

# Agency RIA Decision Implementation

Delivering Option “C”

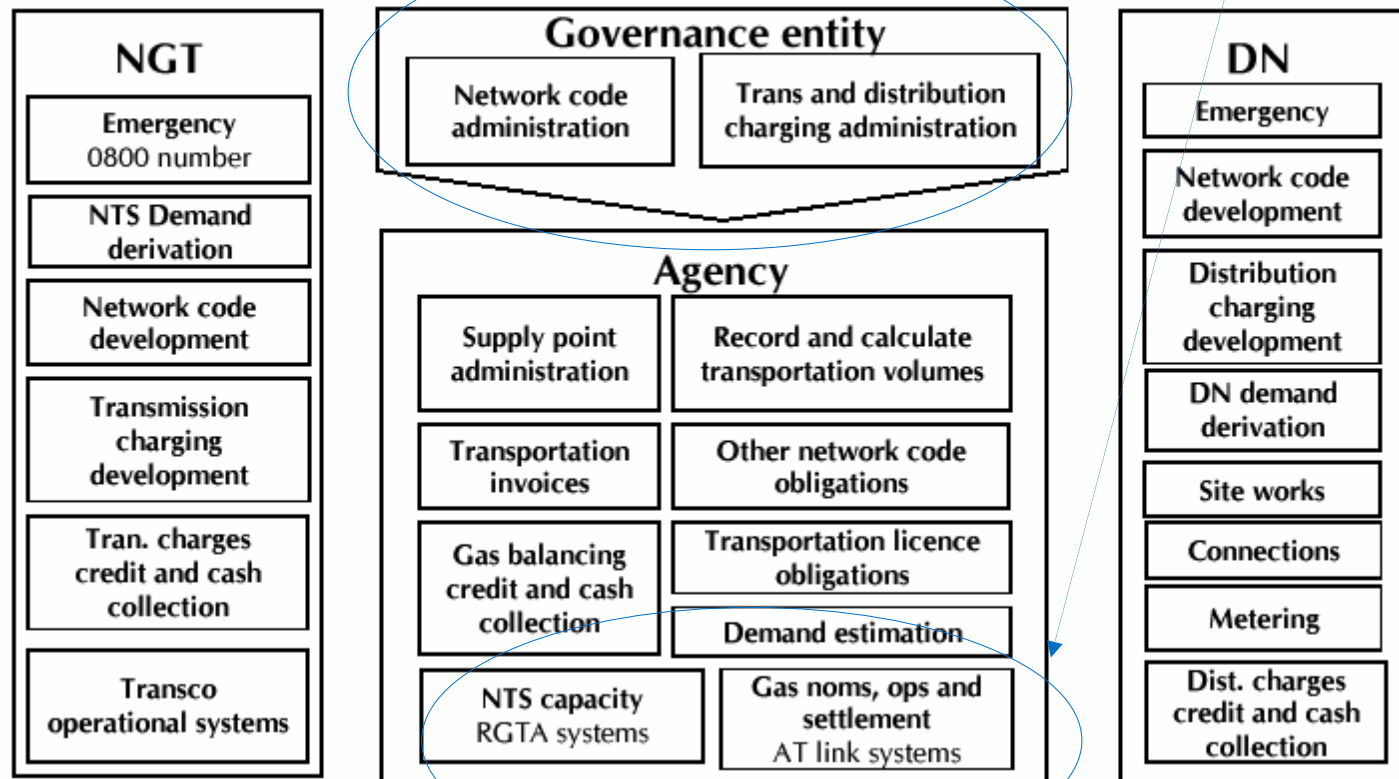
DISG, 15<sup>th</sup> October 2004

# Ofgem Agency RIA Decision

Option “C” should be adopted in the short term . . . . .

Changes from original proposal

Figure 3.3: Split of activities under Option C



# Key Elements of Option “C” Decision

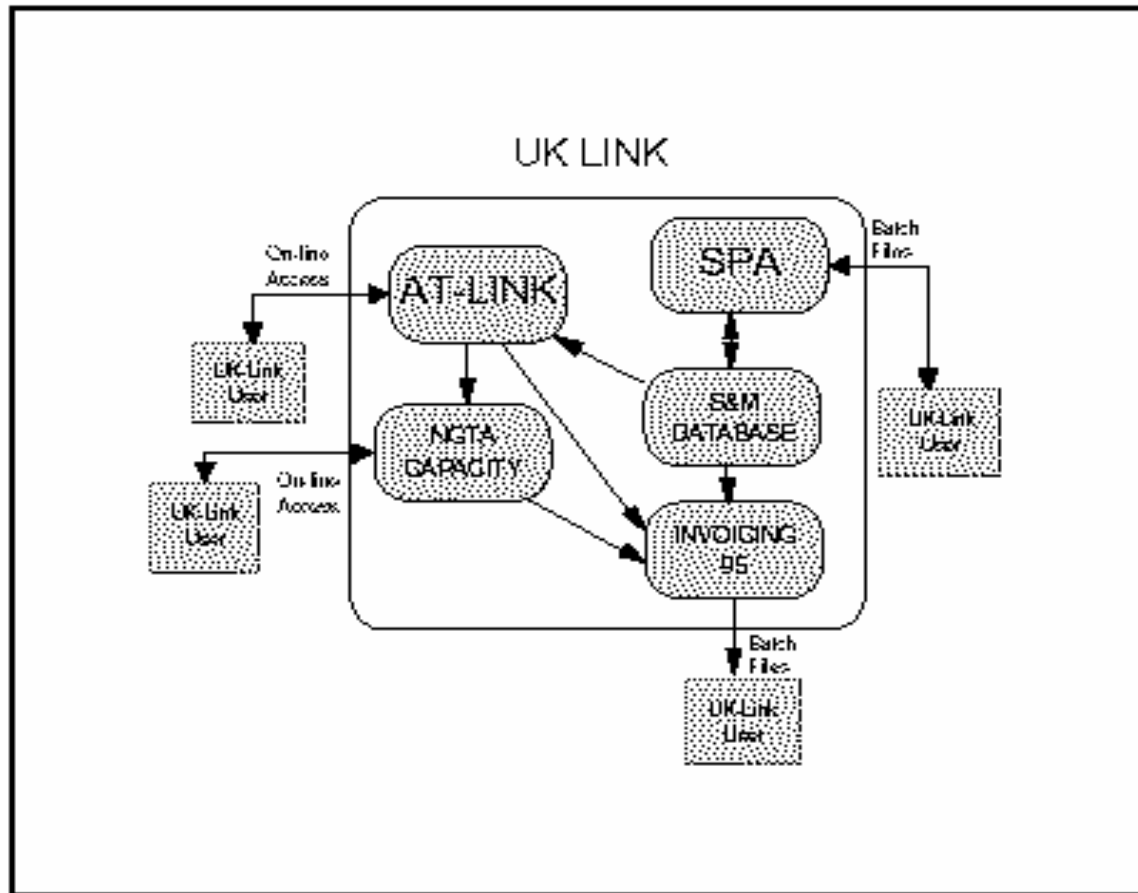
- Creation of a Governance Entity
- Transfer of all UK-Link systems to the Agency
- Demand estimation to be undertaken by Agency

# Creation of the Joint Office

- Responsible for
  - administration and management of UNC change processes
  - administration of transportation charging methodology changes
- Unincorporated joint office
- Physically separate from Transporters
- Commitment to resource and/or finance Joint Office

# Transfer of UK-Link Systems to Agency

## Current System Configuration



# Transfer of UK-Link Systems to Agency - Gemini Replacement of AT-Link / RGTA Capacity

## RGTA Capacity

- Long Term and short term capacity auctions
- Buy-back market
- Capacity management agreements
- Data processing to support invoicing

## AT-Link

- Exit capacity booking
- Gas Flow Nominations
- Gas Trade registration
- Allocations
- Imbalance determination
- Gas cashout calculations
- Data processes to support transportation/settlement

## Gemini

NTS Entry  
capacity  
modules

Exit  
And  
Energy  
Balancing

# Transfer of UK-Link Systems to Agency - Gemini Replacement of AT-Link / RGTA Capacity

## RGTA Capacity

- Long Term and short term capacity auctions
- Buy-back market
- Capacity management agreements
- Data processing to support invoicing

## AT-Link

- Exit capacity booking
- Gas Flow Nominations
- Gas Trade registration
- Allocations
- Imbalance determination
- Gas cashout calculations
- Data processes to support transportation/settlement

## Gemini

NTS entry  
capacity  
modules

Exit  
And  
Energy  
Balancing

Operational  
systems at  
Hivedown

# **Transfer of UK-Link Systems to Agency - Live system responsibility at Hivedown**

- AT-Link “live” as exit and energy balancing system

Responsibility for operation and maintenance of these two systems to be moved to Agency at Hivedown

- Costs of operational and maintenance contract to be recovered via Agency charges

Delivers same outcome as UKT procuring service and recharging to NTS SO and networks



# **Transfer of UK-Link Systems to Agency - Completion of Gemini exit and energy balancing systems**

- To be delivered by UKT
  - No desire to handover responsibility at critical point in development
  - Responsibility to deliver currently specified system
- Handover to Agency when complete
  - Coincident with AT-Link decommissioning
  - Full system handover

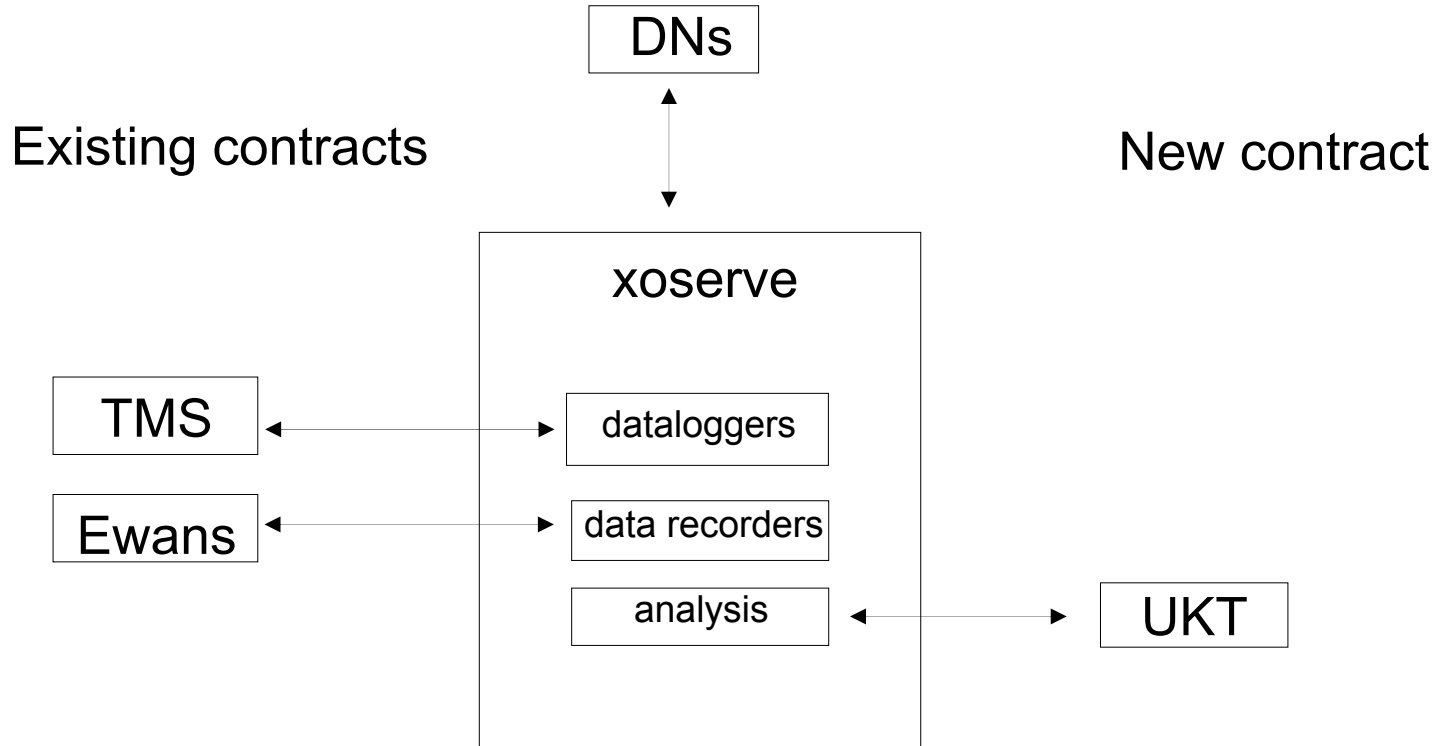
# Transfer of UK-Link Systems to Agency - Change management of Gemini system

- Agency to become responsible for change management processes from Hivedown
  - UK-Link committee chairmanship and management
  - Systems development management
- Agency to charge for system developments in accordance with Agency Services Agreement

# Demand Estimation

- Responsibility to be moved to Agency
- Agency to chair and manage DESC (Demand Estimation Sub-Committee)
- Data provision managed by Agency
  - Datalogger contract
  - Data recorder contract
- Technical activities to be outsourced
  - initially via a contract with NGT
  - Anticipated to be tendered in the future
- Necessitates changes in Agency Services Contract and the provision of a service contract let by Agency

# Demand Estimation – Service Delivery & Governance



# Agency Service Agreement changes for Option “C”

- Maintenance and operation of Gemini system
- Management of relevant IT systems developments
- Shipper set up process will transfer from Transmission to Agency
  - Overall co-ordination of the shipper set up process now completely within Agency
- Responsibility for providing Demand Estimation service will transfer to agency from Transmission