



NIC Future Billing Methodology – Update for Shrinkage Forum 19 Dec 2016

- Full project submission entered 8th August 2016
- Project comprises 4 work packs:
 - Initial Industry Engagement
 - Field Trials around Hibaldstow and Chittering to determine ZOI for bio-methane
 - Smart Metering exercise off-line to determine how CV could be attributed to customer smart meters
 - Final Industry Engagement with CBA, Industry responses to project findings and recommendations for next steps
- Meetings with Expert Panel on 8th and 30th September
- 31 questions raised and answered between August and October (FBM not in the usual mould for NIC projects)
- Ofgem approve FBM on 30th November, but on Expert Panel recommendation include a Stage Gate after initial Industry Engagement.



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- Stage Gate required NGGDL to produce an evidence-based case, from stakeholder engagement, demonstrating:
 - Industry appetite for change
 - Industry views on network model validation through field trials, or alternative
 - Initial CBA for three FBM scenarios: *Pragmatic; Composite; Ideal*
- Aim to begin Industry Engagement early in 2017, ahead of official start date and to meet Stage Gate requirements for 11th Aug 2017 submission
- Ofgem have six weeks to decide go-ahead for Field Trials
- Aim to keep to 31 March 2020 completion, but accelerated programme due to Stage Gate.