

iGT UNC / iGT INC Draft Modification Report Version 2.0

Date	4 October 2007
Reference	iGT006
Title	Estimated Transportation Invoices
Proposer	ES Pipelines
iGT UNC / Pipeline Operator	iGT UNC
Modification Proposal Dates	<i>Circulation: 23/08/2007</i> <i>Response: 13/09/2007</i> <i>Circulation of DMR: 04/10/2007</i> <i>Response to DMR: 25/10/2007</i> <i>Circulation of DFMR: 15/11/2007</i> <i>FMR sent to authority: 28/11/2007</i>

The Proposal

The modification will allow the Pipeline Operator to generate estimated transportation invoices in the case where their system that would normally do this has failed and as a result no invoice document has been produced or submitted within 7 days after the expected date. Such an estimated invoice will be a valid invoice and must be accepted as such by the Pipeline User, subject to the provision of supporting data and an explanation of the basis of estimation. The proposal also allows for dispute of such an estimated invoice or estimation method by the Pipeline User, and disallows consecutive monthly estimated invoices, unless by specific agreement.

Note that the proposal does not mandate that the Pipeline Operator submits an estimated invoice in the case of system failure. The purpose is to allow the ability to do so, and if so, to ensure that supporting data is provided and to allow Pipeline Users a route to 'challenge' the estimated invoice or method of estimation, by discussion with the shipper.

To follow this to conclusion, the Pipeline Operator and Pipeline User's discussion should result in an agreed (potentially revised) estimate, which will be the amount payable. If there is no agreement, the Pipeline User will raise an Invoice Query, which will proceed in accordance with Clause G 15 (will become G 16).

A system failure may be an event or circumstance affecting the IT system of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information. It is not envisaged that planned downtime would constitute system failure.

Suggested timescale for implementation

Next release of the iGT UNC following Authority consent.

Respondents' views

Comments on this Modification Proposal were received from the following Companies (to view the individual response click [here](#)).

Organisation	Response
RWE npower	Qualified Support
ScottishPower	Support
SSE Pipelines	Support
SSE Energy Supply	Support

Facilitation of the relevant objectives

The Proposer believes that the modification will better facilitate the “efficient and economic operation of the pipe-line system” by adding certainty where no provisions are currently in place, and by aiding uninterrupted revenue streams. By standardising what could currently be a differing approach between Pipeline Operators and Pipeline Users in the event of system failure, “effective competition between relevant shippers” is also improved.

Implementation issues

None.

Proposed Legal Text

iGT UNC: Section G

Add new paragraph

9 Contingencies

9.1 Subject to paragraph 9.4, in the event that, as a result of a System Failure, the Pipeline Operator is unable to produce or submit any Invoice Documents within 7 Days after the expected date (in accordance with paragraph 5) of submission thereof:

- (a) the Pipeline Operator may prepare and submit an Invoice Document containing estimated Invoice Amount(s);
- (b) such an Invoice Document will be a valid Invoice Document; and
- (c) supporting data will be provided with the Invoice Document together with an explanation of the basis of estimation.

9.2 Where the Pipeline User believes that the Pipeline Operator’s estimate or basis of estimation is materially inaccurate, the Pipeline User shall as soon as reasonably practicable after receiving the Invoice Document (and in any event before the Invoice Due Date) contact the Pipeline Operator and discuss the estimate or basis of estimation with a view to agreeing upon a more accurate estimate of the amount which is payable, which amount (if so agreed) shall be the amount payable by the Pipeline User in respect of the Invoice Document issued in accordance with

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paragraph 9.1, but without prejudice to paragraph 8.1 or 17.

- 9.3 Where (following discussion under paragraph 9.2) the Pipeline User raises an Invoice Query under paragraph 16.1:
- (a) paragraph 16.1 (c)(i) shall apply on the basis of the detail provided of the basis of estimation; and
 - (b) for the purposes of paragraph 16.1 (c)(ii), the Pipeline User shall specify the amount by which the Pipeline User reasonably believes the Pipeline Operator's estimate to be under-or over-stated.
- 9.4 Except with the agreement of a Pipeline User, the Pipeline Operator may not on the occurrence of any System Failure submit Invoice Documents containing estimated Invoice Amounts under this paragraph 9 in respect of consecutive Billing Periods.

Add at end of Section G

- 19.2 (c) "**System Failure**" is an event or circumstance affecting the Computer System of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information. For the avoidance of doubt, planned Computer System downtime that has been notified by the Pipeline Operator does not constitute System Failure.

NOTE

- 1) All subsequent paragraphs in Section G to be renumbered and all references to Section G throughout the Code will be amended as necessary to reflect the renumbering.
- 2) The term "System Failure" will be added to the Definitions in Part M and cross referenced back to Part G.