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By Email

8<sup>th</sup> August 2007



For the attention of the iGT UNC Representative

**RE: Modification iGT 003 – Implementation of AQ Table resulting from 2006 iGT AQ review**

On behalf of ES Pipelines, ESP Pipelines, ESP Networks and ESP Connections, I am writing to respond to the consultation on the above modification proposal.

Firstly, I would like to express our clear support for this modification. It is common sense that in such cases the most recently collated figures should be in place. However, there are also some matters of practicality that I would like to take this opportunity to comment on.

There has been a direction to implement the 2005 AQ table on 1<sup>st</sup> October 2005. The principle of this original modification is sound, however, the figures are out of date, which is what the current modification seeks to address. ES Pipelines would be very keen to avoid having to implement one set of figures on 1<sup>st</sup> October 2007 and a different set three months later, for example. This is not an efficient way to have to run our pipeline business.

Whilst we recognise that the original approved modification has been subject to some considerable delay, it would seem pragmatic for the iGT UNC Modification Panel to consider ways in which to avoid the situation described above. If it becomes clear that the current modification will not have 'run its course' in time for a potential implementation on the 1<sup>st</sup> October (ideally, to immediately supersede the 2005 figures), then I would consider it appropriate to adjust the consultation timetable in accordance with Clause 20.5 of the modification rules.

It has been pointed out that the current modification, as written, seeks to replace drafting that currently is not in code. This is problematic, but can be overcome. The easiest way to do this is to move the section of the Transition Document into code right now, with a start date specified on the table of AQ values. In parallel, the modification itself will need to be subject to a variation to reflect this change. This is not changing the effect of the mod, but simply seeks to make its implementation practical. The variation request may also seek to give a suggested manner in which to 'replace' the existing table, e.g. "at 9.01 am on October 1<sup>st</sup>...". The proposer may further wish to consider a way of leaving the

previous values in code for use as historical reference. This will be useful should further AQ table adjustments be carried out at any point in the future.

In relation to this, it is worth noting that a review has been proposed of the arrangements for ongoing assessment and change to the NExA AQ values. ES Pipelines are fully committed to participating in these discussions.

In conclusion, the purpose of the modification is clear as are the benefits of its implementation. I have suggested some pragmatic ways in which to approach the implementation issues that I have identified. The modification panel agreed that these issues can be overcome in order that the modification proceed through consultation, and I fully support this approach as we work together to iron out the creases in the iGT UNC and associated governance regime.

Please feel free to contact me should you require further clarification on any of the points made in this letter.

Best regards

A handwritten signature in black ink, appearing to read 'D. Speake'.

David Speake

Regulatory Compliance Analyst, ES Pipelines Ltd