Terms of Reference

Development and Implementation Steering Group

Group composition

Chair: Kyran Hanks

Ofgem	Shippers and Customers (TBC)
National Grid Transco	Potential DN purchasers
Independent Gas Transporters	Other observers by agreement

Background

NGT has indicated that it is considering the sale of one or more gas distribution network businesses (DNs). Before NGT can sell a DN business it must obtain the consent of the Authority. In November 2003, the Authority agreed that work should be undertaken to determine the regulatory, commercial and operational arrangements that would support a DN sale if such a sale were to go ahead.

The development of these arrangements entails a major program of work that could result in fundamental changes to the structure to the British gas industry. The process by which this work will be accomplished is set out in Ofgem's Next Steps document. As part of its DN sales work program, Ofgem intends to form a Development and Implementation Steering Group[1] (DISG).

Objective

The objective of this group is to provide guidance and monitor progress of the three workgroups established by Ofgem to assist in the development of proposed changes to the commercial, regulatory and operational framework that are expedient and necessary to support the sale of one or more of NGT's DNs.

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[1]   Clearly, implementation is contingent on the Authority's decision in April 2004

Terms of reference

1. Identify the scope and objectives of reform.

2. Ensure that the work program addresses all relevant issues.

3. Consider and provide feedback on proposals brought forward by:

   - the three workgroups established to progress the DN sales reforms

   - Ofgem and NGT, where they have jointly developed proposals for the steering group's consideration.

4. Where appropriate, identify potential alternative proposals.

5. Liaise with network code workstreams and other relevant industry groups as appropriate.

Deliverables

Publish summaries of the conclusions and key points raised in each meeting.