

# **REGULATORY ARCHITECTURE WORKGROUP**

## **Draft Work Programme – Overview**

**9 February 2004**

### **1 Introduction**

The objective of this workgroup is to develop a legal framework that supports the proposed new industry structure and to give legal effect to the policy positions developed in other workgroups.

The aim is by the end of March 2004:

- (a) to have worked up a potential structure for the licensing arrangements, revised Network Code arrangement and proposed Offtake Agreement which could apply after any DN sales;
- (b) to have a clear understanding of the proposed content of the GT licensing arrangements, Network Code arrangements and Offtake Agreement which could apply after any DN sales.

If the Authority decides in April to proceed to develop the DN sales structure then it is envisaged that the RAWG would proceed to work up the various documents in more detail prior to any actual DN sale.

It is envisaged that the RAWG will be primarily a legal/implementation/drafting workgroup. Policy issues related to the work area will generally be referred to other workgroups for resolution.

### **2 Stage 1 – Agreement of working assumptions in relation to structural issues – Date 17 February**

The first stage in the process should be to agree a working set of assumptions for the high level structure/architecture of the gas transportation arrangements applying post any DN Sale. The following are the major questions to be resolved:-

- What framework/structure should apply with respect to licensing?
- What should be the scope of the Offtake Agreement?
- What arrangements should apply with respect to the Network Code?
- How should IGTs be accommodated within the reforms?
- Other structural issues.

### **3 Stage 2 – Consideration of more detailed content of the Licence – Date 24 February – 9 March**

The intention is for the existing Gas Transporter Licence to be reviewed and agreement to be reached as to how the provisions and any new provisions would apply at a high level in the light of DN Sales. The intended output for the end of

March is to produce a clause by clause commentary on the existing Licence with a view as to how this would be applied post sale.

**4     Stage 3 – More detailed development of the potential scope of the Offtake Agreement – 2 March – 9 March**

The aim is to produce a description of the key issues to be dealt with in the Offtake Agreement and a suggestion of the approach that would be taken on these issues.

**5     Stage 4 – Development of the arrangements applicable to the Network Code – Date 16 March - 23 March**

The aim is to work through the areas to be covered by the Network Code and prepare a paper suggesting what would be the appropriate approach to the various issues.

**6     Stage 5 – Consideration of other issues and finalisation of summaries – Date 23 March – 30 March**

The impact of any other issues on the overall regulatory architecture structure will be considered and also summaries of the work carried out in the other stages would be finalised for presentation to the Authority.