

iGT UNC Representative
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10th August 2007

Modification Proposal iGT003;
"Implementation of AQ Table resulting from 2006 iGT AQ Review"

Dear Sirs,

Thank you for inviting us to comment on this modification. RWE npower supports the principle of implementing an AQ table that contains reflective consumption of domestic sites. However, we are unable to support the implementation of this particular modification proposal, as we believe the AQ values contained within the proposed AQ table aren't reflective of current domestic consumption.

With the growth in the iGT market (circa 10,000 new connections per month) it is important that the allocation of energy is accurately allocated across market participants.

The consequences of having inaccurate AQ values can adversely impact the costs that Shippers pick up. Inaccurate AQ values contribute to the volume of energy reconciled through RbD, which can in turn increase, the financial risks for Domestic Suppliers and their customers

The proposed AQ table contains values that reflect the output of the 2006 AQ Review Process. In presentations provided by the iGT's at December's iGT Workgroup it is quite apparent that only a small percentage of AQ's were reviewed by a handful of Shippers and iGTs. This raises concerns of the validity and reflectivity of the AQ values contained within the proposed AQ table. Also, evidence we have had for the last 2 years suggest that gas consumption is falling however, the AQ values within this AQ table are increasing making us apprehensive in accepting that these AQ values are truly reflective of domestic consumption.

We are also concerned that the AQ table has not been thoroughly reviewed or agreed by all industry participants. Historically, output from the AQ review has been centrally collated and distributed to the industry to review/asses. We are not aware of these AQ values being reviewed or agreed by industry participants including Ofgem. Therefore, making us reluctant to agree to accept the implementation of an AQ table that will be used throughout the industry that has not been agreed by the industry.

We wholeheartedly support any initiative that looks to improve data used within the industry. However, we are unable to support the implementation of this AQ table due to the reasons stated above.

Please contact me if you wish to discuss any matters raised within this response.

Yours sincerely

Heidi Martin
Gas Network Codes Analyst