



Indicative timetable for potential DN Sales

DISG 14, 20 July 2004

Key points on indicative timetable

- Indicative timetable focuses upon Ofgem lead regulatory processes – does not address network code, HSE, NGT completion timelines.
- Indicative timetable is subject to risks.
- Provided on informal basis and is not intended to bind the Authority.

Key elements of indicative timetable - RIA

- Ofgem to release final RIA in late September 04.
- Authority to consider whether to consent to disposal of assets (from Transco to wholly owned Transco DN companies) in November 04.
- Conditions likely to be imposed on Transco (eg disposal of shares in DN companies to new owners to be subject to Ofgem consent).

Key elements - Licence process (1)

- All significant commercial and regulatory decisions reached - Aug 04
- Transco apply for grant of licences – 2 months consultation
- At same time, development of new licences commences.
- Ofgem issues informal licence consultation in September 04.
- Subject to responses, proceed to formal section 23 consultation – late October 04
- Authority meeting – November 04
- If Authority consents to disposal of assets, then licences amended following completion of section 23 process.

Licence process (2)

- Transco applies to transfer licences to wholly Transco owned DN companies – expected December 04
- 2 month consultation on transfer.
- Subject to responses received, transfer occurs 1 March 05.
- Following this, NGT seeks to obtain HSE approvals and proceeds to completion.

Key risks to indicative timetable

- Risk that policy and/or legal issues of which Ofgem is not currently fully aware arise that may impact upon timetable.
- Risk that allocation of roles and responsibilities needs to be revisited as offtake arrangements do not provide for efficient investment, efficient operation and security of supply.
- Other unforeseen eventualities.