

Gas transmission charging review: stakeholder workshop

To update stakeholders on next steps in the Gas Transmission Charging Review.	From Date and time of Meeting Location	Victoria Volossov 04/12/13 14:00-16:30 Conference Room 9 9, Millbank SW1P 3GE	4 December 2013
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1. Welcome and introductions (Judith Ross) 14:00-14:10

1.1. We will give you an overview of consultation responses and the opportunity to explore issues raised. We will also update you on GTCR progress.

2. Consultation Responses (Rhianne Ogilvie) 14:10-14:20

3. Refined aim and scope of the GTCR (Alena Aliakseyeva) 14:20-14:45

The aim of the project is to ensure that the structure of the GB charging regime is fit for purpose and protects the interests of existing and future consumers. We will assess the current charging arrangements and any options for change against the following criteria:

- *economic efficiency in both the short run and the long run (eg efficiency in transmission infrastructure investment decisions)*
- *impact on cross-border trade*
- *reflection of developments in the transportation business*
- *impact on security of supply*

Furthermore, we note there are some "must do" constraints that must form the baseline assessment of any options associated with legal compliance (including implementation of EU law) and requirements on transparency and non-discrimination.

4. Update: European developments 14:45-15:15

- 4.1. Tariff Framework Guideline (Richard Miller)
- 4.2. Potential impact of the EU Framework Guideline (National Grid)

Coffee break 15:15-15:30

5. Breakout groups (Victoria Volossov) 15:30-16:15

- 5.1. Focus on selected issues raised in consultation responses

6. Next steps (Alena Aliakseyeva) 16:15-16:30

7. AOB (Judith Ross) 16:30-16:45

Breakout Groups

Group 1 – Judith Ross, question 1
Conference room 9

1. Chris Wright
2. Nahed Cherfa
3. Rekha Theaker
4. Felicity Bush
5. Malcolm Arthur
6. Shaun Lee

Group 2 – Bogdan Kowalewicz, question 1
Conference room 9

1. Roddy Monroe
2. Rick Hemmings
3. Julie Cox
4. Dimuthu Wijetunga
5. Colin Hamilton
6. Samia Adel
7. Rick Hemmings

Group 3 – Alena Aliakseyeva, question 2
Atrium

1. Richard Lea, Gazprom
2. Pavanjit Dhesi
3. Anna Gilmore
4. Natasha Ranatunga
5. David Cox
6. Phil Broom

Group 4 – Rhianne Ogilvie, question 3
Conference room 3

1. Richard Fairholme
2. Amrik Bal
3. Peter Biltoft-Jensen
4. Prashan Patel
5. Colin Williams
6. Angharad Williams
7. Josephine Lord
8. Aled Moses

Group 5 – Nathan Macwhinnie, question 3
Atrium

1. Gerry Hoggan
2. Debra Hawkin
3. Charles Ruffell
4. David Odling
5. Angus Paxton
6. Antonio Ciavoella

Group 6 – Victoria Volossov, question 2
Atrium

1. Nick Wye
2. Andrew Pearce
3. Edward Humphreys
4. Jeff Chandler
5. Marshall Hall
6. Sofia Eng
7. Jonah Anthony

Group 7 – Richard Miller (phone) question 3

1. Jos Kuiper
2. John Edwards
3. Sue Ellwood
4. Jacqueline Clark
5. Isabelle Magne

Breakout groups

Your group will discuss one of these questions. There will be an opportunity for you to comment on all questions in the session, and send additional comments to Victoria.volossov@ofgem.gov.uk

Question 1

ACER has just finalised the Framework Guideline on tariff structure harmonisation, introducing a number of important changes to the charging regime at interconnection points and potentially domestic points. Following further development by ENTSO-G and the European Commission this is set to become a legally binding Network Code by 2017.

- Which parties will be affected by changes to the regime (eg single versus dual regime)? Do you expect the effects to be equal for all parties? If not, why not?

	Single regime	Dual regime
Effects in Practice		

Question 2

- If the EU Tariff Network Code, which is expected to be implemented by 2017, did require some changes to existing long term contracts - how would you be affected? What scope is there for mitigation?
- There are draft provisions for mitigating actions in the Tariff Framework Guideline, which are subject to further review by ENTSO-G and the European Commission. What mitigations might be appropriate?

Question 3

It is our principal objective to protect the interests of current and future consumers. We bear this in mind today: a charging methodology should enable efficient network investment, and at the same time ensure that market signals are efficient.

- What is the impact today of short term discounts on long term investment?
- Our understanding is that, currently, discounted short term capacity is seen to reflect (i) the risk of not having capacity available and (ii) that the marginal cost of spare short term capacity is lower than the long run marginal cost. Do these reasons still apply today? Are there alternative reasons?