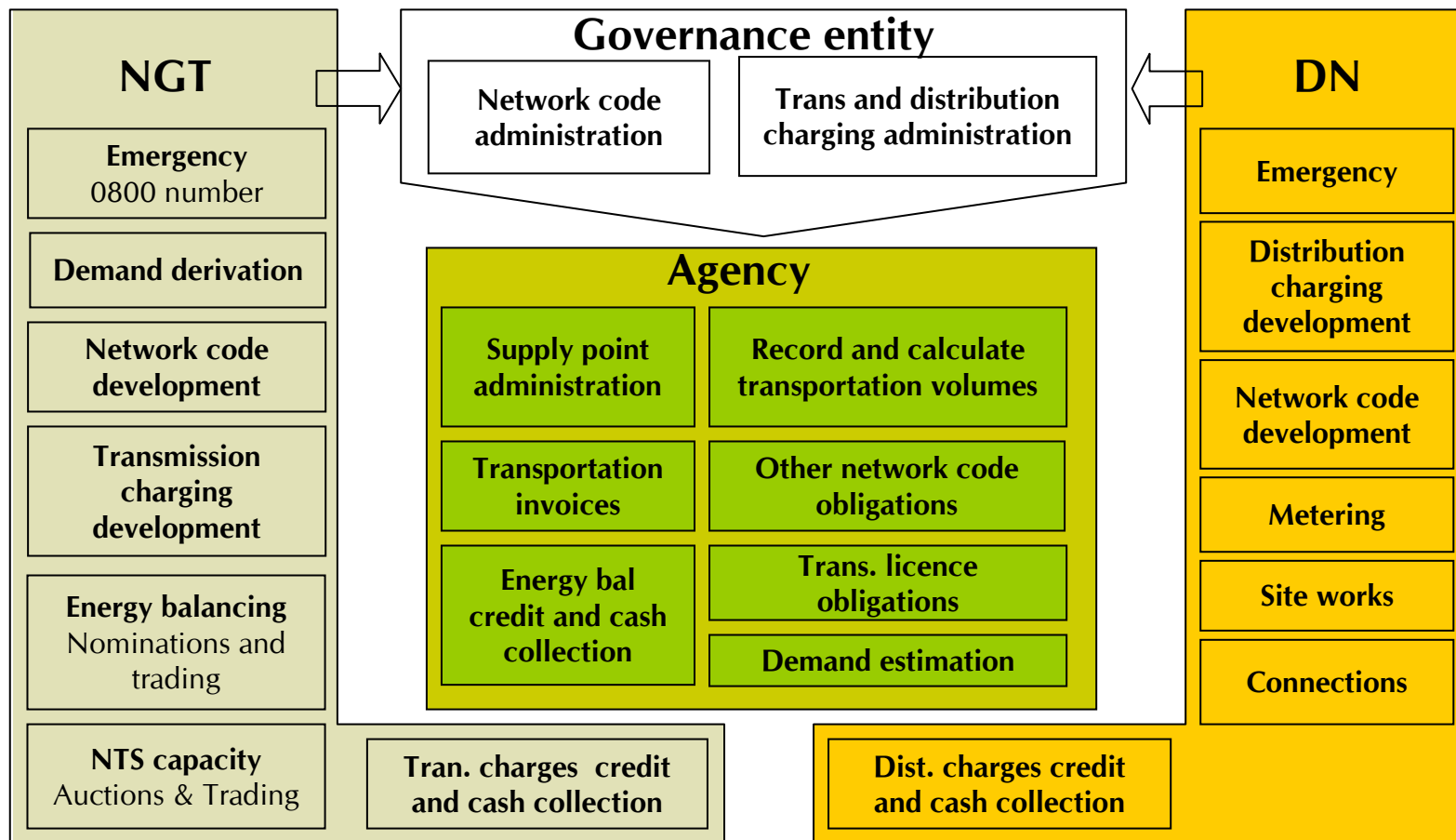


Ofgem initial views for scope of agency

Initial view - option Beta



Ofgem initial views

Demand estimation

In agent

- Essentially a settlement function

Transportation credit arrangement

Out of agent

- Credit management rests with DNs – more scope for comparative regulation
- Clarifies responsibility for credit – no smearing of risk
- Avoid potentially large volume of money flowing through centre
- Cost reported by shippers not overly high

Connections

Out of agent

- Responsibility part of GT licence
- Unclear how connections performance of Agent could be enforced

Ofgem initial views

Metering

- 12 July require shippers to be RGMA compliant anyway

Out of agent

Governance entity

(Network code and transportation charges secretariat)

- Ensures fair treatment of network code modifications and non discrimination

Formed

RGTA / AT Link systems

- Principally a physical information tool for Transco
- Some settlement links but no potential for discrimination
- Governance through UK Link Committee will prevent costly unexpected changes

Out of agent?