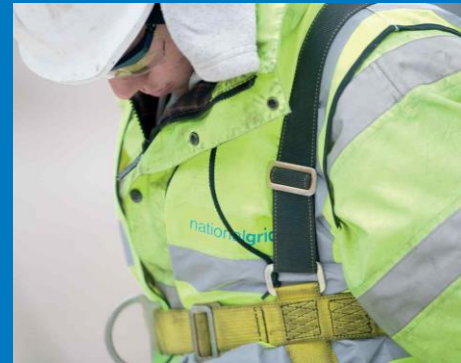


## Gas Charging Review



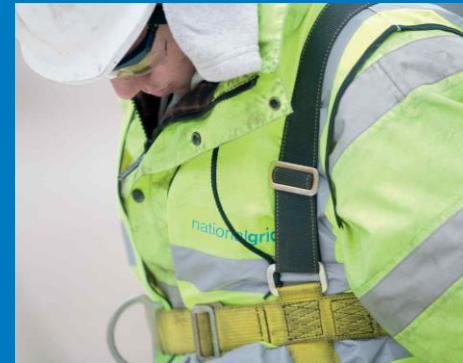
NTSCMF – 6 March 2017

*Interim slide pack – An update to this slide pack will be provided on 1 March 2017*

# Agenda

Area	Detail
EU Tariffs Code – Current Outlook	<ul style="list-style-type: none"><li>• Key updates relevant to Gas Charging Review</li></ul>
Output from sub-workgroup	<ul style="list-style-type: none"><li>• Summary of the February sub workgroups and overview of documents available</li><li>• Key discussions and status on topics (RAG status)</li><li>• Focus of future sub group meetings</li><li>• Sub workgroup and modelling</li></ul>
Behavioural assessment of charge changes	<ul style="list-style-type: none"><li>• Update on the Behavioural Questionnaire</li></ul>
Plan and change process	<ul style="list-style-type: none"><li>• Update and scope of End to End Model development to support the Gas Charging Review including timescales for making available;</li><li>• Update on UNC Modification Development, change process and timescales</li></ul>
Issues Log	<ul style="list-style-type: none"><li>• Review of Issues</li><li>• Discussion on proposed new items</li></ul>
Next Steps	<ul style="list-style-type: none"><li>• Further development including future NTSCMF and additional sub workgroup</li></ul>

## Gas Charging Review



EU Tariff Code – Current Outlook  
Colin Hamilton

## EU Tariff Code: Timeline

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- Scrutiny period finished and TAR NC now back with EC
- EC still aiming for Entry into Force by 1 April
- TAR NC implemented in phases:
  - **Entry into Force**
  - **From 1 October 2017**
  - **Before 31 May 2019**

## ENTSOG Support to Implementation

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- **29 March:** 1-day workshop in Brussels
  - Potential 2<sup>nd</sup> Workshop later in year (~October 2017)
  - Shall cover key aspects of code and stakeholder views
- Guideline document to support Implementation Workshop
  - Publication ~ 1 week before workshop
  - Shall focus on explanations and implementation examples

## TAR NC: GB Implementation

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- UNC MOD 0611 raised February 2017
  - Amendments to the firm capacity payable price at Interconnection Points
  - Small Mod to support CAM Mods 0597 & 0598s

# Mod 0611: Amendments to the nationalgrid firm capacity payable price at Interconnection Points

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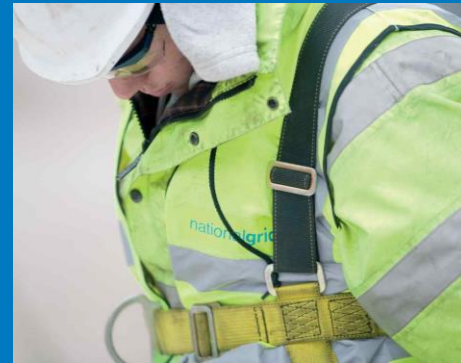
## ■ Annual Yearly Capacity Auctions

- Mod introduces changes to payable price
- Entry capacity shall have a floating payable price
  - Aligns to treatment of Exit capacity price

## ■ For Incremental Capacity at Interconnection Points

- Introduces concept of a Mandatory Minimum Premium
- <http://www.gasgovernance.co.uk/0611>

## Gas Charging Review



Output from sub workgroups  
Colin Williams



## Output from sub workgroup (1)

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- Since February's NTSCMF, sub workgroup meetings:
  - 23 February; and
  - 3 March
- All documentation and outputs from the meeting will be available

<http://www.gasgovernance.co.uk/ntscmf> and

<http://www.gasgovernance.co.uk/ntscmf/subg>

- Updates from 23 Feb will be added in stages over w/c 27 Feb. Updates from 3 Mar will be available w/c 6 March to these web pages - please check for updates

## Output from sub workgroup (2)

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- Reminder, in relation to the Gas Charging Review:
- The Sub Group will continues to discuss a wide range of topics, issuing papers summarising discussions, conclusions (with rationale) feeding into NTSCMF.
- The sub group discussions, in addition to those at NTSCMF, will be used to inform Modelling and UNC Modification(s)
- Comments / questions welcome on material produced at or in between NTSCMF meetings.

## Output from sub workgroup (3)

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- Update on the stages for topics under discussion at the sub group and NTSCMF. Updating from February's NTSCMF these are:
  - Updated documents drafts awaiting comments; or
  - Locked down
- Where it is “locked down” this means the sub group have reached a conclusion that can inform the modelling and, potentially, UNC Modification(s)
  - Still to be considered at NTSCMF for any additional views
  - These topics can be revisited should it be beneficial or necessary to do so.

# Output from sub workgroup (4)

## Status after February Sub Group

Discussion area Status	Number	Topics*
Updated and locked down	8	<ul style="list-style-type: none"> <li>• Locational Signals</li> <li>• LRMC Sensitivity</li> <li>• CWD, PS Sensitivity</li> <li>• Overall LRMC vs CWD Conclusion</li> <li>• Formula Year versus Gas Year</li> <li>• Entry / Exit Split</li> <li>• Incremental (fixed versus floating)</li> <li>• Multipliers</li> </ul>
Updated drafts (awaiting comments, additional work to complete to facilitate discussion)	7	<ul style="list-style-type: none"> <li>• Storage (incorporating Article 9)</li> <li>• Avoiding inefficient bypass of NTS (was titled Optional Commodity Charge in earlier version)</li> <li>• Interruptible</li> <li>• Transmission Services Revenue Recovery</li> <li>• Non Transmission Services Revenue Recovery</li> <li>• Forecasted contracted capacity</li> <li>• Revenue Recovery Mechanisms</li> </ul>

*\*All these papers available on the Joint Office website. Updates w/c 27 February 2017*

<http://www.gasgovernance.co.uk/ntscmf/subg1page>

## Model Development

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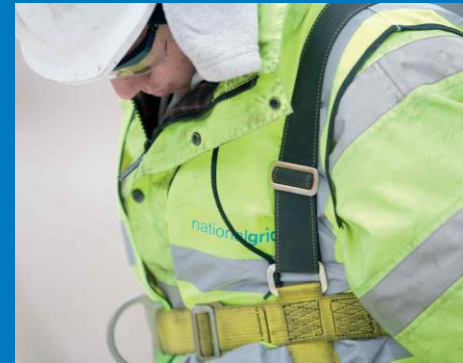
- Additional material to be updated by 1 March 2017

## Sub workgroup – future development

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- Additional material to be updated by 1 March 2017

## Gas Charging Review



Behavioural assessment of charge changes

# Behavioural assessment of charge changes

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- Anonymous questionnaire was issued via the Joint Office from National Grid on 31 January 2017
- Responses were invited by 17 February 2017 – now closed
- A copy of the questionnaire for reference on NTSCMF pages <http://www.gasgovernance.co.uk/ntscmf>
- A total of 30 responses were received
- Next steps – the responses will be reviewed with the Gas Midstream Group, who designed the survey, and also will be discussed at future Sub workgroups and NTSCMFs



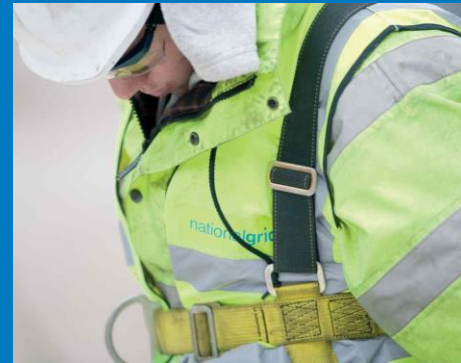
## Gas Charging Review



Plan and change process

- 
- Additional material to be updated by 1 March 2017

## Gas Charging Review



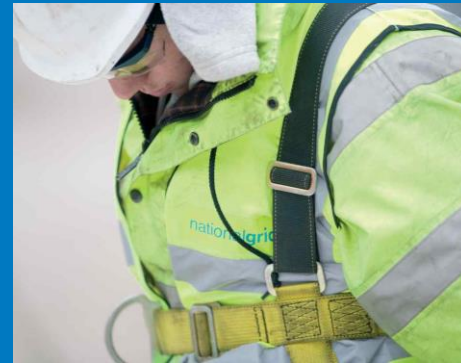
Issues Log

## Issues Log

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- Review of Issues Log (review of the spreadsheet including links to the Gas Charging Review Decision list – and RAG Status)
- Discussion on any proposed new items

## Gas Charging Review

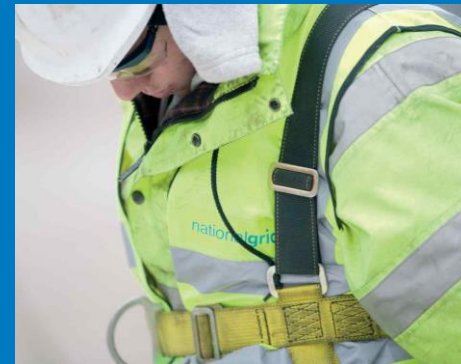


Next Steps

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- Additional material to be updated by 1 March 2017

## Contact us:

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