



## Agency and Governance - Authority decision

Development & Implementation Steering Group  
8 June 2004

# Overview of presentation

- Summary of RIA
- Respondents' views
- Ofgem's view
- Way forward

# Summary of costs and benefits of each option

		Option A	Option B1	Option B2	Option C	Option D	Option E	Option F
	No Agent	NGT's initial proposal	Introducing governance entity	B1 plus credit arrangements with Agent	AT-link plus RGTA	Splitting systems with responsibilities	RGTA with NTS & AT link with Agent	Broadest Agent
<b>Accountability</b>								
◆ Credit and cash collection	✓✓	✓✓	✓✓	✗✗	✓✓	✓✓	✓✓	✗✗
◆ Settlement and ops systems	✓✓✓✓	✓✓	✓✓	✓✓	✗	✓✓✓	✓	✗
◆ Connections	✓	✓	✓	✓	✓	✓	✓	✗
<b>Cost mitigation</b>								
◆ Credit and cash collection	✗	✗	✗	✓	✗	✗	✗	✓
◆ Settlement and ops systems	✗✗✗	✗	✗	✗	✓✓	✗✗✗	✓	✓✓
◆ SPA systems	✗✗✗✗	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓
◆ DCM governance arrangements	✗	✗	✓	✓	✓	✓	✓	✓
<b>Non – discrimination in modifications process</b>	✗	✗	✓	✓	✓	✓	✓	✓
<b>Competition</b>								
◆ Wholesale & retail	✗✗✗	✓	✓	✓	✓	✓	✓	✓
◆ Metering	✓	✓	✓	✓	✓	✓	✓	✗
◆ Connections	✓	✓	✓	✓	✓	✓	✓	✗
<b>Quality of service</b>	✓✓✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓

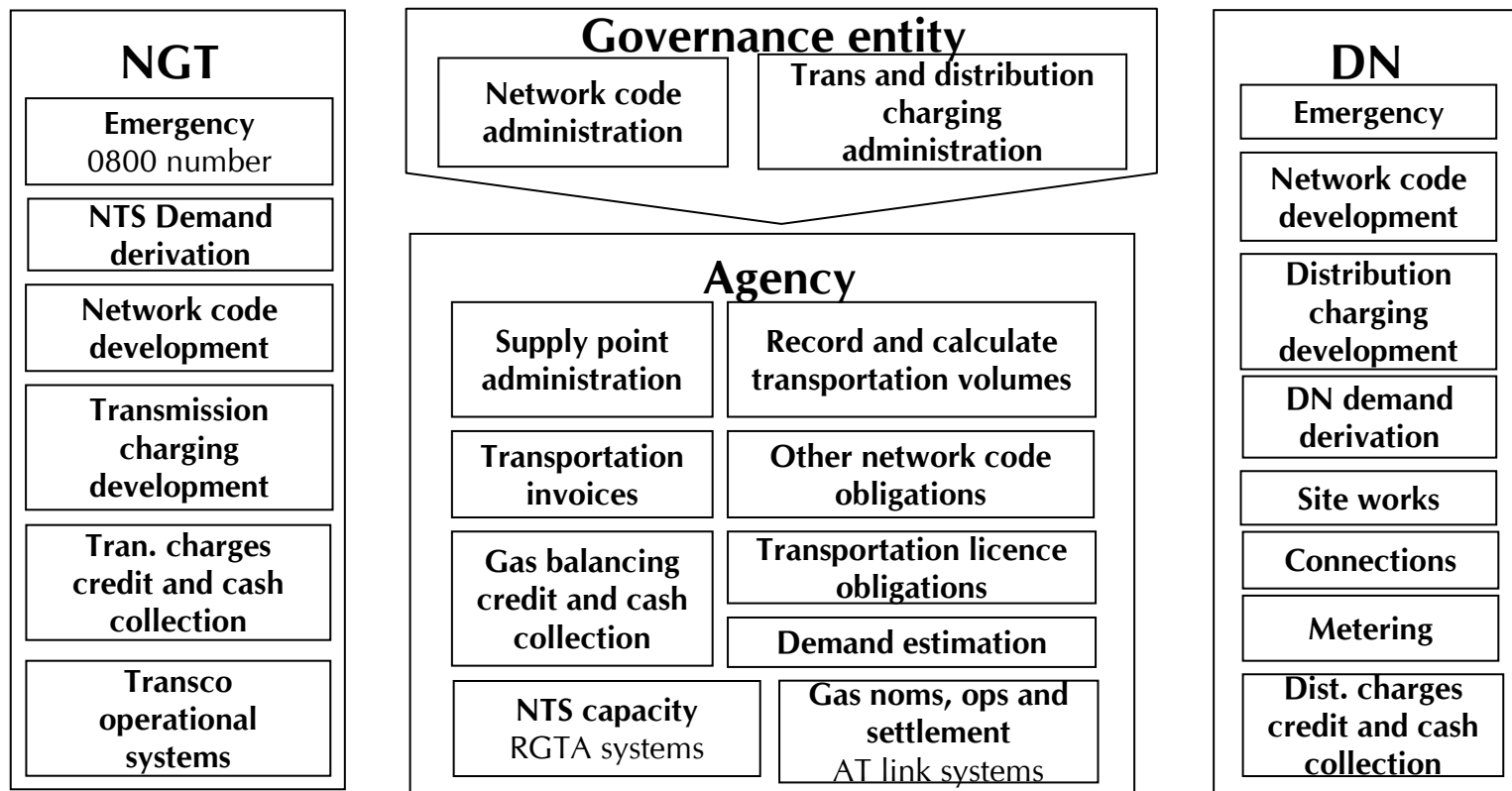
## Respondents' views

- No clear preference on options
  - Significant number of respondents preferred Option F
  - Most other respondents preferred Options B or E
- Majority support for the creation of a governance entity
- Several respondents want credit & cash collection in agency
- Transco identified problems with splitting Gemini under Option E

# Authority's decision

- Governance entity should be established
- AT-Link and RGTA assigned to agency
- Each network operator to be accountable for their own credit arrangements and cash collection
- Demand estimation assigned to agency
- Connections and metering assigned to network operators

# Option C: RGTA and AT-link systems



# Way forward

- Considerable work remains to be undertaken
  - governance of network code, charging methodologies
  - ownership, funding and governance of agency
- Authority's decision conditional upon development of satisfactory solutions
  - DISG to progress high level governance issues
  - Agency Workgroup to progress SPA issues



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