

iGT UNC / iGT INC Consultation Response

Date	05 Sept 2012
Reference	iGT038 Modification Proposal Consultation
Title	Periodic AQ Calculation (Rolling AQ)
Respondee	Trevor Peacock, Fulcrum Pipelines
Position on the Modification	Do not support Modification

Facilitation of the relevant objectives

How this proposal will, if implemented, better facilitate the “code relevant objectives”, as defined in Standard Condition 9 of the Gas Transporters Licence. For those answered Yes to, please provide a detailed explanation below the table.

<i>Relevant Objective</i>	<i>Yes/No</i>
a. the efficient and economic operation of the pipe-line system to which this licence relates	No
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	No
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	No
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	Yes
e. so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers	Yes
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	No
g. so far as is consistent with sub-paragraphs (a) to (f), the compliance with the Regulation* and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	N/A

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Relevant Objectives to be better facilitated:

Likely impact on environment?

How this proposal will, if implemented, impact on greenhouse gas emissions?

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Implementation issues including impact on your systems

As requested, it is anticipated that Fulcrum would need to construct some significant developments into their systems in order to comply with this modification as a stand alone process away from the single service provider modification currently under assessment.

As this modification runs in parallel with Project Nexus and the decision as to how it would be submitted or withdrawn will not be made until approx. 2015, it is extremely difficult to determine what costs could be incurred at that time. Therefore, Fulcrum guesstimate there potential development costs to be approx. £70 - 80,000 with a development window of 9 - 12 months to construct and implement.

Additional Information and Comments

Relating to objective c

In theory the implementation of this modification should allow more accurate AQ's to be determined as long as regular valid meter reads are submitted & processed. And if more accurate AQ's are used throughout the industry then this should allow the shippers / suppliers to calculate their contracts more accurately and confidently, thereby generating more completion. But please note that this is totally dependent on the shippers providing meter readings on a much more frequent basis than they currently do.

Relating to objective d

Once again theoretically, if the more accurate AQ's can be determined as specified in objective c above, then this should allow the network operators so determine that the AQ's used on a regular basis is considerably less than the original AQ used in the original design calculations. If this is determined then the network operators would be more confident in the security of their networks if they were requested to add extra supply points or increase loads to specific supply points.

Based on the indication that this modification would be implemented in conjunction with Project Nexus, Fulcrum Pipelines do support the implementation of this proposed modification if iGT039 does not proceed.

There is no supporting evidence to confirm that this modification would have

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potential benefits to any or all parties and as such it is only a perceived speculative benefit.

iGT charges are not linked to the current AQ for small supply points so any benefits would only be seen at the upstream levels of the large transporters, i.e. XOServe.

Whilst there may be some perceived benefit to provide more accurate AQ information, it is not clear whether there would be any impact on demand estimation, forecasting and settlement.

Fulcrum Pipelines believe that more accurate AQ information could be achieved by the provision of more frequent and more accurate read information from the Shippers and that this is the option that should be pursued until a Project Nexus solution is available.

More frequent meter reads would allow more supply points to be included in the AQ Review process and enable the iGT's to calculate more accurate AQ's.

More accurate meter reads would also allow more supply points to be included in the AQ Review process. Whilst I am under the impression that the shippers carry out validation of the meter reads prior to submitting them to transporters, some of the data that is submitted, processed &/or rejected would indicate that either:

- Validation does not take place
- The validation logic utilised by the shippers is different to the validation utilised by the iGT's

If these areas could be addressed then it would make the current AQ Review process more effective.

Completed forms should be returned to the iGT UNC Representative, Gemserv Ltd at iGT-UNC@gemserv.com or faxed to 020 7090 1001