

Industry update from Ofgem – up to date as of 30 May 2017

Network Model Review and Statement of Procedures

National Grid Gas Plc (NGG) has an obligation under its Gas Transporter Licence to maintain a Network Model and an accompanying Statement of Procedures for modifying or updating the data for the Network Model. In March 2017 NGG submitted a Network Model Review Report and Statement of Procedures pursuant to Special Condition 7C. On 4 May 2017, we published a letter setting out our approval of NGG’s submission. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/network-model-review-and-statement-procedures>

MPR: Modifications to the ET1 and GT1 PCFMs

On 17 May 2017 we published the modifications needed to implement our mid-period review (MPR) decision on the RIIO-GT1 Price Control Financial Model (PCFM). (Our decision, taken in February, was to reduce the totex allowance for NGGT). More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/mpr-modifications-et1-and-gt1-pcfms>

The revised model can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/riio-gt1-financial-model-following-mid-period-review>

Network Innovation

Decision on the New Nwy (New Gas) submission to the Initial Screening Process of the 2017 Gas Network Innovation Competition

On 4 May 2017 we published our decision on the “New Nwy (New Gas)” submission to the 2017 Gas NIC. We have decided that the project submission has failed to meet the ISP eligibility requirements and cannot progress to the Full Submission. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/decision-new-nwy-new-gas-submission-initial-screening-process-2017-gas-network-innovation-competition>

Notices to modify the network licences for the network innovation strategy

On 11 May 2017 we issued notices under section 23(2) of the Gas Act 1986 to the relevant licence holders proposing the introduction of a new licence condition to implement our Network Innovation Review policy decision. This decision was that the RIIO network licensees develop a gas network innovation strategy. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/notices-modify-network-licences-network-innovation-strategy>

Consultation on version 3.0 of the Network Innovation Competition governance documents

On 11 May 2017 we issued a consultation on proposed changes to the Network Innovation Competition (NIC) Governance Documents to implement our Network Innovation Review policy decision of 31 March 2017. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/consultation-version-30-network-innovation-competition-governance-documents>