

Industry update from Ofgem – up to date as of 31 March 2020

Statutory consultation on a proposal to approve Rebased Network Replacement Outputs and modify Special Condition 7E of the gas transporter licence held by National Grid Gas plc.

On 6 March 2020 we published a statutory consultation on our intention to approve the Rebased Network Replacement Outputs and modify the contents of 'Table 1: Network Replacement Outputs' in Special Condition 7E (Specification of Networks Replacement), of the gas transporter licence held by National Grid Gas plc, with the Rebased Network Replacement Outputs. We would like views from people with an interest in Gas Transmission Network Output Measures, in particular from licensees and gas network customers. We also welcome responses from other stakeholders and the public.

URL: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposal-approve-rebased-network-replacement-outputs-and-modify-special-condition-7e-gas-transporter-licence-held-national-grid-gas-plc>

System Management Principles Statement consent notice 2020

The Special Condition 8A.9 of the Gas Transporter Licence requires National Grid Gas plc (NGG) to have in place at all times a System Management Principles Statement (SMPS). The purpose of the SMPS is to set out the principles and criteria by which NGG will determine the use of System Management Services. On 9 March 2020 we published our consent for NGG to revise its SMPS following an annual review of the statement.

URL: https://www.ofgem.gov.uk/system/files/docs/2020/03/smps_decision_letter_march_2020.pdf

UNC717 Increasing the Storage Transmission Capacity Charge Discount to 80%: Urgency Application

On 5 March 2020, the Joint Office of Gas Transporters received a request from Storengy UK Ltd that Uniform Network Code modification UNC717 'Increasing the Storage Transmission Capacity Charge Discount to 80%' should be treated as 'urgent' and proceed under a timetable approved by Ofgem. On 19 March 2020 we have decided we cannot consider the application for urgent status for UNC717. We were asked to assess this modification proposal on a 'conditional basis' (i.e. this modification proposal was dependent on Ofgem's approval of either UNC678 or UNC678A). We said that both the licence conditions governing the arrangements around UNC and the existing UNC Modification Rules preclude us from considering proposals against a baseline that is not at that point in time part of the UNC.

URL: <https://www.ofgem.gov.uk/publications-and-updates/unc717-increasing-storage-transmission-capacity-charge-discount-80-urgency-application>

UNC718/A/B/C - Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS: Urgency Application

On 6 March 2020, the Joint Office of Gas Transporters (“JO”) received a request from National Grid Gas Transmission that Uniform Network Code modification UNC718 ‘Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS’ should be treated as ‘urgent’ and proceed under a timetable approved by Ofgem. Three more proposals (UNC718A/B/C) were submitted to the JO on the same day. On 19 March 2020 we have decided we cannot consider the application for urgent status for UNC718/A/B/C. We were asked to assess this modification proposal on a ‘conditional basis’ (i.e. this modification proposal was dependent on Ofgem’s approval of either UNC678 or UNC678A). We said that both the licence conditions governing the arrangements around UNC and the existing UNC Modification Rules preclude us from considering proposals against a baseline that is not at that point in time part of the UNC. .

URL: <https://www.ofgem.gov.uk/publications-and-updates/unc718abc-introduction-conditional-discount-avoiding-inefficient-bypass-nts-urgency-application>

Amendments to Gas Transmission Charging Regime

On 20 March 2020 we published the responses to our consultation on the UNC678 (Gas Charging Review) minded-to decision, as well as a summary document in accordance with TAR NC (Article 26).. We received 25 non-confidential responses.

URL: <https://www.ofgem.gov.uk/publications-and-updates/amendments-gas-transmission-charging-regime-minded-decision-and-draft-impact-assessment>

Coronavirus (COVID-19) updates of 13 March 2020 and 27 March 2020

We have published two updates on COVID-19 here:

<https://www.ofgem.gov.uk/publications-and-updates/coronavirus-covid-19-update-13-march-2020-information-licensees>

<https://www.ofgem.gov.uk/publications-and-updates/coronavirus-covid-19-update-27-march-2020-information-licensees-and-industry-coronavirus-response>

Ofgem is working closely with Government to ensure industry is taking all necessary precautions to serve the needs of customers, including the vulnerable and those who may need to self-isolate. We expect industry to take this seriously and want to ensure they have robust plans in place. This means taking proactive steps to maintain business continuity, including if a licensee has a reduced workforce.

Currently, all regulatory requirements remain in place for all licensees. We are closely monitoring the situation and we will update industry if circumstances change.

We are aware that the current situation will present a number of challenges. As usual, we expect industry to alert us to any issues that arise, and keep us informed of their plans to deal with these issues. We will consider any such circumstance in its context, including any official advice and logistical challenges outside the licensee’s control.

We are aware of a range of proactive measures being taken by industry to manage risks and protect customers and have heard a strong commitment to ensuring consumers are protected.

For any regulatory queries related to COVID-19, please contact covid19@ofgem.gov.uk in the first instance.

Forward Work Programme 2020/21

On 31 March 2020 we published an update on the Forward Work Programme 2020/21. We said that the [consultation published on 20 December](#) is the best representation of Ofgem's planned projects. However, Ofgem's work is currently being reprioritised because of the impact of COVID-19. Our priority during this time is to work with Government, industry and consumer groups to protect consumers, especially the vulnerable. We will publish a fuller account of our planned work in due course.

URL: <https://www.ofgem.gov.uk/publications-and-updates/forward-work-programme-202021>