

## iGT UNC / iGT INC Consultation Response

<b>Date</b>	11/11/11
<b>Reference</b>	iGT040 DMR Consultation
<b>Title</b>	Amendment to AQ Values present within the CSEP NExA Table
<b>Respondee</b>	ScottishPower Energy Management Ltd
<b>Position on the Modification</b>	Support Modification

### Facilitation of the relevant objectives

*How this proposal will, if implemented, better facilitate the “code relevant objectives”, as defined in Standard Condition 9 of the Gas Transporters Licence. For those answered Yes to, please provide a detailed explanation below the table.*

<i>Relevant Objective</i>	<i>Yes/No</i>
a. the efficient and economic operation of the pipe-line system to which this licence relates	<b>YES</b>
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	<b>YES</b>
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	<b>NO</b>
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	<b>YES</b>
e. so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers	<b>NO</b>
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	<b>NO</b>

*Relevant Objectives to be better facilitated:*

An increase in the accuracy of the AQ values contained within the CSEP NExA Table will improve transporter estimates of the volume of gas being offtaken at each CSEP and therefore improve the subsequent energy allocation to shippers. This will also result in an increase in the accuracy of costs passed to shippers. We believe that an improvement in the accuracy of the figures being used by transporters will therefore better facilitate relevant objectives (a) and (b).

The more accurate values will improve the allocation of energy and costs between different shippers. As well as the charges received from iGTs relating to supply points on their networks, the accuracy of the charges made by the Large Transporters from new

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connection up until the first AQ Review of that supply point will also be improved by values that are more reflective of the actual consumption. This increased accuracy in the costs attributed to shippers will increase competition between them and therefore facilitate relevant objective (d).

### Likely impact on environment?

*How this proposal will, if implemented, impact on greenhouse gas emissions?*

We do not believe that this change proposal will have any impact upon the environment.

### Implementation issues including impact on your systems

As stated in our original consultation response, we believe that this change will have no/limited impact on suppliers/shippers systems.

We have acknowledged there may be system impacts on iGTs applying new CSEP values but have not seen any evidence to suggest that this would outweigh the benefits to the market achieved by using updated values which are more closely aligned with the true figure.

Since our original response we have made a number of clarifications that we believe show the steps taken to help mitigate the impact on iGTs. The proposal is only to apply the updated CSEP values to contracts signed after the implementation date so we believe this helps reduce any impact.

### Additional Information and Comments

The only iGT respondent to the consultation phase agreed with the need to review the CSEP NExA Table. The development group which resulted in the revised table was made up of shipper and iGT parties and gave several opportunities for parties to feed into the calculation of the new values. The data was calculated from iGTs own data so we believe that this gives the most accurate reflection of the true value.

In the same response, the iGT argues that iGT040 should be withdrawn due to the risk of variance in the corresponding UNC modification (MOD0392). It should be noted that MOD0392 has also been published for consultation and, under the modification rules, cannot now be varied. It is therefore appropriate that iGT040 continues.

Completed forms should be returned to the iGT UNC Representative, Genserv Ltd at [iGT-UNC@genserv.com](mailto:iGT-UNC@genserv.com) or faxed to 020 7090 1001