GCR Decisions List

Key:

Red	No proposed/discussed conclusion or a lot of work remains on this issue
Amber	Issue discussed and open
Green	Proposal agreed

Item	Summary	Decision Required?	Type of change	Justification of Proposal	Proposal	Further Information
Choice of Reference Price Methodology	The method by which Capacity charges are calculated along with adjustments for the purposes of revenue recovery	Yes	UNC		To be determined through Sub Group and NTSCMF. Discussions at Sub group and through NTSCMF have recommended the discontinuation of the LRMC model for modelling changes for the GCR.	See "Conclusion of sensitivity analysis modelling" 1-pager
Auction Structure	Are there any changes to make for the current range of auctions and capacity products for Entry and Exit that are currently in place or changed as a result of CAM updates	No	UNC	Additional changes would take longer to implement and cause more uncertainty/ unpredictability in behaviour	Leave as is, with same capacity products and as per changes delivered for CAM updates from 2017.	
Formula Year and Gas Year	The issue of having a Gas Year of October to September and the	No	Licence (RIIO-T2)	Recommendation to raise with RIIO-T2 price control	Not to amend and leave as it is at present.	See "Formula vs Gas Year" 1-pager

	Revenue Year (or Formula Year) of April to March.					
NTS Pensions Deficit recharge	The dedicated charge to recover DN Pension Deficits and levied directly to the DNs.	No	-	To avoid cross subsidy it is proposed to keep as a targeted cost to Distribution Network Operators	To leave as it is, with the values calculated as they are at present. May be some interaction with categorising under Transmission or Non Transmission Services.	
Article 9 Discounts under TAR NC	Discount for Capacity under EU Tariffs Code mandates a minimum of 50%. This is Article 9 of the EU Tariffs Code. This is the only discount mandated by Article 9.	Yes	UNC	This is the default position in TAR NC, anything else should be justified by the relevant party	To have the capacity discount for storage set at 50%. No other discounts from Article 9.	See "Storage" 1-pager (linked to Article 9 of TAR NC) (Issues log ref. TCMF06)
Treatment of Storage at Combined ASEPs	How to split any combined ASEP to allow the capacity for Storage to be clearly identified for any discount to be applied to the charges.	Yes	Possible Licence change (Gas Transporter Licence Table 4B/8) Possible UNC change (section Y)	To appropriately apply a storage discount at an ASEP where a Storage and non-storage point are combined. The ASEP will need to be split in some way and options (e.g. Licence and non-Licence) to achieve this will be discussed at sub group/NTSCMF	To determine an efficient method of splitting to allow the required discount to be applied to the storage capacity.	See "Storage" 1-pager
Use of Fixed Prices (as per EU Tariffs	Fixed Prices (as per definition under the TAR	Yes	UNC	Builds on the CAM/TAR implementation of	Not to use fixed prices as outlined in	See "Incremental -

Code)	NC Art 24) that would only be available for incremental (if used at all).			2017.	the EU Tariffs Code as problematic to apply across GB.	Fixed versus floating payable price" 1-pager
Entry / Exit Split	The % split between Entry and Exit used in the Charging Methodology. Currently 50:50.	Yes	UNC	A default entry-exit split of 50:50 is provided for in the EU TAR NC and a change from this established principle may have consequences for incentive mechanisms and revenue recovery.	No compelling argument to change so maintain 50:50 in modelling but make model flexible to allow change.	See "Entry and Exit Split" 1-pager (Issues log ref. TCMF07)
Seasonal Factors	Seasonal Factors are an option as a multiplier at Interconnection Points under the EU Tariffs Code	No	UNC	Not in current regime, no compelling argument to introduce at this stage. Incorporate into discussion on Multipiers.	Not to use seasonal factors	To be incorporated into "Multipliers" 1-pager.
Multipliers	For the calculation of adjustments to reserve prices for specific auctions / capacity products. Discounts (or multipliers less than 1) are currently applied in GB.	Concept – Yes Precise Figures – No	UNC	Subject to development and links to behavioural work and establishing purpose of multipliers.	Initial modelling will be based on multipliers of 1 for all capacity types; model will be flexible to allow change.	See "Multipliers" 1-pager (Issues log ref. TCMF01)
Revenue Recovery Mechanisms	The method by which charges can be reconciled and establishing which charges can influence others by means of under or over recovery.	Yes	UNC	TAR NC recognises the use of specific charging products for the purposes of Transmission Services revenue recovery, e.g.	The working assumption (pending Legal confirmation) that Entry and Exit should be separately reconciled as per	Draft 1-pager "Revenue Recovery mechanisms" produced and to be updated

				○ Adjustments to Capacity reserve prices, via reference price adjustments, reserve price adjustments or through the use of multipliers (which can be greater or less than 1 but cannot be 0). o A Complementary Revenue Recovery Charge (CRRC): a commodity charge that could only be applied at Non-IPs.	current regime.	once legal opinion given
Interruptible	Calculation of interruptible prices for capacity. EU Tariffs Code articles on interruptible mandate IP specific only however will need to form part of the discussion about IP / Non IP application of changes (i.e. single or dual regime).	Yes	UNC	The calculation of the probability of interruption is specified in the TAR NC but this is IP specific; no reason suggested why IPs and non-IPs should be priced differently.	There is no reason why IP's and Non-IP's should be priced differently.	See "Interruptible Capacity" 1-pager
Transmission Services revenue recovery	Should this be predominantly Capacity revenue	Yes	UNC	Whilst there are provisions for a specific commodity charge (to recover cost to flow gas) and a CRRC is permitted for the purposes of revenue	Revenue recovery for Transmission Services should be predominantly Capacity based for both Entry and Exit.	See "Revenue Recovery – Transmission Services Revenue" 1-pager

				recovery at Non-IP's only, if the aim is to apply one method across all points then it would be more appropriate if capacity was the main recovery mechanism for Transmission Services.		
Non Transmission Services revenue recovery	Should this be predominantly Commodity? Currently this is the case.	Yes	UNC	Revenue recovery for Non-Transmission Services should be predominantly Commodity based (i.e. unit prices applicable GB wide). The application of this may depend on the denominator used in the calculation (e.g. flows).	Revenue recovery for Non-Transmission Services should be predominantly Commodity based (i.e. unit prices applicable GB wide).	See "Revenue Recovery – Non Transmission Services Revenue" 1-pager
Existing Contracts	Entry Capacity contracts concluded prior to the Entry into Force of the EU Tariffs Code.	Yes	UNC		Working assumption that the price established is protected however may not preclude the use of additional chargeable values for the purposes of revenue recovery when payable.	*1-pager to be produced once legal opinion given*

					Working assumption pending Legal confirmation.	
Forecasted Contracted Capacity	The use of a capacity forecast used as an input to the RPM. Needs to be suited to the RPM and aim of Capacity charges.	Principle – Yes Calculation – No	UNC		To be discussed further and developed through subsequent sub groups and NTSCMFs.	See "Forecasting Contracted Capacity" 1-pager (Issues log ref. TCMF02 & TCMF03)
IP / Non IP application	Whether on certain aspects of the charging framework there is separate treatment of IP and Non IPs.	Yes	UNC		Will be linked to individual issues however, to be discussed and developed through subsequent sub groups and NTSCMFs.	
Avoiding inefficient bypass of the NTS	What changes may be required or beneficial to the current Optional Commodity charge to make it appropriate for the proposed regime	Yes	UNC	Will have links potentially to RPM and how Transmission and Non Transmission is recovered.	To be discussed further and developed through subsequent sub groups and NTSCMFs.	See "Avoiding Inefficient Bypass of the NTS" 1-pager
Timing of publication of prices	We need to consider timing and how often prices are published for: - Entry Capacity - Exit Capacity - Commodity - Other	Yes	UNC and Licence		This will be subject to other items, for example IP/Non-IP application	

V0.1	Initial draft to be discussed at NTSCMF on 01.02.17
V0.2	Update following discussion at NTSCMF on 01.02.17