

Modification proposal:	<b>iGT001VV: 'iGT Standards of Service'</b>		
Decision:	The Authority <sup>1</sup> directs that this proposal be made		
Target audience:	Gemserv, Parties to the iGT UNC and other interested parties		
Date of publication:	16 April 2008	Implementation Date:	To be confirmed by the iGT UNC representative

## Background to the modification proposal

iGTs currently operate different mechanisms and timescales for the resolution of certain queries that shippers may raise with them over certain matters such as the data used in a customer transfer, metering asset information, or invoicing. The lack of a common process for handling such queries means that shippers have to develop bespoke arrangements for each network on which they operate, which can lead to confusion and increased costs.

Over recent years, discussions under both the iGT UNC and the Gas Forum have developed standards of service operational guidelines that detail query types, performance levels and a suggested means of communications to be used by iGTs and Shippers upon their Networks. The standards will also set out reporting requirements and an escalation procedure.

## The modification proposal

This modification proposal seeks to introduce the "*Pipeline Operator Standards of Service Query Managements: Operational Guidelines*" into the iGT UNC as an ancillary document.

## iGT UNC Panel<sup>2</sup> recommendation

At its meeting of 27 February 2008, the iGT UNC Panel recommended that this proposal be implemented. They further recommended an implementation date of not earlier than six months following the Authority's decision.

## The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 07 March 2008. The Authority has considered and taken into account the responses to the Representatives consultation on the modification proposal, which are attached to the FMR<sup>3</sup>.

The Authority has concluded that implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the iGT UNC<sup>4</sup>.

<sup>1</sup> The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

<sup>2</sup> The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules.

<sup>3</sup> iGT UNC modification proposals, modification reports and representations can be viewed on the iGT UNC website at <http://www.igt-unc.co.uk/>

<sup>4</sup> As set out in Standard Condition 9 of the Gas Transporters Licence, see: [http://epr.ofgem.gov.uk/document\\_fetch.php?documentid=13355](http://epr.ofgem.gov.uk/document_fetch.php?documentid=13355)

## Reasons for the Authority's decision

We note that five of the six respondents to the consultation were in favour of its implementation. The respondent opposed to the proposal, stated that whilst they recognised the intent of the proposal, it is overly complicated and sets unrealistic deadlines. They state that they would have preferred to discuss standards of service which were specific to the needs of the iGT market rather than adopt those developed for and in use across the larger GT networks. However, other respondents commented that the standards of service of the large GTs were used only as a starting point, and then subjected to further development under the auspices of the iGT UNC and the earlier Gas Forum working groups, with full participation from iGTs.

Given the difficulties experienced by shippers in operating with fragmented arrangements, we consider that it is appropriate to align practices across networks unless there are specific benefits in not doing so, for instance in allowing innovative or value added offerings. We welcome the fact that the iGTs have sought to adopt comparable standards to those which shippers experience on the large GT networks, though we also acknowledge that there may be instances where their relative scale or differing systems may necessitate a different approach.

We also note and welcome the fact that although the document which sets out these standards will come under the iGT UNC governance, it will constitute an ancillary document. It will therefore be capable of modification with the majority agreement of the iGT UNC Panel, in line with modification iGT UNC 008<sup>5</sup>. This will allow flexibility in the event that any of the requirements contained within the document are proven to require further modification.

To the extent that the introduction of standards around query handling and other matters will improve the quality of data used in the customer transfer process, and potentially improve the customer transfer experience more generally by allowing a smoother transfer, we agree with the iGT UNC Panel and the majority of respondents who commented that the implementation of this proposal will better facilitate relevant objective d) *securing effective competition between relevant gas shippers*.

The introduction of the iGT UNC has provided a generally consistent supply point transfer process across all iGTs. However, the absence of uniform query management processes has meant that there has been no consistency of approach to the handling of issues which may occur during the transfer process. Again, we consider that the application of standard routines and deadlines for query management will provide efficiency gains, particularly for shippers who operate across several networks. We therefore consider that the implementation of this proposal will not only facilitate relevant objective d) as set out above, but also better facilitate the achievement of relevant objective (f) *the promotion of efficiency in the implementation and administration of the Uniform Network Code*.

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<sup>5</sup> See: <http://www.igt-unc.com/Modifications/Closed+Modifications/IGT008>

## Decision notice

In accordance with Standard Condition 9 of the Gas Transporters Licence, the Authority hereby directs that iGT UNC 001VV: '*iGT Standards of Service*' be made.



**Mark Feather,**  
**Director of Industry Codes and Licensing**

Signed on behalf of the Authority and authorised for that purpose.