

## **iGT 039 - Use of a Single Gas Transporter Agency for the common services and systems and processes required by the iGT UNC**

### **Terms of Reference**

#### **Purpose**

A Development Group is required to consider and progress the proposal set out in modification iGT 039.

#### **Background**

Since the opening of the gas transporter market to competition the number of Independent Gas Transporters (iGTs) that have entered the market has now settled to a more stable number of iGTs. The innovation that was encouraged by the Authority has seen the iGTs become the dominant providers of gas transportation networks for new connections.

During the nascence of these smaller independent organisations, iGTs were not required to build and operate the same systems as the larger mature gas transporters and because of this the organisations have developed different approaches to many of the processes that underpin the competitive gas market.

With the advent of the large transporters' project Nexus, the industry recognised the opportunity to integrate some of the main areas of contention around Supply Point Administration onto a common platform. Shippers requested that this replatforming of the large transporters agent system be scoped to include the iGTs as well as the GDNs.

Shippers have been struggling for many years with the manual workarounds that they need to put in place for the management of iGT sites. This has led to higher costs being incurred by the shipper for their iGT customers. A major differentiation between the GDNs and the iGTs is the requirement to use a Single Agency by the GDN under Standard Special Condition A15.

Significant benefits could now be achieved by requiring the iGTs to use the same single agency that the large transporters are required to establish for the delivery of supply point administration services.

#### **Scope and Deliverables**

The Development Group will consider:

- The package of changes that may be necessary to extend the existing GT Agency arrangements to iGTs (including the changes to the iGT UNC and any changes necessary that extend beyond the scope of the iGT UNC);
- To the extent possible, developing the details of these changes;
- To the extent possible, assessing the impacts, cost and benefits to consumers, shippers and iGTs of migration to a single Agent;
- Events/circumstances that may influence the ability for a single service agency to be delivered;
- Specific suggestions for changes to the iGT licence;
- Any impact this change may have on UNC; Assess what changes will be required for the iGTs to use the GDNs' agent for the delivery of the common

processes as detailed in the iGT UNC and the large transporters Agency Services Agreement;

- Identify the exact services that may come under Agency;
- Investigate potential funding alternatives to deliver the services;
- Compare proposals against the current iGT UNC to;
  - Identify potential changes to the iGT UNC required to deliver the agency service;
  - Identify what information the GDN's agent will be required to provide to the iGTs and what information the iGTs will need to supply to the agent;
  - Identify what information the GDN's agent will be required to provide to the Shippers and what information the Shippers will need to supply to the agent;
- Agree the file formats that are to be used for the various process communications;
- Assess the costs and benefits to iGT parties (iGTs and Shippers/Suppliers) – will require assistance from Ofgem ;
- Assess implementation timing issues and any dependencies on other industry activity;

The Development Group is asked to deliver:

1. A scoping document/workplan, expanding on these Terms of Reference and setting an expectation of output and associated timescales where possible.
2. A final report outlining the findings of the Group, including the scope of the Single Service Agency, a cost/benefit section, proposals for Governance of the arrangements, implications for Licences and recommendations on timing for implementation and use of Nexus.
3. Draft modification proposals (iGT UNC and UNC) for any such changes

Reports of progress will be provided to the iGT UNC Modification Panel at each meeting held throughout the period of the Development.

### **Composition**

- IGTs
- Shippers and Suppliers
- Ofgem, Large Transporters
- Others (e.g. xoserve) by invitation
- The Development Group will be chaired by the iGT UNC Operators

### **Information Sources**

iGT UNC, UNC, previous work carried out by the Gas Forum and SPAA, outputs from the Nexus project, Ofgem guidance.

### **Limits**

Due to the broad scope of the subject matter, it will be for the Group members to determine where discussions have reached the limit of scope. No initial limits are proposed, but some may be added to these Terms of Reference as work progresses.

### **Timetable**

- To be agreed
- Meetings to be held in accordance with the Chairman's Guidelines

### **Approval**

These terms of reference are subject to approval by Panel. However, the Development Group may recommend changes to the Terms of Reference if required.