

## Industry update from Ofgem – 4 November 2015

**Approval of BBL's modified access rules and charging methodologies for interruptible reverse flow capacity and for forward flow capacity.** Our letters approving these may be found at the following locations on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/approval-bbl-s-modified-access-rules-and-charging-methodology-interruptible-reverse-flow-capacity> and

<https://www.ofgem.gov.uk/publications-and-updates/approval-bbl-s-modified-access-rules-and-charging-methodology-forward-flow-capacity>

**Uniform Network Code (UNC) 534: Maintaining the efficacy of the NTS Optional Commodity ('shorthaul') tariff at Bacton entry points.** UNC 534 proposed to consolidate the Bacton UKCS and Bacton IP entry points together for the purposes of applying and calculating the shorthaul tariff. Our decision letter approving 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-534-maintaining-efficacy-nts-optional-commodity-shorthaul-tariff-bacton-entry-points>

**Code Governance Review (Phase 3): Initial Proposals.** This document sets out our review of our code governance reforms. We seeks views, by 18 December 2015, on our Initial Proposals for further reform, aimed at ensuring the code governance arrangements are fit-for-purpose for a changing industry and in light of the increasing pace, volume and complexity of change planned in the coming years. It can be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-initial-proposals>

**Regional differences in network charges.** Our paper explaining why network charges which recover costs incurred by electricity and gas, transmission and distribution networks differ across regions in Great Britain, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/regional-differences-network-charges>

**Approval of National Grid Gas' (NGG's) Capacity Methodology Statements modified for CAM Network Code.** NGG has made changes to the five Entry and Exit Capacity Methodology Statements and Capacity Release Methodology Statements to implement elements of the Commission Regulation (EU) No 984/2013 (Capacity Allocation Mechanisms) and to continue compliance with Annex I to Regulation (EC) No 715/2009. Our letter approving the five Methodology Statements may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/approval-nggs-capacity-methodology-statements-modified-cam-network-code>

**Ofgem's final decision on the review of Interconnector (UK) Limited's ('IUK') certification.** On 5 March 2015 the Authority opened a review of IUKs ownership unbundling certification in accordance with section 8K of the Gas Act 1986. Our decision that the certification of IUK Limited should be continued, may be found at

the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-s-final-decision-review-interconnector-uk-limited-s-iuk-certification>

**Winter Outlook Seminar, London - 15 October 2015.** The seminar agenda and presentations from National Grid, Ofgem, New Resource Partners and Nextant, may be found at the following location on the Ofgem website:

<https://www.ofgem.gov.uk/publications-and-updates/winter-outlook-seminar-london-15-october-2015>

**Agenda of the Gas and Electricity Markets Authority - October 2015.** The provisional agenda for the meeting at 08:15 on 15 October 2015, including the item 'RIIO Mid-period Review (transmission and gas distribution)' may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/agenda-gas-and-electricity-markets-authority-october-2015>

**Approval of NGG's Generic Revenue Driver Methodology (GRDM) Statement 2015.** Our approval minor amendments to the GRDM include administrative changes, clarifying timescales for calculating the revenue driver, and the removing the references to making consequent changes to the Constraints Management target. may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/approval-nggs-generic-revenue-driver-methodology-statement-2015>

**Determination on Moffat Designated Arrangements.** Our approval, in line with section A1.4.1 of the European Interconnection Document and paragraph 18 of Standard Special Condition A11 of NGG's licence, that NGG's determination facilitates the relevant objectives of the Uniform Network Code, may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/determination-moffat-designated-arrangements>

**Decision on TPCR4 cost reviews and RIIO-T1/GD1 uncertainty mechanisms for enhanced security upgrades.** We are reducing the disallowance for NGGT from our minded-to position from £45.4m to £33.4m for TPCR4 physical security upgrade adjustments and maintaining our minded-to position on reducing NGGT RIIO-T1 security upgrade allowances from its application for £223.2m to £190.4m. Our decision may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/decision-tpcr4-cost-reviews-and-riio-t1gd1-uncertainty-mechanisms-enhanced-security-upgrades>

**Final decision on NGGTs application under the RIIO-T1 Compressor Emissions uncertainty mechanism.** We consulted on our proposals to reject NGGT's bid for additional funding because it had not fulfilled the specific requirements, in particular it had not included a comprehensive cost benefit analysis. Our decision to reject NGGT's application for additional funding may be found at the following location on the Ofgem website: <https://www.ofgem.gov.uk/publications-and-updates/final-decision-nggts-application-under-riio-t1-compressor-emissions-uncertainty-mechanism>