

Commercial interface work group – Key issues and deliverables

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Key deliverables of group

- To develop commercial interface arrangements between NTS and DN in 7 key areas:
 - NTS and DN exit and interruption arrangements
 - Capacity availability and investment planning
 - Treatment of diurnal storage
 - Shrinkage
 - Quality
 - Emergencies
 - Interface metering
- Proposed commercial arrangements to be outlined by end of March for April Authority decision.
- Resolve policy 'gateways' and where possible, business rules for commercial arrangements by end of March.

Exit and interruption arrangements

- Exit and interruption reform objectives
 - Transco determined interruption
 - Non-discrimination
 - Increased customer choice
 - Investment signals
 - Safe and secure pipeline system
- The contractual arrangements for interruption
- Pricing principles for contractual arrangements
- Incentive arrangements
- How do we address potential price control/revenue flow issues in context of sale ?

Capacity availability and planning

- How capacity will be booked? Who is responsible for determining capacity requirements at NTS/DN interface?
- Role of incentives?
- Maintenance arrangements – potential commercial tensions
- Treatment of planning obligations as between NTS and DN
- Ensuring efficient levels of investment and maintaining security of supply

Treatment of diurnal storage

- Determination of diurnal storage levels and arrangements for allocating diurnal storage as between NTS and DNs
- Planning process for diurnal storage provision
- Pricing arrangements for allocation of diurnal storage between NTS and DNs (and vice versa)? Timing?
- Daily operational flow arrangements and rate change requirements
- Impact on price controls??

Shrinkage

- Allocation of responsibility for management of shrinkage between NTS and DN
- Transition from present shrinkage arrangements?

Quality

- Meeting Gas Act and GSMR specifications. Where does the obligation sit?
- Extent to which DNs offer blending services to NTS and vice versa

Emergencies

- Define relationship between network operators
- Issue for DISG

Interface metering

- Arrangements for metering NTS / DN interface
- Is this a significant issue? Responsibilities resting with meter owner...?
- Arrangements to ensure meters maintained correctly

A large, central version of the ofgem logo is positioned in the middle of the slide. It features the word "ofgem" in white lowercase letters on a prominent orange rounded rectangular background. The background of the slide is a light blue gradient with a faint image of electrical components on the left side.

Promoting choice and value for all
gas and electricity customers