

Industry update from Ofgem – up to date as of 31 March 2017

Decision to reduce Minimum Rough Capacity and Additional Space for the 2017/18 Storage Year.

On 10 March 2017 we approved Centrica Storage Limited's (CSL) application to reduce the Obligated Capacity (the minimum amount of storage capacity they must offer for sale) at the Rough storage facility to zero for the 2017/18 storage year. This decision was based on a substantial change in Rough Capacity. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/decision-reduce-minimum-rough-capacity-and-additional-space-201718-storage-year>

Notice proposing modifications to the Regulatory Instructions and Guidance (RIGs) for RIIO-GT1 (version 4.1)

On 21 March 2017 we gave notice of proposed modifications to the Gas Transmission RIGs. These modifications are made for the purpose of clarifying the existing reporting requirements. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-gt1-version-4-1>

Uniform Network Code (UNC) 597: Rules for the release of incremental capacity at Interconnection Points

On 22 March 2017 we approved UNC Mod 0597 which facilitates compliance with CAM by introducing a new process to allocate incremental capacity at Interconnection Points. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-597-rules-release-incremental-capacity-interconnection-points>

Mid Period Review: Statutory Consultation on modifications to the ET1 & GT1 Price Control Financial Models (PCFMs)

On 22 March 2017 we launched a consultation on modifications to the PCFMs needed to implement our mid-period review decision (for NGGT this decision was to reduce allowances by £168.78m). More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/mpr-statutory-consultation-modifications-et1-gt1-pcfms>

Forward Work Programme 2017-18

On 29 March 2017 we published our Forward Work Plan for the forthcoming financial year. The programme sets out how we plan to use our resources to make the greatest positive difference for consumers in the coming financial year. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/forward-work-programme-2017-18>

Review of the Fleetwood entry point in gas transmission

On 31 March 2017 we launched a consultation on the treatment of the capacity obligation at the Fleetwood entry point on the National Transmission System (NTS) and its price control funding. The consultation has arisen as a result of a shipper losing its right to entry capacity at Fleetwood, as well as its obligations to make future payments for capacity. Our preference is to "true up" NGGT's allowances and to remove the capacity obligation. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/review-fleetwood-entry-point-gas-transmission>