

Industry update from Ofgem – 1 December 2015

Informal consultation on changes to Standard Special Condition A15 (Agency) of the Gas Transporters Licence. We seek your views before 14 December 2015 on our on amendments to Standard Special Condition A15 (Agency) of the Gas Transporters Licence. The proposed licence changes are required in order to implement the options developed by Ofgem in consultation with industry as a result of our review of Xoserve's finance, governance and ownership (FGO) arrangements. Our consultation letter may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/informal-consultation-changes-standard-special-condition-a15-agency-gas-transporters-licence>

Cost of Debt Indexation Model 31 October 2015. The model calculating the Corporate Debt Expenditure (CDE) variable value for all four RIIO Price Controls that has been used for the Annual Iteration Process 2015, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/cost-debt-indexation-model-31-october-2015>

RIIO-T1 Directions for the Annual Iteration Process November 2015 for Gas Transmission and RIIO-GT1 Price Control Financial Model (PCFM) following the Annual Iteration Process 2015. The directions issued under the Special Conditions of the gas transporter licence for the Annual Iteration Process which took place by 30 November 2015 for the GT1 PCFM and the GT1 PCFM showing the changes to the licensee's Base Revenue (the MOD value), may be found at the following locations on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/riio-t1-directions-annual-iteration-process-november-2015-gas-transmission> and <https://www.ofgem.gov.uk/publications-and-updates/riio-gt1-price-control-financial-model-following-annual-iteration-process-2015>

Gas Network Innovation Competition (NIC): 2015 funding decision - National Grid Gas Transmission - Customer Low Cost Connections (CLOCC). Our decision on which projects we will fund under the 2015 Gas NIC and the non-confidential documents submitted by National Grid Gas Transmission to the Gas NIC for the project entitled CLOCC may be found at the following locations on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/gas-network-innovation-competition-2015-funding-decision> and <https://www.ofgem.gov.uk/publications-and-updates/gas-nic-submission-national-grid-gas-transmission-clocc>

Code modification/modification proposals with Ofgem for decision - indicative timetable. The table giving the indicative decision dates, and names of Ofgem experts, for code modification/amendment proposals that are with Ofgem for decision may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/code-modificationmodification-proposals-ofgem-decision-indicative-timetable>

Uniform Network Code (UNC) 539: Removal of NTS Exit Commodity Charges for Distributed Gas. UNC539 sought to introduce a rebate to offset NTS exit

commodity charges applied to gas that enters at embedded DN entry points. Our decision letter rejecting its implementation can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-539-removal-nts-exit-commodity-charges-distributed-gas>

Minutes of the Gas and Electricity Markets Authority (GEMA) - 15 October 2015. The minutes of the GEMA which took place on 15 October 2015 including an item on RIIO Mid-period Review (transmission and gas distribution) can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-534-maintaining-efficacy-nts-optional-commodity-shorthaul-tariff-bacton-entry-points>

Minutes of the Gas and Electricity Markets Authority (GEMA) - 17 September 2015. The minutes of the GEMA which took place on 17 September 2015 including an item on Enhanced physical security costs (TPCR4 review and RIIO-T1/GD1 uncertainty mechanism applications) can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/uniform-network-code-unc-534-maintaining-efficacy-nts-optional-commodity-shorthaul-tariff-bacton-entry-points>

Gas Transmission Charging Review (GTCR): Confirmation of policy view and next steps. Our letter confirming our policy view and recommendations on next steps can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/gas-transmission-charging-review-confirmation-policy-view-and-next-steps>

Consultation on a potential RIIO-T1 and GD1 mid-period review (MPR). We seek your views by 12 January 2016 on our initial view that there may be some issues in RIIO-T1 that could be addressed through an MPR. Our consultation can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/consultation-potential-riio-t1-and-gd1-mid-period-review-0>

Agenda of the Gas and Electricity Markets Authority - November 2015. The provisional agenda for the meeting at 08:15 on 12 November 2015, including the item 'Milford Haven pipeline project: ex-post Efficiency Review – update', can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/agenda-gas-and-electricity-markets-authority-november-2015>

Consent to the National Grid Gas proposal for exit capacity substitution in respect of Teesside Hydrogen National Transmission System Exit Point. Our letter approving the National Grid Gas (NGG) proposal for exit capacity substitution of unsold NTS Baseline Exit (Flat) Capacity from the donor NTS Exit Point at Billingham ICI (Terra Billingham) to meet a request for additional incremental capacity at NTS Exit Point Teesside Hydrogen can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/consent-national-grid-gas-proposal-exit-capacity-substitution-respect-teesside-hydrogen-national-transmission-system-exit-point>