

Gas Transmission

St Fergus:

**Future Charging discussion
ahead of investment options**

1st February 2022

nationalgrid



Background

RIIO T2 – Reopener

- Encouraged by Ofgem to explore options and gather feedback on how costs could/should be recovered

Initial Consultation and report

- <https://www.nationalgrid.com/uk/gas-transmission/st-fergus-consultation>

Approach following consultation

- To focus on five areas to give opportunities on potential charging arrangements. The next slide gives a simplified overview of the proposed approach to help the discussions on each area related to charging.

Final Option Selection Report

- Due to report to Ofgem Q4 2022

Draft Discussion Matrix

St Fergus Discussion Matrix			
	Full Socialisation None	Degrees of Targeting To be discussed	Targeting 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		

Next Steps

NTSCMF Discussions

- Proposed to continue for the next five months
- Playback of discussions to workgroup in August

Commentary fed in to Final Option Selection Report

- At this stage there is no preferred option
- All opinions will be considered
- NG may express a preference in the FOSR but this should not be considered to be a final position in terms of any potential future modifications