

Workgroup Terms of Reference

0358 - I&C Compensation for Emergency Interruption

Workgroup Report to Panel Meeting: 17 November 2011

Date referred from Panel: 17 February 2011

Background – Why Change?

Please refer to Modification 0358 at www.gasgovernance.co.uk/0358

Solution

It is proposed that the level of compensation is increased to 100% of the annual LDZ capacity charges per day of interruption that a firm site experiences if connected to a Distribution network, and 100% of the annual NTS Exit Capacity Charge per day of interruption if connected to the NTS. This will apply in any [emergency] unplanned situation where the customer loses their supply.

Topics for Discussion

Understanding the objective and current arrangements

Assessment of alternative means to achieve objective

Triggers for the scheme;

Which parties are responsible;

Process controls to ensure no perverse incentives are created

Compensation scheme and incentives, including comparison of proposed costs against current position

Development of Solution (including business rules if appropriate)

Assessment of potential impacts of the modification

Assessment of implementation costs

Assessment of Section Q

Assessment of legal text

Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice