

## iGT UNC / iGT INC Consultation Response

<b>Date</b>	07/09/12
<b>Reference</b>	<a href="#">iGT038DG</a> (Delete as required)
<b>Title</b>	<a href="#">Periodic Annual Quantity Calculation (Rolling AQ)</a>
<b>Respondee</b>	Cher Harris SSE Pipelines
<b>Position on the Modification</b>	Do Not Support Modification (delete as required)

### 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	Y
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	Y
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	N
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	Y
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	N
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	N
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

\* 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?*

**None**

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### Implementation issues including impact on your systems

Whilst we are supportive of the principle of introducing a 'rolling AQ' process, rather than the current annually adjusted AQ process, we do not believe that this proposal should be implemented as currently drafted.

The proposal states that "The provision of more frequent meter readings will enable the periodic recalculation of the AQ". However, there is no evidence to suggest that more frequent readings will be provided by Shippers. If the provision of readings by Shippers continues at the current rate, this change will make little difference to the frequency of AQ recalculation.

This proposal only relates the Shipper/IGT processes, and does not propose any change to the annual submission of revised AQs to Xoserve. As such, xoserve will continue to operate an annual update of AQs, regardless of how frequently the AQ has been recalculated in the IGT system. This will minimise the benefits of revising the AQ, as the Large Transporters will continue to use a single AQ for a 12 month period.

This Modification will necessitate a very large change to our database and business procedures. The current Annual AQ Review process requires 2 additional resources (one business & one technical) for approx 3-4 man weeks each year. The new Rolling AQ process would have to be fully automated due to the potentially much higher volume of activity, e.g. the continuous recalculation of AQs, generation of new monthly AQ notification files, potential increase in Shipper read file submissions, monthly sourcing and uploading of WAALP data, etc. It is quite possible that we would not be able to accommodate this change in our existing database.

We would therefore require 12-18 months implementation lead time from Authority decision.

We note that the Proposer has suggested implementation of this Modification in line with the delivery of Project Nexus/Single Service Provider. We assume that this means the system changes are expected to be made in the xoserve systems, rather than the IGT systems. We agree that this would be the most pragmatic approach, otherwise any changes made in the current IGT systems would be short-lived and therefore not cost effective.

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<b>Additional Information and Comments</b>
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Completed forms should be returned to the iGT UNC Representative, Gemserv Ltd at [iGT-UNC@gemserv.com](mailto:iGT-UNC@gemserv.com) or faxed to 020 7090 1001