

GT SECTOR	
<b>REFERENCE NUMBER:</b>	<b>CATEGORY:</b>
<b>LICENCE CONDITION NUMBER:</b> <i>(if relevant):</i>	SpC 3.8
<b>TITLE:</b>	Bacton terminal site redevelopment Re-opener and Price Control Deliverable
<b>RELEVANT LICENCE CONSULTATION QUESTIONS</b> <i>(if any):</i>	Q27 – captured under generic question on views of the proposals for changes to GT licence
<b>RELEVANT ISSUES LOG:</b>	Gas Transmission Issue Logs_3.8 Bacton Issues Log
<b>POLICY ISSUES</b>	
<ul style="list-style-type: none"> <li>Final Option Selection Report and Reopener Date(s)</li> </ul>	<ul style="list-style-type: none"> <li>Please see our response to consultation questions 20 and 21 relating to points applicable to PCDs and reopeners.</li> <li>There is no ability to request a change the date of submission of the final option selection report. There may be occasions in which it would be in the interests of consumers to amend this date Suggest change 3.8.7(b) to - be submitted by the date specified in Appendix 1, unless otherwise approved in writing by the Authority.</li> <li>There is no ability to request a change in delivery date under 3.8.10 unless clauses 3.8.10a) or b) are met. There may be occasions in which it would be in the interests of consumers to amend the date (where these triggers are not met).</li> <li>3.8.8 – as set out in our draft determination response (GT_Q3) it is important that Ofgem respond to reopener decisions by the proposed dates highlighted to Ofgem. Failure to do so may result in additional costs being incurred and project delays which should not be borne by the licensee if they have delivered to the agreed timescales. Propose that within this clause Ofgem sets out provisions for changes to subsequent reopener dates and increases of allowances for additional costs incurred if projects are delayed as a result of deferred decision making.</li> <li>3.8.16 - We are concerned that Ofgem undertaking a 28 day consultation at this point given the timelines we set out in our response to DD consultation question NGGT_Q27 will lead to Ofgem not meeting the requested response timeline to ensure we can deliver the project to planned timescales. Please see also our DD response to GT_Q3 which demonstrates the importance of Ofgem responding to reopener decisions in a timely manner. We would like</li> </ul>

<ul style="list-style-type: none"> <li>Appendix 1 dates</li> </ul>	<p>to ask that a turnaround time for Ofgem’s review is set. If not, additional costs may be incurred relating to project delays. We propose that within this clause Ofgem sets out provisions for changes to subsequent reopener dates and increases of allowances for additional costs incurred if projects are delayed as a result of deferred decision making.</p> <ul style="list-style-type: none"> <li>Further discussions are required with Ofgem to form up the correct dates for inclusion in the version of Appendix 1 contained in Final Determination</li> </ul>
<b>DRAFTING ISSUES</b>	
<ul style="list-style-type: none"> <li>Headings</li> <li>Definitions</li> <li>3.8.2</li> <li>3.8.7(b)</li> <li>3.8.8(c)</li> <li>3.8.10</li> <li>3.8.12(e)</li> <li>FEED definition</li> <li>3.8.13(a)</li> </ul>	<ul style="list-style-type: none"> <li>Headings should be framed as statements not questions. Part B heading should read “What the licensee is funded to deliver”. Part F heading should read “Authority process for making a direction”</li> <li>The definitions of “Final Options Selection Report” and “Front End Engineering Design” refer to “PCD Guidance”. Presumably this should now refer to “PCD Reporting Requirements and Methodology Document”. These definitions also refer to “Gas Network Development Process” which is not a defined term.</li> <li>Remove “and Authority” in 3.8.2(b) as there is no Authority triggered re-opener in this condition.</li> <li>We suggest (b) is amended to read “ be submitted by the date specified in Appendix 1, unless otherwise approved in writing by the Authority”</li> <li>Insert “in the Final Option Selection Report” after “options” at the end of the sentence</li> <li>As referred to above we believe this paragraph should make provision for a reopener to request delivery date changes where the additional funding request might not be triggered.</li> <li>We suggest there is no need to refer to FEED in the sub-paragraph (e) as it must be included in (a) by virtue of 3.18.13(b)</li> <li>Should refer to “tendered quote” rather than “fixed bid quote”</li> <li>should refer to “tendered costs (where applicable)” rather than just tendered costs (as NG costs will be included and aren’t tendered)</li> </ul>

	<ul style="list-style-type: none"> <li>As 3.8.10 contemplates the amendment of outputs etc. In Appendix 1, it is not clear what would be requested if , under 3.8.10(b) the licensee did not intend to proceed. In such a case would the request be to amend the Appendix to reflect no output and zero allowances? Please could Ofgem clarify.</li> </ul>
<b>FINANCE ISSUES</b>	
<b>SUPPORTING INFORMATION</b>	
<b>OFGEM ENGAGEMENT:</b>	