

16 April 2009

Jon Dixon
Ofgem
9 Millbank
London
SW1P 3GE

Dear Jon

Request for an Authority View in relation to IGT UNC Modification Reference IGT022 – Remove References to the “Metering Charges Statement” from the IGT UNC

Pursuant to the IGT UNC Section L Clause 21 (extract below for ease of reference), please accept this letter as an application by GTC to seek a View from the Authority on the IGT UNC Modification Proposal Reference IGT022.

“21 View from the Authority

21.1 At any stage prior to the production of the Final Modification Report in respect of a Modification Proposal, the iGT UNC Operators or Relevant iGT UNC Operator as the case may be may decide to seek a View from the Authority on any matter connected with such Modification Proposal.

21.2 If the iGT UNC Operators or Relevant iGT UNC Operator decide to seek a View pursuant to Clause 21.1, the Representative shall:

- (a) forward an application to the Authority setting out the iGT UNC Operators’ or Relevant iGT UNC Operator’s own views and reasons for seeking a View from the Authority;*
- (b) if the iGT UNC Modification Panel shall so determine, suspend (in whole or in part) the consideration of the Modification Proposal by a Work Group;*
- (c) notify each iGT UNC Operator, each Pipeline User and each Affected Person (if any) of such decision to seek a View.*

21.3 If, in respect of a View sought pursuant to this Clause 21, the Authority expresses the View that the Modification Proposal should not proceed, the Modification Proposal shall lapse and the iGT UNC Operators shall within five (5) Business Days following receipt of the View prepare and circulate notification of such lapse.

21.4 If, in respect of a View sought pursuant to this Clause 21, the Authority shall not express any View as to how the Modification Proposal should proceed or expresses the View that the Modification Proposal should proceed to Consultation, the Modification Proposal shall proceed to Consultation in which case the provisions of Clauses 15.7 and 17 shall apply.

21.5 If the Authority expresses any other View the Modification Proposal shall proceed in accordance with such View.”

Views and Reasons for Seeking a View

GTC have significant concerns with this modification proceeding to consultation. Our main concerns are:

1. What does this modification deliver?

We do not believe that simply removing reference to the Meter Charges Statement will, as a standalone modification, further the relevant objectives. We believe that, if taken in isolation as we must, this modification actually raises more issues than it addresses.

2. How could this modification be implemented?

Should this proceed to consultation, it is unclear as to how an implementation date could be agreed. The inference would appear to be that the modification could not come into effect until such time as all Pipeline Operators and all Pipeline Users had agreed suitable “Metering Contracts.” It would then appear necessary for all relevant references to metering to be removed from the IGT UNC – this modification does not contemplate this requirement.

3. Why not include this as part of IGTRP009 – Remove metering obligations from the IGT UNC?

As Proposer of IGT022, e-on have clearly recognised the necessity to carry out a fundamental review of metering provision on IGT networks as they have raised the appropriate review proposal.

The IGT UNC Panel voted unanimously to send this to a formal review and it seems entirely consistent and appropriate for the issues raised by IGT022 to be included within scope of this review.

I also understand that Ofgem intend to fully participate in this review which I feel can only be of benefit when considering any appropriate modifications as a result.

GTC, along with the other Pipeline Operator IGT UNC Panel Members, recommended that this modification should not proceed direct to consultation but would benefit from being considered as part of the general review. Shipper Panel Members did not agree and, consequently, the Panel had no option but to send this to formal consultation.

As a Panel Member, and paying particular attention to circumstances surrounding a previous IGT UNC modification (IGT005), I was disappointed with this outcome and I have therefore requested a view on this.

Should you require any further information, please do not hesitate to contact me.

Yours sincerely

Paul Edwards
Customer Services Manager
GTC
paul.edwards@gtc-uk.co.uk

