DSC Charging Methodology

Overview for UNC FGO Workgroup 18.10.16

Methodology Development and Application

- Methodology developed under UNC FGO Workgroup (Charging)

  - Builds on outcomes of KPMG chaired FGO Charging and Cost Allocation Workgroup (May 2015 – January 2016)

- Effective from FGO Implementation Date

- To be applied to 2017/18 Budget

  - DSC Customers being consulted on draft Budget

  - Xoserve Board to approve Budget in January 2017

- 2017/18 Charging Statement to be published by end of January (subject to Ofgem approval of Mod 565 and DSC)

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Methodology Summary

CDSP Costs

DSC Costs

UKLA Costs

Add Margin

UKLA Margin

Costs + Margin = Charges

UKLA Charges

Service Charges

Investment Charges

Customer Charge

General

Specific

Additional

Third Party

Change

Infrastructure

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Service Charges

General Charges	Specific Charges

- Service Area costs defined by Cost Allocation Model

Service Areas	Customer Classes			
	T	D	I	S
1..	%			
2...		%		
3...		%	%	
4...				%
5...	%	%		
	SUM	SUM	SUM	SUM
	100%	Share on SP count		

- Charging measure defined for each Service Line
- Charge calculated on measure of usage or number of transactions

Investment – Change

General Charges

- Change Budget and funding thereof is defined by Change Management Committee

	Customer Classes			
Service Areas	T	D	I	S
1..	%			
2...		%		
3...		%	%	
4...				%
5...	%	%		
	SUM	SUM	SUM	SUM
	100%	Share on SP count		

Specific Charges

- Charging measure defined for each Change (through UNC Mod process)
- Charge calculated according to defined measure

Investment - Infrastructure

Infrastructure Charges

UK Link Gemini

- All investment in UK Link Gemini infrastructure is wholly funded by National Grid Gas Transmission

All Other

- The 'Balance-of-Infrastructure' is funded by reference to the funding of Service Areas by each Customer Class (excluding those Service Areas funded wholly by NGGT)

	Customer Classes			
	T	D	I	S
Service Area	SUM	SUM	SUM	SUM
Less: 100% T funded	X	-	-	-
Balance	SUM-X	SUM	SUM	SUM
Percentage share	%	%	%	%
Infrastructure Charges	INF-T	INF-D	INF-I	INF-S
	100%	Share on SP count		

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