

GT SECTOR	
<b>REFERENCE NUMBER:</b>	<b>CATEGORY:</b>
<b>LICENCE CONDITION NUMBER:</b> <i>(if relevant):</i>	SpC 9.17
<b>TITLE:</b>	Entry Capacity and Exit Capacity Obligations and Methodology Statements
<b>RELEVANT LICENCE CONSULTATION QUESTIONS</b> <i>(if any):</i>	<b>Q27 – captured under generic question on views of the proposals for changes to GT licence</b>
<b>RELEVANT ISSUES LOG:</b>	<b>Gas Transmission Issue Logs_9.18 - 9B - Methodology Capacity volumes Issues Log</b>
<b>POLICY ISSUES</b>	
<ul style="list-style-type: none"> <li>Removal of time limit on Ofgem decisions</li> <li>Ofgem making proposed recommendations for change</li> </ul>	<p>9.17.13 removes existing provisions in Special Condition 9A Part D whereby modification can progress in the absence of an Ofgem direction to the contrary. There is no clarity on how processes should operate if Ofgem has not made a timely decision on proposed changes. The rationale for this change has not been explained.</p> <p>9.17.13 introduces the option of the Authority proposing its own recommendations for changes (only when rejecting proposed changes). It is not clear how NGGT should proceed in this circumstance, particularly in the circumstance where there is insufficient time, in the current year, to reconsult with stakeholders and bring fresh proposals to Ofgem ahead of operating the process in question. Also, would Ofgem not want the ability to make recommendations when approving a proposed change?</p>
<b>DRAFTING ISSUES</b>	
<ul style="list-style-type: none"> <li>Part B</li> <li>9.17.9(d)</li> <li>9.17.11</li> <li>9.17.11 missing text or references to 9.17.13)</li> <li>9.17.16</li> </ul>	<p>The existing provisions of Special Condition 9A, Part A requires the licensee to use reasonable endeavours to apply the methodologies. It also provides that the Authority may otherwise direct that this is not the case. The rationale for the removal of these provisions is not clear and has not been consulted on. Existing provisions should be retained. Accordingly each of 9.17.5- 9.17.8 should be amended so as to read “The licensee must, unless and insofar as the Authority may otherwise direct from time to time, use reasonable endeavours to apply....”</p> <ul style="list-style-type: none"> <li>Insert “;and” after paragraph ii</li> <li>Change to read “where, following a review under paragraph 9.17.10 the licensee proposes no revisions...”</li> <li>9.17.13 sets out how Ofgem will act if the licensee proposes revisions under 9.17.12 but there is no equivalent clarity of the process if the licensee proposes no revisions under 9.17.11</li> </ul>

	<ul style="list-style-type: none"> <li>As drafted 9.17.16 is deficient as it only provides for the licensee to request a derogation and not for the Authority to either grant or be able to grant such a derogation. An additional paragraph needs to be added along the lines of the approach taken in the drafting at 9.22.12).</li> </ul>
<b>FINANCE ISSUES</b>	
<b>SUPPORTING INFORMATION</b>	
<b>OFGEM ENGAGEMENT:</b>	