

## Industry update from Ofgem – up to date as of 11 April 2019

### **UNC0678 - Amendments to Gas Transmission Charging Regime – timetable extension (UNC678)**

On 8 March 2019 we decided to extend the timetable for the development of the UNC678 proposals. The following letter sets out the reasons for our decision.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/01/unc0678\\_-\\_urgency\\_decision.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/01/unc0678_-_urgency_decision.pdf)

### **RIO-1 Gas Transmission Annual Report 2017-18 and Regulatory Financial Performance annex to RIO-1 annual reports 2017-18**

On 8 March 2019 we published the [RIO-1 Gas Transmission Annual Report 2017-18](#) and Regulatory Financial Performance annex to RIO-1 annual reports 2017-18. The report gives stakeholders information on the performance of NGGT against its price control obligations and incentives for the fourth year of the price control. It also provides information on NGGT's updated forecast for the remaining years of RIO-T1. The annex provides Ofgem's view on RIO-1 companies' regulatory financial performance. This view is based on the information that the companies have reported using the new regulatory financial performance reporting process. This annex should be read alongside the individual sectors 2017-18 RIO-1 annual reports.

URL: <https://www.ofgem.gov.uk/publications-and-updates/rio-1-gas-transmission-annual-report-2017-18>

<https://www.ofgem.gov.uk/publications-and-updates/regulatory-financial-performance-annex-rio-1-annual-reports-2017-18>

### **Decision on proposed modifications to Interconnector (UK)'s Charging Methodology**

On 11 December 2018, Interconnector (UK) ('IUK') proposed modifications to its Charging Methodology to the Authority for approval. On 11 March 2019 we decided to approve the proposed modifications to IUK's Charging Methodology, which includes new combination booking incentives for forward and reverse flow.

URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-interconnector-uk-s-charging-methodology-0>

### **Approval of modified Access Rules for Interconnector (UK) including a direction to approve pursuant to Standard Licence Condition 11A of the Gas Interconnector Licence**

On 17 December 2018, Interconnector (UK) ('IUK') proposed modifications to its Access Rules to the Authority for approval. On 13 March 2019 we decided to approve the proposed modifications to IUK's Access Rules, increasing the implicit allocation limit of 75% of firm capacity.

URL: <https://www.ofgem.gov.uk/publications-and-updates/approval-modified-access-rules-interconnector-uk-including-direction-approve-pursuant-standard-licence-condition-11a-gas-interconnector-licence>

### **Notice proposing modifications to the Regulatory Instructions and Guidance (RIGs) for RIIO-GT1 (version 6.1)**

On 13 March 2019 we proposed to make changes to the RIIO-T1 Gas Transmission Price Control - Regulatory Instructions and Guidance (RIGs). These proposed modifications seek to clarify existing reporting requirements. Stakeholder comments were due by 11 April 2019. Subject to any representations, we will propose to modify the RIGS in a direction in April 2019.

URL: [proposes changes to Version 5.1 of the RIGs for RIIO-GT1, published on 27 April 2018](#)

### **Decision on proposed modifications to BBL Company's Charging Methodology (following the derogation decision from January)**

On 19 December 2018 BBL Company (BBL) proposed modifications to its Charging Methodology to the authority for approval. On 19 March 2019 we approved the proposed modifications to BBL's Charging Methodology (mainly dealing with changes to comply with TAR network code following the derogation decision in January).

URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-bbl-companys-charging-methodology>

### **Ofgem data: Upcoming release calendar**

On 28 March 2019 we published a timetable outlining the upcoming publication dates for our performance indicators and data on: retail energy markets, wholesale energy markets, customer service and energy networks.

URL: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-data-upcoming-release-calendar>

### **Financeability Assessment for RIIO-2 Further Information**

On 26 March 2019 we published a further information document directed at gas and electricity transmission and gas distribution network companies and their stakeholders, which sets out the information we expect to see in relation to the financeability assessment of business plans for RIIO-2. We invited stakeholders to provide any comments they may have on this further information by *15th April 2019* for Ofgem consideration. Comments should be sent to [RIIO2@ofgem.gov.uk](mailto:RIIO2@ofgem.gov.uk) with the email subject title "Financeability Further Information Comments". In due course guidance on how companies should assess financeability of business plans will be incorporated into updated Business Plan Guidance.

URL: <https://www.ofgem.gov.uk/publications-and-updates/financeability-assessment-riio-2-further-information>

## **RIIO-2 draft data templates and associated instructions and guidance**

On 29 March 2019 we published a set of documents relevant for RIIO-2, including: Draft business plan data template for RIIO-GT2; Draft business plan data template instructions and guidance for RIIO-GT2; Draft investment decision pack guidance for RIIO-GT2; Draft cost benefit analysis template for RIIO-GT2; Draft guidance note on engineering justification for RIIO-GD2 and RIIO-GT2.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/03/riio-gt2\\_draft\\_data\\_templates\\_and\\_associated\\_instructions\\_and\\_guidance.zip](https://www.ofgem.gov.uk/system/files/docs/2019/03/riio-gt2_draft_data_templates_and_associated_instructions_and_guidance.zip)

## **Forward Work Programme 2019-21**

On 29 March 2019 we published the 2019-21 Forward Work Programme, which outlines our key priorities and activities to deliver our strategy. Our Forward Work Programme sets out how we plan to use our resources to have the greatest positive impact on consumers during an extended two-year period – 2019-21. In recognising the longer-term and continuing nature of our work, we will refresh our work programme in March 2020. In this extended period, our four key priorities are: Making retail markets work for all; Enabling future markets and system arrangements; Network preparedness and performance, and Excellence in our statutory and core functions. Alongside these priorities, we have also set out how we intend to simplify our regulatory approach with the aim of reducing burdens, and how we will operate in a more efficient and effective way.

URL: <https://www.ofgem.gov.uk/publications-and-updates/forward-work-programme-2019-21-0>

## **Decision that National Grid Gas plc (“NGG”) undertakes specific tasks to implement aspects of Regulation (EU) 2017/460, the European Network Code on harmonised transmission tariff structures for gas (“TAR NC”) 10 April 2019**

On 10 April 2019 we decided that NGG should carry out the cost allocation assessments under Article 5 of TAR NC and a preliminary consultation under Article 26 of TAR NC. We published a list of activities we require NGG to undertake. Proposers of alternative modifications should produce any necessary analysis required under Articles 5 and 26, and work alongside NGG to make sure this is complete for the preliminary consultation.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/04/decision\\_letter\\_unc678.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/04/decision_letter_unc678.pdf)

## **Uniform Network Code (UNC): 686 Removal of the NTS Optional Commodity Rate with adequate notice: Urgency Application**

On 10 April 2019 we decided not to grant urgent status for UNC686.

URL: [https://www.ofgem.gov.uk/system/files/docs/2019/04/unc0686\\_-\\_urgency\\_decision.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/04/unc0686_-_urgency_decision.pdf)