

GTC Further Comments- iGT031V

In light of UNC Modification Proposal 0330, (Delivery of additional analysis and derivation of Seasonal normal weather), GTC would like to submit further comments to the DFMR for iGT031V to be given consideration by the Panel, with a view to including in the Final Modification Report, on 15th December, as follows:

UNC Modification Proposal 0330 highlights flaws with the existing methodology used by the Transporters for the derivation of seasonal normal weather and proposes an improvement to the current process for this reason. The methodology used and implemented by the Transporters changed on a number of occasions, which caused concern and did not have widespread support from Shippers. Shippers agreed to accept the proposal as a temporary solution pending correct analysis.

The following is an extract from the UNC Modification Proposal 0330:

“The proposed methodology for 2010 uses a mixed methodology that has inherent flaws and has been adjusted using known approximation as a temporary fix. This does not provide the sound foundation that is required to provide assurance across the industry that allocation, AQ and pricing are accurate and unbiased.”

GTC have concerns that the AQ Conversion Ratio being applied by Modification Proposal iGT031V, if directed for implementation, is inaccurate and, therefore, we would propose that amendment to AQ values is not carried out until robust and accurate data is available from the addition analysis and outputs proposed by UNC Modification Proposal 0330, or subsequent improved proposal. For this reason we would like to invite the proposer to withdraw modification proposal iGT031V with a view to raising a new modification proposal at the appropriate time or, if this is not an option, for the Panel to agree that the DFMR be amended to include these views in order that the Authority can make a qualified and informed decision.

Kind regards.

Jenny

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