SPAA Constitution Group -Presentation to GIGG

Paul Waite Friday 30th April 2004

Contents

- Objective
- Participants
- Discussion Areas
- Way Forward

Objective

To assure the content of the SPAA in advance of the Section 23 Licence Modification notice due to be issued on 30th April

Participants*

- Ofgem
- BGT
- EDF Energy
- NGT
- Npower
- Powergen
- Scottish Power
- Scottish and Southern Energy
- Statoil
- **All licence holders were invited to attend*

Discussion Areas

• Licence Conditions

• Customer Representation

• SPAA Set-up Requirements

• SPAA Provisions

Licence Conditions

- Gas Transporters Ofgem meeting with those iGTs who raised concerns. Funding?
- I&C Suppliers Support for Ofgem's proposal for voluntary accession. Desire amongst other parties to maximise I&C only involvement
- Domestic Suppliers Proposed text reviewed in response to consultation responses. Ofgem desire for their role to be reactive rather than pro-active

Customer Representation

- Role in relation to SPAA EC Ofgem sympathetic to concerns raised as to the appropriateness of the proposals and prepared to remove such provisions
- Ability to raise changes Ofgem not minded to remove this provision or to impose any discriminatory restrictions
- Concerns apply to any customer representative but are specific to energywatch as the statutory body

SPAA Set-up Requirements

- Procurement of Service Provider updates on progress provided by Procurement Group - Afroze Miah to feed back to GIGG
- Funding additional funds (approx. £10k) required to complete the procurement process and to cover additional legal fees (£60k raised from 7 domestic suppliers in 2002 almost exhausted)

SPAA Provisions

- Post Assignment Change Control
- SPAA Exit Arrangements
- Collection of MPRN Market Share Data
- SPAA Executive Committee
- Assignation

Way Forward (1)

- Ofgem meeting with iGTs (held 26 April)
- Domestic Supplier LC to be reviewed
- energywatch access to EC to be revised
- Change process to incorporate justification requirements
- Remaining set-up funding to be agreed (over and above additional £5k from Scottish Power)
- Ofgem to determine suitable interim arrangements for changes (inc. RGMA)

Way Forward (2)

- Exit arrangements to be added to SPAA
- MPRN Market Share data arrangements to be confirmed
- Ofgem to request nominations for SPAA EC - parties to provide names by 7th May
- Section 23 notice to be issued (30th April)
- Provisional plan to hold initial SPAA EC meeting mid-June
- Constitution Group to stand down ?