

OFGEM update Gas Operational Forum

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LNG price control

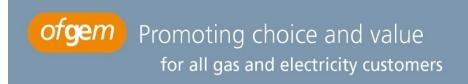
NG LNG operate 3 LNG storage facilities – Avonmouth, Partington and Glenmavis

Facilities provide Operating Margins services to NGG and tanker gas for remote networks in Scotland, as well as commercial storage

Prices for OM and tankers are regulated by Licence Condition C3

Ofgem is reviewing the regulated prices; initial proposals will be in October, Final Proposals in December 10

Current "Initial thoughts" consultation closes 17 September



Exit substitution

Exit substitution involves the permanent movement of unutilised exit capacity to places where it there is a user commitment

Avoids unnecessary build on NTS

NGG now reaching final phase of methodology development

Expect formal consultation within next month

Direction and form of proposal very different to that in place for entry substitution; would encourage active engagement to ensure methodology is compatible with operational procedures

Other items

BBL non-physical reverse flow product begins in October

Further details on BBL website

Formal licence consultation on "relevant points" for the purposes of the Third Package

- Will impact on data disclosure requirements
- Ofgem looking for parties to demonstrate why they should be considered for exclusion, otherwise likely to be included

Consultation on "Income Adjusting Event" Licence Condition

- Correction, so it should work as intended
- Allow shippers to make claim for NGG windfall gains/losses



Any questions?

If you have any questions please feel free to contact me anytime

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