

## Consultation Response

**iGT039: Use of a Single Gas Transporter Agency from the common services and systems and processes required by the iGT UNC**

Responses invited by: 21 January 2015

### Respondent Details

Name: Kristian Pilling

Organisation: SSE

Support Implementation

~~Qualified Support~~

~~Neutral~~

~~Do Not Support~~

## **Please briefly summarise the key reason(s) for your support / opposition**

This modification represents a significant step in raising the quality, security and efficiency of iGT processes to the GT standard. The use of the GT common agent should significantly reduce the disproportionate cost in administering iGT supply points. Looking forward to future market development, we note that the benefits of a common agent will bring economies of scale and reduced complexity when introducing amendments to these market processes.

Whilst supporting this modification we note certain processes, such as the PSR and Invoicing, are outwith the proposed services that the common agent will provide for the iGTs. This modification therefore provides the platform and the precedent for the industry to bring further efficiencies and competitive behaviours to the fore.

## Self-Governance Statement

**Do you agree with the Modification Panel's determination that this should be a self-governance modification?**

N/A. This modification has not been raised as self-governance.

## Please state any new or additional issues that you believe should be considered

The working group has met extensively and a wide number of issues have been discussed. Some of the compromise positions reached may warrant further consideration in the future, such as Invoicing and PSR arrangements. Nonetheless, it is important that this modification is progressed to the Authority at the earliest opportunity, where peripheral issues are recognised they must not impact the alignment of this modification with the Project Nexus go-live date.

## Relevant Objectives

**How would implementation of this modification impact the relevant objectives?**

### **c) Efficient discharge of the licensee's obligations.**

Ofgem's modification to the Gas Transporter SLC 11, as communicated in their letter of 14 January 2015, establishes the concept of a common service provider for iGTs. This modification directly supports the licensee in meeting this obligation because in conjunction with UNC0440 it provides the framework and detail of how processes will exist within a common service provider context.

### **d) Securing of effective competition**

The use of the common agent and its associated processes will reduce start up costs for new supplier and shipper entrants to the market.

### **f) Promotion of efficiency in the implementation and administration of the Code.**

The legal approach to this modification means that a high proportion of the Shipper and iGT obligations will now find their detail and meaning under the UNC through a 'pointing to' approach. In those instances a modification to the UNC will have the effect of modifying the iGT UNC without the need to raise, coordinate, agree and implement a change to the iGT UNC which aligns with the UNC. This will provide efficiency in administration of code because a modification to the iGT UNC will not be required. More importantly, this will reduce overall industry costs in implementing changes of the Code because parties will be implementing a single GT/iGT solution, as opposed to two separate processes for iGTs and GTs.

## **Impacts and Costs**

### **What development and ongoing costs would you face if this modification was implemented?**

Whilst there are significant development costs we expect the ongoing reduction in costs for administering iGT processes will have sufficiently reduced to ensure long-term benefits are realised.

## **Implementation**

### **What lead time would you wish to see prior to this modification being implemented, and why?**

This modification absolutely must align with the implementation of Project Nexus, i.e. 1<sup>st</sup> October 2015 and therefore determines our lead time.

## **Legal Text**

### **Are you satisfied that the legal text will deliver the intent of the modification?**

We are satisfied with the legal text.

## **Further Comments**

### **Is there anything further you wish to be taken into account?**

**Responses should be submitted by email to [iGTUNC@gemserv.com](mailto:iGTUNC@gemserv.com)**