

DNO Project Implementation Costs

Background

At the ISG on 13 December 2005 it was requested that COG identify the project implementation costs associated with the COG work on the Longer Term Charging Framework.

Cost of Work Programme

The cost to DNOs associated with delivering the identified work programme has been calculated as c. £340k. This cost has been estimated as follows:-

Area of work	Total
4x Consultation analysis	£ 6,400
4x Consultation preparation	£ 9,600
15x Meeting	£ 122,250
19x Post event actions	£ 98,800
19x Pre event preparation	£ 49,400
4x Workshop	£ 52,600
Total	£ 339,050

With the basis for these figures being:

	Full time equivalent work days	Average daily rate	Average Individual Expenses	Collective Expenses
Consultation Analysis	4	400	0	0
Consultation preparation	6	400	0	0
Meeting	13	400	150	1000
Post event actions	13	400	0	0
Pre event preparation	6.5	400	0	0
Workshop	13	400	150	6000

These costs are being incurred by DNOs as part of their Licence obligations to review the charging methodology at least once a year. This work programme will therefore not be the subject of a cost benefit analysis.

Implementation Costs

The cost of implementation of the long term charging arrangements are dependent on the proposals that emerge from the review process. Where these proposals are likely to incur significant implementation costs for the various stakeholders then these will be subject to a cost benefit analysis.