitled, Consultation on October 2012 to September 2017 transmission revenue for Bord Gáis Networks, CER/12/058.
[10] See section 6.4.

3.0 Responses to Consultation Paper CER/12/075

Six respondents commented on various aspects of the arrangements detailed in the Consultation Paper CER/12/075. This section summarises some of the key comments made.

3.1 Transmission Exit Capacity Transfers

One party noted that the secondary regime was put in place in the absence of any other short-term products in order to allow gas loads to transfer their unutilised capacity to counter seasonal loads at off-peak times. This party emphasized that with the introduction on short-term products in 2007, the rationale for capacity transfers is no longer valid.

One respondent stated that the proposed reductions to the summer tariff levels are insufficient and do not represent a real alternative to users of secondary capacity transfers. The respondent also stated that the introduction of restrictions in secondary capacity transfers will impact on prices paid by customers and may reduce the overall throughput in the gas system thereby increasing gas transportation tariffs. They therefore called on the CER to conduct and publish a cost benefit analysis of the proposed changes and requested that a date for the removal of secondary capacity transfers not be introduced until it has been demonstrated that the price and flexibility of short-term capacity products are sufficiently competitive.

Another respondent stated that the CER should maintain the BG Energy secondary capacity transfer rates at their current levels and stated that the ability to use portfolio benefits from NDM exit capacity transfers to reduce tariffs should continue.

CER Response:

It should be noted at the outset that, as per the CER's decision CER/10/089 and as updated by further Information Papers[11], transfer of NDM capacity will no longer be allowed in October 2013 at which point transfers of LDM and DM capacity will be restricted to within the same sector.

Regarding examining the costs and benefits of changes to short-term capacity multipliers in relation to exit capacity transfers, it should be noted that this area has now been examined on two separate occasions:

1) The in-depth consultation process and decision Paper CER/10/089 on secondary capacity.
2) BGN's analysis of short-term capacity bookings in the absence of NDM secondary capacity for the most recent Consultation Paper CER/12/075.

[11] See CER/11/131 and CER/12/033

This concept of short-term capacity constituting a direct replacement for secondary capacity was also raised as part of the 2010 decision on revised short-term tariffs (CER/10/166). To quote directly from that Decision Paper: '*The CER does not consider that the comparison of secondary and short term capacity constitutes a constructive assessment. It should also be noted that the current price of secondary capacity does not, in our view, reflect the very low probability of interruption. It is not intended that the cost of short term capacity will ever align with that of secondary capacity and short term capacity products should not be interpreted as a simple substitute for existing secondary capacity. The CER is of the view that the cost of short term capacity should be examined in the context of firm annual capacity*.'

Regarding the potential impact on customers, the CER would re-iterate the point made in 2010 regarding changes to secondary regime: '*The impact of any removal of secondary capacity transfers on the DM and LDM sectors would be highly dependent on the extent to which they are used by individual shippers/end-users. The effect on end customers would also be influenced by whether the benefit of using secondary capacity is passed on either in part or in full by shippers to the final customers. In addition, while those who utilise secondary capacity would expect increased costs due to changes to the regime, this is likely to be partially offset by a lower overall tariff due to increased primary bookings*.'

Gas-Fired Generation in the SEM

One party also put forward that the proposed changes may have an impact on the operation of the SEM and electricity prices given the increasing need for flexible gas-fired plants to invest in the SEM. This respondent stated that the price of short-term capacity products will impact on the price paid for by electricity customers as gas fired plant are increasingly run as the marginal plant in the SEM and therefore set the marginal price for wholesale electricity.

CER Response:

For the avoidance of doubt, changes to the secondary capacity regime set out in the CER's decision CER/10/089 are not proposed but have been decided upon and updated in recent Information Papers. Regarding proposed changes to tariff levels set out in the Consultation Paper CER/12/075, the CER considers that the reduced multipliers will serve to reduce short term capacity costs for all parties including gas-fired plants.

Regarding the operation of generation plants in the SEM, we note that the CER responded to this specific issue in 2010. The CER's position has not changed in this regard. As stated in 2010, the purpose of short term products is not merely to act as a cheap substitute for secondary capacity. The CER is tasked with striking a balance between providing flexible capacity products at a reduced price to encourage gas use and with ensuring that the incentive remains to book long term capacity.

It should also be noted that the CER, as part of the decision CER/10/089, has allowed exit capacity transfers within the same customer sector partly in order to ensure that gas-fired generating stations are able to 'replace' other plants by making use of spare exit capacity.[12]

Lastly, within day short term capacity was introduced in part to facilitate the operations of gas-fired plant in the SEM. Should shippers desire additional flexibility in relation to within-day short term capacity, the CER still considers that this issue may be best addressed at the Code Modification Forum.

Benchmarking against EU Member States

Two parties referred to the benchmarking of short-term capacity products against other markets and questioned the CER's proposed multipliers in light of levels in other Member States. One party questioned as to why the third modeled option closest to the benchmarks – for a monthly tariff of 4%– was not proposed.

CER Response:

The CER considers that benchmarking is useful in order to interpret the relationship between annual and short-term capacity from a broader EU perspective. However, the prevalence of secondary capacity sales to date (where the probability of interruption is extremely low) instead of short-term products is unique to the Irish market.[13] The great reliance on a single interconnection point and the importance of a single storage facility are also distinct features of the Irish market. It is also worth taking into account that, unlike other networks, the Irish system is relatively new and uncongested (allowing for the relatively low probability of interruption). Therefore, the CER does not consider that the comparison with other Member States provides major insights.

In relation to one respondent's query on the 4% option, in the Consultation Paper CER/12/075 and this Decision Paper, the CER seeks to balance two particular conflicting objectives, namely
- to provide appropriate incentives to book long-term capacity where users have long term capacity requirements; and
- to incentivise greater use of short-term capacity by those whose peak consumption occurs in the summer months and by those who utilise the Inch storage facility.

In the analysis 4%, 2% and 1% were examined. All three levels of summer monthly multipliers had a similar effect on the first objective of maintaining incentives to book long term capacity. Clearly 1% and 2% summer multipliers would have greater effect in achieving the second objective of facilitating cost-effective use of the system by summer peakers. It is for this reason that only the 2% and 1% options were consulted upon.

[12] See Section 4.2(i) of CER/10/089.
[13] This issue has been addressed in Section 4.4 (i) of CER/10/089.

Tariff Multipliers

There was no consensus amongst respondents regarding the proposed reductions to the short-term tariff levels. One respondent supported a reduction to monthly summer tariffs to 1% and stated that they are in favour of retaining the existing rates for transferring transmission capacity for 2012/13. One party emphasized the importance of gas storage utilization and therefore also noted its support for a reduction to 1%.

Another respondent stated that no assessment been made of the impact of these proposed changes on the secondary capacity trading market. This party stated that the proposed reductions will likely reduce the amount of summer secondary capacity made available and render short-term capacity products 'the only game in town'. They contended that 'centrally imposed pricing solutions', are not likely to be more efficient than market-based ones provided by an active secondary trading market and therefore support a reduction to monthly summer tariffs to 4%.

CER Response:

In CER/12/033 the CER stated that the current arrangements regarding the trading of secondary capacity at the exit will change in October 2013. In this Decision Paper, the CER aims to set enduring arrangements for short term capacity tariffs (subject to changes in European framework guidelines).
The respondents concerns regarding the interaction between the regimes are relevant for one summer season only.

As regards the notion of a regulated product (short-term capacity) being "the only game in town", it is worth noting that in relation to secondary capacity, the CER regulates only BG Energy's sales of secondary exit capacity and that this regulation will cease next year.

The CER's responsibility in this regard has not been to merely assess the effect on the 'secondary capacity market' but to take into account analysis on capacity bookings, revenues and tariffs as a whole. As stated above, in interpreting the analysis carried out by BGN, the CER is required to strike a balance between ensuring that the incentive remains to book long term capacity and providing capacity products at a reduced price to encourage gas use. The reduction has focused on the summer months in order to facilitate greater usage of gas storage and taking into account the impending changes to the secondary regime.

Classification of ‘Shoulder’ and ‘Summer’ Months

One party stated that May should be classed as a ‘Shoulder’ (as opposed to ‘Summer’ month) in line with the Gaslink Code of Operations and taking into account average weather profiles. Therefore no reductions would apply to this month. They also stated all summer multipliers should be profiled with weather (i.e. temperature) patterns and that therefore summer multipliers should not be reduced below 4% in July and August and should remain at 8% in June and September

CER Response:
Regarding the proposal that May should be classed as a shoulder month as per the Code of Operations, it is worth noting that the classification was not intended to align with the Code of Operations, rather it was based on the probability of a peak day occurring in a given month. In the Code of Operations, the classifications of shoulder and winter months relate to back up capacity charges, entry point transfers, entry/exit over-run charges. These provisions are evidently distinct arrangements the basis for which is separate to the calculation of short-term tariffs.

Indeed, having an appropriately set multiplier as opposed to how they are classified has always been the CER’s principal priority. In 2007 multipliers for the months were deliberately grouped together firstly due to the extremely low probability of a peak day occurring during the months of May to September and secondly so as to encourage throughput during these months.

Regarding the respondent’s proposal to have multipliers at 4% in July and August and 8% in June in September on account of average weather patterns, it is worth noting that temperature has never been interpreted as the only factor in setting appropriate tariff multipliers. As stated as part of previous BGN analysis on short-term capacity, setting appropriate short-term tariffs is also driven by (*inter alia*) the need for system integrity, the seasonal nature of capacity demand, as well as supporting efficient use of the network whilst providing an incentive to book long term capacity.

Cost Reflectivity and Cross subsidization

One party referred to Regulation EC1775/2005 (as updated by EC715/2009) that network tariffs must ‘reflect the actual costs incurred’ and ‘be applied in a non-discriminatory manner’ whilst also ‘avoiding cross-subsidies between network users’. This respondent stated that the reduction of multipliers below 4% is not cost reflective as summer users would not be paying for monthly operating costs they generate on the system. This party also stated that having such a discounted summer product could be considered discriminatory to shippers with annual/winter capacity bookings.

CER Response:

The CER recognises that network tariff (both annual and short-term), as well as the methodologies used to calculate them, must be compliant with relevant Third Package legislation. However, the requirement for cost-reflectivity and non discrimination does not lend itself readily to absolute measurement. It is therefore necessary to take into consideration the background, purpose and effect of these respective obligations in the context of calculation of short-term tariffs. This issue is already the subject of detailed examination at EU level. [14]

In essence, tariffs are required to be cost reflective since this guarantees that all users will be paying roughly in proportion to the costs they create. There is a strong relationship between the objective of non- discrimination and cost-reflectivity. The corollary of this point, however, is a certain amount of cross-subsidy is inevitable where it is not always possible or appropriate for tariffs to be perfectly cost-reflective. Overall, setting appropriate short-term tariffs constitutes a complex trade-off between a number of different interests. [15]

Ultimately, the nature of capacity usage on the specific network must be taken into account. In the Irish case, given the current extremely low usage of short-term capacity and importance of encouraging the take up and development, or retention, of gas storage facilities, it is considered appropriate to put in place a lower tariff level during the summer months.

It is also worth noting that cost reflectivity is not (and indeed has not since the introduction of short capacity in 2007) solely or substantially based on monthly operating costs. Indeed the 2007 analysis that underpinned the introduction of short term tariffs in Ireland, concluded that peak system usage was the key driver of network costs.

Incentive for Seasonal Storage

One respondent noted that the lower short-term tariffs will allow for higher bookings of short-term capacity instead of secondary thereby resulting in increased revenues for the Transporter and lower network tariffs for all gas shippers importing gas at Moffat (as the TSO is revenue neutral overall).

Another respondent contended that the ability to trade capacity at Entry Points already provides sufficient flexibility and savings to storage and therefore reducing the summer multipliers will only lower the ceiling price for entry trades.

[14] See ACER, Scope and main policy options for Framework Guidelines on Harmonised transmission tariff structures, Consultation Document, DFGT-2012-G-004, 08 February 2012.
[15] See Box 3: 'Pricing of short-term products – Too high? Too low?' in the EUI 'Think' Report, *EU Involvement in Electricity and Natural Gas Transmission Grid Tarification*, January 2012.

One party opposed the CER proposal reductions to the tariff multipliers. This party stated that the proposed reduction to the summer multiplier in order to encourage use of seasonal storage discriminates in favour of those shippers with access to storage, and discriminates against those using the transmission system year-round and in other months particularly in Winter.

One respondent stated that the CER should put forward the potential effect on tariffs in terms of a euro value per MWh taking into account the projected €4.3m in additional revenues in the absence of secondary capacity transfers at the exit.

CER Response:

The CER agrees with the respondent who noted that increased sales of short term capacity can lead to increased revenues to the TSO (and hence to lower tariffs as the TSO is revenue neutral). This can happen where short term products are favoured over secondary sales and also where short term products lead to increased utilisation of the system overall (potentially through fuel switching).

Regarding the issue of the effect that short term tariff levels may have on secondary trades, the CER view is that lower summer multipliers are appropriate in their own right. Clearly all regulated tariffs can be expected to impact on the value of secondary trades. The impact that this might have on secondary capacity trading at the entry point is a matter for parties involved in those trades.

In response to the concern that this proposal might discriminate against those who book long term capacity the CER would note that the benefits of the current summer multipliers for short term capacity are not merely confined to gas storage shippers/summer users.
As noted in section 2, this decision seeks to balance the requirement to provide appropriate incentives to book long term capacity where users have long term requirements while seeking incentivise the use of the system in summer. In this context, it is expected that this decision will result in relatively modest changes to existing booking patterns.
Any incremental purchases of short term capacity will also result in additional revenue that will give rise to a capacity tariff that is lower than it otherwise would be, thereby providing a net benefit to all shippers and end users. Therefore, the CER does not agree that the reduction discriminates against those using the transmission system year-round.

The CER notes that a number of respondents to the 2010 consultations on this matter noted the potential for fuel switching to gas, particularly during the summer months and would therefore highlight that the lower summer multipliers are available to all and are potentially beneficial to more than just storage users. It is important to note that the potential benefit that this decision might bring to storage users is nevertheless a central part of CER's thinking on this issue. The potential absence of gas from the Inch entry point in winter 2013/14 formed a major part of the concerns regarding supplies for that winter. In this context reducing the costs facing storage users at Inch can be viewed as a practical and cost effective way of addressing supply concerns and avoiding/delaying major infrastructure investment in Scotland, which would lead to higher tariffs for all users.

Regarding the potential effect of additional revenue from sales of short term capacity, the projected €4.3m in additional revenue could lead to an overall reduction in transmission tariffs of 2 to 3%

BGN Analysis

One party stated that analysis undertaken by BGN should have been published with this paper. This respondent also stated that a review of the tariff levels in shoulder and winter months should also have been carried out.

CER Response:

While it is recognised that a summary of analysis undertaken by BGN was published alongside earlier CER consultations on the matter, the full analysis could not be published as the analysis utilised data on actual shipper bookings. Given the confidentiality of such information, it was not considered appropriate to publish BGN's 2012 analysis.

As previously noted, this latest consultation specifically focused on the impact of reductions to the summer tariff levels following on from CER/10/166 which focussed on the shoulder and winter multipliers

Short term Products at Distribution Level

One respondent stated that the CER should now also carry out a review to allow for the introduction of short term products at distribution level.

CER's Response:

The introduction of short term products at distribution level would require separate in-depth analysis, the CER would have to consider this in light of potential impact on tariffs and taking into account other network issues to be addressed in the short to medium term. However, the CER will consider this issue over the coming months.

4.0 Short Term Tariff Multipliers - Gas Year 2012/13

The CER is of the opinion that the changes to monthly percentages in the summer proposed in the Consultation Paper will serve to enhance the ability of shippers to optimise their capacity booking portfolios through short term products, whilst ensuring that sufficient incentive remains to book firm annual capacity.

The CER hereby directs Gaslink to implement the short term capacity tariff multipliers as per Table 4.1 below. These percentages will be effective from the 1st of October 2012.

Table 4.1: 2012/2013 Short Term Capacity Multipliers

Short Term Multipliers	**Monthly**	**Daily**
October	13.2%	0.66%
November	13.2%	0.66%
December	17.6%	1.18%
January	30.9%	2.06%
February	35.3%	2.35%
March	26.5%	1.76%
April	13.2%	0.66%
May	1.0%	0.05%
June	1.0%	0.05%
July	1.0%	0.05%
August	1.0%	0.05%
September	1.0%	0.05%
Total Percentage of Annual Tariff*	155%	289%
*Any difference in the total is due to rounding.		

5.0 Floor Price of Exit Capacity Transfers - Gas Year 2012/13

Having reviewed respondents' comments and taking into account the abovementioned reduction to summer short-term tariff multipliers detailed above, ***the CER has decided to continue with the existing regulated floor price for secondary capacity sales for the Gas Year 2012/13***.

Floor Price of BG Energy Exit Capacity Transfers for Gas Year 2012/13:

Period	Summer	Shoulder	Winter	Average
Current Price[16]	50%	80%	110%	80%
Oct 2012 to Sept 2013	50%	80%	110%	80%

[16] Secondary capacity purchased from BG Energy is priced relevant to the cost of primary annual capacity and these percentages refer to the equivalent primary capacity cost.