

iGT UNC / iGT INC Consultation Response

Date	30/08/2010
Reference	iGT028 Modification Proposal Consultation
Title	Remove the Must Read process for annually read sites
Respondee	ScottishPower Energy Management Limited (SPEML)
Position on the Modification	Qualified support for 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 too, 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	Y
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	N
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	N
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	N
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	N
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	N

Relevant Objectives to be better facilitated:

- (a) We agree with the Proposer that the introduction of this Modification will remove costs for the provision of Must Reads for SSP sites which could be deemed to be a non-essential process, since the reads will not be used to reconcile energy because RbD will smear any costs not reconciled in the LSP market to the SSP market.

Likely impact on environment?

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

No impact identified.

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Implementation issues including impact on your systems

No implementation issues identified.

Additional Information and Comments

We offer conditional support to this Modification since we agree with the Proposer that an unfairness currently exists where a site is gained and a must inspect is imminent. However, we believe it is worthwhile trying to understand why reads are either not being provided to the Pipeline Operators or are rejected by them. From the additional questions asked by Ofgem we can advise we believe circa 3% of gains are already at a status of 'must inspect'. The charge associated with Must Reads (for those iGTs who conduct this service) is punitive in its nature and level, but we recognise the cost is intended to be so to encourage Shippers to focus on providing reads. Reads are essential for a number of processes, for example, AQ Review, customer billing etc, and we would not support simply removing the obligation without some further consideration of the current process failures and whether the existing process could be improved or whether it is no longer required.

Completed forms should be returned to the iGT UNC Representative, Gemserv Ltd at iGT-UNC@gemserv.com or faxed to 020 7090 1001