

## Draft High Level Work plan for Gas Charging Review and potential timescales

This draft high level work plan provides an overview of the work that could be carried out. This is for discussion at National Transmission System Charging Methodology Forum (NTSCMF) on 10 February 2016 and will be updated after this event to make any relevant changes. Updates to dates and timescales for the work will be made after the discussion on 10 February. More detail on the tasks given can be made following agreement on scope and the terms of reference for this review.

Summary of Area of Work	Detail	Suggested Date
Initial meeting to discuss Terms of Reference (ToR) and Scope of Gas Charging Review	<ul style="list-style-type: none"> <li>Draft ToR shared ahead of NTSCMF</li> <li>Discuss ToR and Scope of review at NTSCMF and make appropriate updates and re-issue</li> </ul>	February 2016
Share issues or concerns with current NTS Charging Framework	<ul style="list-style-type: none"> <li>Discuss where there are concerns with the existing framework at NTSCMF</li> <li>Share updates post NTSCMF with any additional items and keep under review</li> <li>Identify a list of drivers that contribute to these issues / concerns</li> </ul>	February 2016
<u>Model alternative capacity methodology</u>	<ul style="list-style-type: none"> <li><u>Provide initial calculations for a capacity weighted distance approach</u></li> <li><u>Compare to existing LRMC approach</u></li> <li><u>Discuss at NTSCMF and any refinements / developments to take forward</u></li> <li><u>Highlight revenue reconciliation mechanisms in GB and how they may differ under the EU TAR NC</u></li> </ul>	<u>April 2016</u>
Analysis to review alternatives to the underlying charging model to see if alternatives better suit the current and future use of the NTS	<ul style="list-style-type: none"> <li>Consider the rationale behind the existing arrangements</li> <li><u>Develop and refine €comparison of the current Long Run Marginal Cost (LRMC) Model with an alternative (Capacity weighted Distance (CWD) Model) to be built</u></li> <li><u>To include long term / short term capacity pricing (including how discounts or multipliers may be incorporated)</u></li> <li><u>To include range of scenarios that could result in combinations of methodologies at different points (e.g. to consider GTCR / EU, issues identified, potential dual charging regime scenarios for Interconnection Point / Domestic)</u></li> <li>Consider Revenue recovery and reconciliation under respective scenarios</li> <li>Consider impacts of the inputs for the modelling including their relevance</li> </ul>	<u>TBC May – June (estimated)</u>

Analysis to review capacity and commodity charging to consider options of how they could change	<ul style="list-style-type: none"> <li>As an output of reviewing the underlying methodology the resulting method of determining capacity charges needs to be reviewed</li> <li>Commodity charges may also need to be reviewed (methodology and application) in any review</li> <li>Would also require looking at the application (rules) around levying the charges (e.g. discounts, multipliers, exemptions)</li> <li>Review interaction with additional charging products or specific arrangements and their relevance</li> </ul>	TBC
Incorporate GTCR	<ul style="list-style-type: none"> <li><a href="#">Consider GTCR policy and measure analysis against this policy</a></li> <li>Consider the scope of GTCR policy and how this aligns with any potential review</li> </ul>	Ongoing
Incorporate EU Tariff Code	<ul style="list-style-type: none"> <li>As EU Tariff Code develops, share updates</li> <li>Consider EU Compliance in any potential change or to factor into the discussions</li> </ul>	Ongoing