

## **Ofgem's proposals are unnecessary say the Gas Forum**

**London, 31 January 2012:** Following a review of Ofgem's draft policy for the gas security of supply significant code review (SCR), the Gas Forum is disappointed by the approach that Ofgem is recommending in relation to security of supply.

In its response, the association outlined its key reservations:

- The Gas Forum is not convinced that the case has been made for reform in this area. It is concerned that Ofgem has unilaterally decided that the current arrangements are not fit for purpose and is seeking to introduce radical change with undue haste. It believes that these proposals could have unintended consequences for the industry, and ultimately consumers, in terms of additional and unnecessary costs.
- The proposals fail to recognise the investment made to date by the UK gas industry to accommodate diverse supply sources and increase storage, which has significantly improved the UK's security of supply. Ofgem also fails to recognise that over the last year, the global supply/demand position has improved with the discovery of more gas, strengthening security of supply.

"Given the many other challenges that the industry is facing, such as European reforms, this is an unnecessary distraction and it would be better for the industry if no changes were made," said David Cox, managing director of the Gas Forum. "If Ofgem chose to proceed, it would be prudent to defer any decision relating to the introduction of the proposals until a full appraisal of the intervention measures and their impact had been completed."

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### **Notes for editors**

- Established in 1994, the Gas Forum is a membership association representing the views of *gas shippers* and *suppliers* active in the UK market. Membership includes both the larger players in the gas market and smaller participants, ensuring truly representative views are communicated to regulatory and government bodies in the UK and Europe. [www.gasforum.co.uk](http://www.gasforum.co.uk)
- The Gas Forum's detailed response to Ofgem's gas security supply significant code review can be found at <http://www.gasforum.co.uk/consultation-responses>