



INCERTUS

Gas Price Mark-Up Analysis



GAS PRICE MARK-UP ANALYSIS

KEY ASPECTS

- Fully developed methodology and supporting module for gas pricing.
- Accounts for all factors of risk that arise from different stages of gas sales process.
- Allows comparison between different clients and their relative riskiness.
- Reduces the asymmetry of information and provides additional insight regarding the fair price of gas price mark-up for a specific client.
- Strong basis for decision making regarding pricing policy for corporate clients.
- Final output of the module is price markup for every individual client, with graphical representation of its structure.

DESCRIPTION

Our methodology helps you classify your clients with respect to risks they contribute to overall portfolio. Riskier clients should pay more than safer ones. Hence, our software calculates fair price for each of them. Fair prices enable you to decide which clients you want to keep in your portfolio in order to maintain desired risk exposure.

Price mark-up calculation consists of two parts – one regarding operating cost and other regarding potential cost emerging from risk. Firstly, in order to fairly divide fixed and variable cost, our module takes into account the size of the clients. Secondly, it assesses their riskiness. Unique feature of the module is that beside typical measures of risks it also quantifies risk associated with demand deviations where dependency regarding temperature and current economic environment are incorporated.

PRICE MARK-UP STRUCTURE

