

DN Sales - RAWG Issues List - presented to the meeting of 17/02/04

No	Question	Priority	Group	Latest update	Latest action	Action owner	Due date	Ofgem's current view	Key risks
1	What framework should apply with respect to licensing?								
1.1	What framework should apply with respect to licensing? (57) (Bracketed number is current number of issue in All Issues List)	H	RAWG	220104 (JH)	Ofgem and NGT to develop proposals and present them to the RAWG.	0	0	Separate transmission and distribution licences are desirable, however this requires primary or secondary legislation. Separating the distribution and transmission activities into an amended GT licence is most pragmatic approach.	0
1.2	Which of Transco's current licence conditions need to apply to DNs, which need to apply to Transco and which should apply to both? (58)	M	RAWG CIWG	220104 (JH)	Ofgem and NGT to develop proposals and present them to the RAWG.	Ofgem & NGT	0	0	0
1.3	What, if any, new licence conditions should be introduced? (59)	M	RAWG CIWG	220104 (JH)	Ofgem and NGT to develop proposals and present them to the RAWG.	Ofgem & NGT	0	Potential issues include: non-discrimination conditions and/or obligations on DNs to co-ordinate in emergencies. Potential conditions to flow from discussions in the CIWG.	0
1.4	What should be the process for licence amendment? (60)	M	RAWG	220104 (JH)	Ofgem and NGT to develop proposals and present them to the RAWG.	Ofgem & NGT	0	0	RDNs could frustrate a collective DN licence amendment process in a way that benefits NGT.
1.5	Will the NTS and DNs have appropriate GT statutory rights and obligations in the new structure?	M	RAWG						
1.5.1	Is it necessary to modify Transco's current 'authorised area' as set out in its licence? (61)	M	RAWG	220104 (JH)	Ofgem and NGT to develop proposals and present them to the RAWG.	Ofgem & NGT	0	0	NGT's statutory duties could be affected.
1.5.2	What action is required to ensure that Transco's rights of entry for the purposes of site isolation are available to the DNS? (62)	H	RAWG	020204 (JH)	0	0	0	0	Is this right conferred by the Gas Act?
1.6	What is the process for issuing and approving licences for the new DN businesses? (51)	M	Ofgem RAWG	190103 (JH)	0	0	0	0	0

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1.7	How should DN licence fees be recovered? (52)	L	Ofgem RAWG	220103 (JH)		0	0	0	0
1.8	Are changes needed to any other licences (Shipper/Supplier)?	M	RAWG						
2	What should be the scope of the Offtake Agreement?								
2.1	What provisions should be in the offtake agreement? (14)	H	CIWG RAWG	111203 (JH)	Policy issues to be developed at CIWG and then passed to RAWG for drafting. NGT has developed a set of draft offtake code business rules to be presented at first meeting of CIWG.	0	0	0	The OA would include co-ordination of NTS and DN investment, network safety, maintenance and engineering, the operational arrangements to manage flows between the respective systems and ownership specification and operation of the offtake points. Failure to specify roles could lead to operational confusion, ambiguity in allocation of responsibility.
2.2	What governance procedures should apply to the offtake agreement? (63)	M	RAWG	111203 (JH)		0	0	0	Ofgem should approve changes and there should be an industry consultation process. Only NGT/DNs could raise modification proposals. Arrangements need to enable transparent governance procedures. Risk of lack of clarity in delineation of roles of OA/NC.
2.3	Who has title to gas within the network? (27)	M	RAWG	200104 (JH)		0	0	0	0
2.4	What arrangements should be put in place to ensure that Gas Act and GSMR gas quality obligations are met? (30)	H	CIWG RAWG	020204 (JH)		0	0	0	NGT should be responsible for quality of gas entering DNs. DNs should be obliged to comply with GSMR obligations with respect to gas in their networks. Obligations set out in OA. Ofgem intends to undertake a review of gas quality arrangements.
2.5	What mechanisms should be adopted to ensure that the NTS & DNs co-ordinate planning & investment? (36)	H	CIWG RAWG	161203 (JH)		0	0	0	Simply giving both DNs and NTS a 1 in 20 obligation could reduce accountability.
3	What arrangements should apply with respect to the Network Code?								
3.1	What arrangements should apply with respect to the network code? (53)	H	RAWG	220104 (JH)	NGT has prepared discussion document that considers the changes that are required to the UNC - to be presented at RAWG meeting 1.	0	0	0	There should be a single uniform network code, scope for separate DN codes to develop in the future.

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3.2	What changes need to be made to the network code for it to support separate transmission and distribution roles? (54)	M	RAWG	220104 (JH)	NGT has prepared discussion document that considers the changes that are required to the UNC - to be presented at RAWG meeting 1.	0	0	0	Quick 'find and replace' could lead to ongoing problems? Are separate sections for transmission/distribution preferable?
3.3	What should be the process for modifying the network code? Should NGT retain administrative responsibility? (55)	M	RAWG	190103 (JH)	Total has proposed mod to bring modification rules into NC.	0	0	0	Current governance arrangements do not take account of IDNs. Incentive problems may arise if NGT required to implement code changes that do not affect its network.
3.4	How much will it cost to implement the reform proposals - in particular, how much will it cost to update IT systems? (12)	H	DISG	150104 (JH)	0	0	0	0	0
3.5	Are shippers' systems interfaces able to support the reform proposals? (13)	H	DISG	210104 (JH)	0	0	0	0	0
4 How should independent gas transporters (IGTs) be accommodated within the reforms?									
4.1	How should independent gas transporters (IGTs) be accommodated within the reforms? (11)	M	All groups	210104 (JH)	NGT to meet with IGTs and connections services providers to further develop proposals. NGT to prepare paper on IGTs.	NGT & Mike Pearce	DISG 3	0	0
5 Other									
5.1	Will proposals give rise to a need for primary and/or secondary legislation to be implemented? (66)	M	RAWG	111203 (JH)	0	0	0	0	0
5.2	Where should the distribution charging methodology sit with the regulatory framework? (56)	M	RAWG	190104 (JH)	0	0	0	0	0
5.3	What governance procedures should apply to the distribution charging methodologies? (64)	M	RAWG	220104 (JH)	0	0	0	0	0

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5.4	What governance procedures should apply to the credit rules for distribution charges? (65)	M	RAWG	220104 (JH)	Peter Bolitho to prepare paper on lessons from BETTA.	Peter Bolitho	DISG 2	0	0

Priority Key:

H: To be resolved by end of February 2004

M: To be resolved by end of March 2004

L: To be resolved after end of March 2004