

# Gas Transmission

## St Fergus: Timescales

5<sup>th</sup> July 2022

**nationalgrid**



# Draft Discussion Matrix

St Fergus Discussion Matrix			
	Full Socialisation	Degrees of Targeting	Targeting
	None	To be discussed	NSMP Entry
Scope of Charges	Which works are included in the charges and scope of Targeting		
Allowances	Identifying allowances associated with the works		
Cost Recovery	Options for how charges could be recovered, and which users will be responsible		
Under/Over Recovery Process	Reconciliation of recovered charges against costs		
Timescales	Timing of charging/recovery		

# Today's Discussion

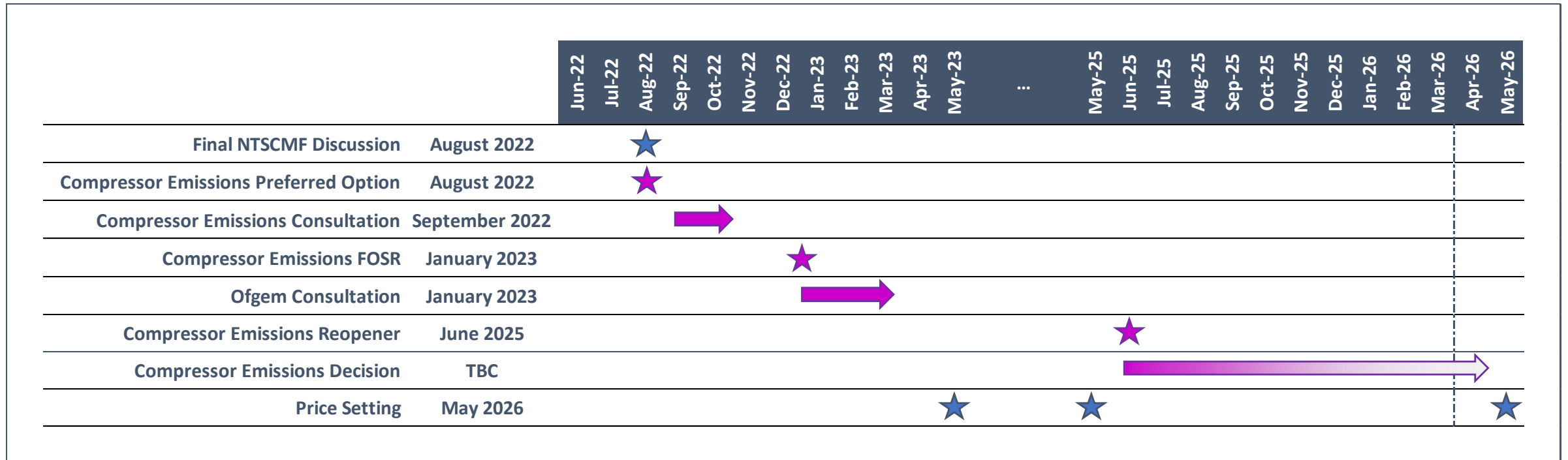
- We will lay out the current timescales for the Reopener process
- We have then overlaid timescales for any potential modification based on three potential scenarios
- To do this we have made the following assumptions:
  - A “standard” workgroup process has been used in each example;
    - Pre Mod at an NTSCMF; followed by
    - Panel Discussion
    - Three Working Groups
    - Panel Decision
    - A six week consultation
    - An average Modification decision length of 215 working days has been taken from recent Panel Report
  - From this, an approximate 15 month, kick-off to decision, timescale has been calculated
  - Actual timescales will vary from this, particularly if additional workgroups and/or an Impact Assessment is required
- System development and change processes have not be considered
- Timescales for a licence change have not been included in these examples
  - Licence changes could form part of the RIIO T3 submission up for discussion from 2024
  - Alternatively a change could be considered alongside the UNC process and completed mid Price Control
- The timelines provided are for illustrative purposes only

# Key Dates in the Reopener Submission Process

- **Compressor Emissions ( $CEP_t$  and  $CEPRE_t$ ):** Preferred Option Report - August 2022
- **Compressor Emissions:** Preferred Option Consultation - August/September 2022
- **Compressor Emissions:** Final Option Selection Report - January 2023
  - Originally proposed for December 2022, but moved to align with other re-opener submissions
- **Price Setting:** Gas Year 2023/24 - May 2023
- **Price Setting:** Gas Year 2024/25 - May 2024
- **Price Setting:** Gas Year 2025/26 - May 2025
- **Compressor Emissions:** Final Reopener Submission - June 2025
- **RIIO:** End of T2 beginning of T3 Period - March/April 2026
- **Compressor Emissions:** Ofgem Reopener Decision - TBC
- **Price Setting:** Gas Year 2026/27 - May 2026
- **Price Setting:** Gas Year 2027/28 - May 2027

# Re-opener Timeline

- The key dates listed have been transposed in to a visual timeline
- The scale has been edited in places to provide a better overall view



# Potential Modification timing options

## 1) Modification aligned to Reopener Submission

- In this time line all UNC processes would be completed in time for the Modification to be submitted to Ofgem for decision alongside the Final Reopener Submission in April 2025.
- This gives Ofgem the option to assess both the reopener and the method of revenue collection in one holistic process.
- FMR would be completed before the final re-opener decision.

## 2) Modification aligned to Gas Year Price setting

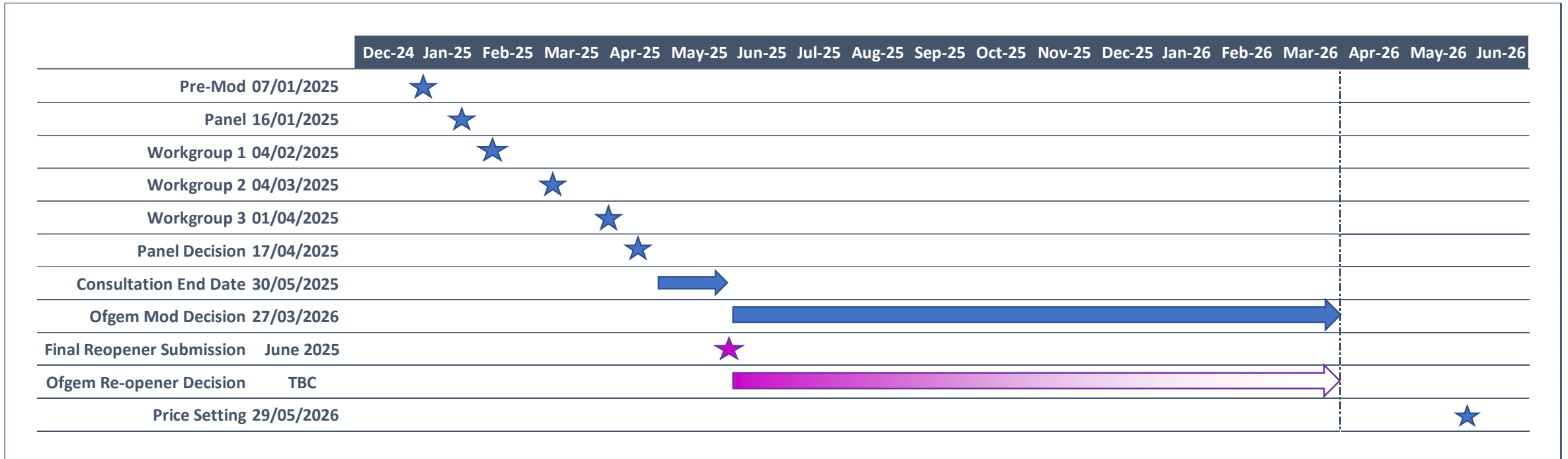
- This timeline shows the shortest path of a standard Modification, timed to produce a decision in time to be considered in the Price Setting process for the following year.
- The example shows the price setting deadline for GY 2026/27, but could be transposed in to any gas year.
- The FMR is likely to be completed before the final re-opener decision.

## 3) Modification produced post reopener decision

- This likely means a portion of the reopener costs, potentially two years or more, would be socialised before a decision has been reached on targeting.
- FMR would be completed after the final reopener decision.

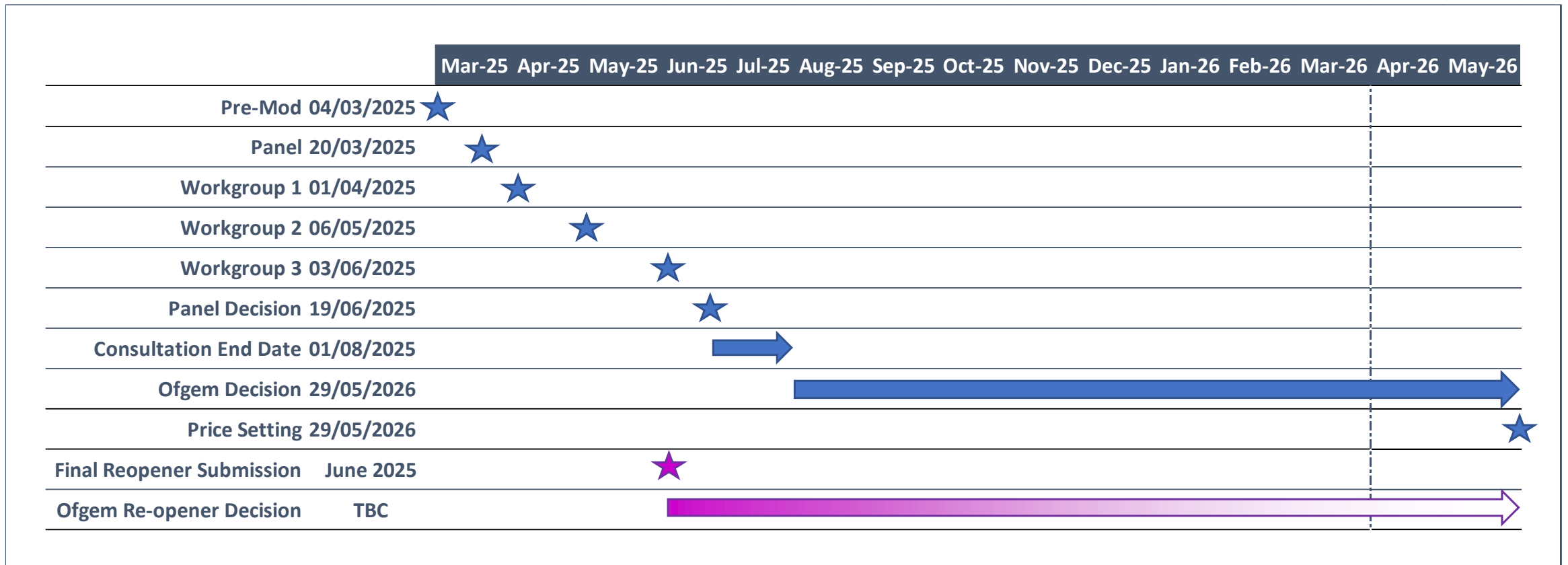
# UNC Mod – Aligned to Reopener Submission

- To provide Ofgem with a Modification for consideration alongside the Final Reopener Submission, a pre-mod must be at the Jan 2025 NTSCMF.
- As this process is completed before the Re-opener Submission date, analysis linked to any Modification would be based on the likely preferred option.
- This option provides Ofgem with the ability to assess both the costs and the recovery method simultaneously, creating an efficiency in the process which may reduce overall timescales when compared with a standard modification Impact Assessment.



# UNC Mod – Aligned to Price Setting

- To achieve a decision by the May Price Setting deadline in any year, in this example aligned with the Gas Year 2026/27 Price Setting process, a pre-mod would need to be at the March NTSCMF in the year prior.
- As this scenario is completed before the Re-opener Decision date, analysis this would be based on an accepted and costed option, due to be formally proposed towards the end of the workgroup timeline





# UNC Mod – Post Reopener Decision

- This timeline describes a UNC Modification raised following the re-opener decision. This gives certainty around the costs to be recovered.
- Should the decision be received prior to February 2026 there is potential for this timeline to meet deadlines for price setting for GY 2027/28.
- The more likely outcome would not produce an Ofgem decision on a Modification until October 2027, meaning costs could first be targeted from Gas Year 2028/29. There is potential for two years of costs to be recovered prior to a targeted charge being implemented, by default these costs would be socialised.

