



iGT UNC / iGT INC Modification Proposal

Date	4 August 2010
Urgency	Non-urgent <i>(delete as appropriate)</i>
Reference	iGT031V
Status	For Consultation
Title	Amendment to AQ values present within the CSEP NExA Table to take account of revised Seasonal Normal Data
Proposer	Lorraine Kerr
iGT UNC / Pipeline Operator <i>Confirm whether the Modification Proposal is to the iGT UNC or an iGT's Individual Network Code.</i>	iGT UNC
Modification Proposal Dates	<i>Circulation: 17/09/2010 Response: 08/10/2010 Circulation of DMR: 29/10/2010 Response to DMR: 19/11/2010 DFMR published: 10/12/2010 DFMR considered at Panel: 15/12/2010 FMR sent to authority: 19/01/2011 Circulate Authority's determination: dd/mm/yyyy Suggested Implementation date: As soon as possible</i>
Urgency <i>If the Modification is Urgent, please provide justification here</i>	
Background <i>This section should explain the context within which the proposal sits and some background information.</i> iGTs are required to adopt the AQ values present within the NExA AQ Table for the purpose of calculating domestic transportation charges through the Relative Price Control (RPC) Charging Methodology. The AQ values represent a reasonable estimate of the value of gas consumed in accordance with house type and location. Periodically the values within the AQ Table are reviewed. The last review of the AQ Table was undertaken following the iGT AQ Review 2004/05 and required changes to the AQ Table were facilitated through Ofgem approval of Uniform Network Code Modification 75. Recent changes to Seasonal Normal Demand (SND) data will result in AQ values being adjusted to reflect changes to the calculation of SND. Revised SND data will be applied to all AQ calculations effective from 1/10/10. Where an AQ has failed to re-calculate an AQ Conversion Ratio will be applied to take account of revised SND. It is therefore reasonable to expect the AQ values contained within the CSEP NExA AQ Table to be reduced to take account of seasonal changes. Xoserve has issued to iGT, details of the AQ Conversion Ratios that will be applied to non-calculating AQs.	
<u>For information, a UNC Modification has been raised to facilitate a change to the CSEP NExA.</u>	
The Proposal <i>Purpose of the proposal - what problem is it addressing?</i> This proposal if implemented will result in the AQ values contained within the existing CSEP NExA table being adjusted by the appropriate AQ Conversion Ratio applied against SSPs i.e.	

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EUC Band 01B. (Appendix 1)

ScottishPower has applied an average AQ Conversion Ratio, based on the sum of conversion factors by LDZ within a Geographical Area i.e. South, Average and North as displayed within the CSEP NExA Table. Details of the adjustments together with a copy of the Revised Table are attached.

This proposal in our view is straight forward and does not require any development in that already calculated AQ Conversion Ratios factors will be applied against the CSEP AQ values

Suggested timescale for implementation

As soon as possible following implementation direction from the Authority

How will the proposal operate?

This section should explain, specifically, how the proposal will change the operation of the Network Code.

The CSEP NExA AQ Table referenced within iGT UNC Section CI, Appendix 1 will be amended to reflect the application of revised SND. The Gas Transporters Agent (xoserve) calculates and applies AQ Conversion Ratios to all Supply Meter Points to become effective from 1st October 2010. These AQ ratios will be applied to the current AQ values held within the CSEP NExA AQ Table.

[This proposal if implemented will result in the AQ values contained within the existing CSEP NExA table being adjusted by the appropriate AQ Conversion Ratio applied against SSPs i.e. EUC Band 01B. \(Appendix 1\)](#)

[ScottishPower has applied an average AQ Conversion Ratio, based on the sum of conversion factors by LDZ within a Geographical Area i.e. South, Average and North as displayed within the CSEP NExA Table. Details of the adjustments together with a copy of the Revised Table are attached.](#)

Deleted: The revised AQ values will then be applied by all iGTs to all applicable new connections from the date of implementation direction from the Authority.

Facilitation of the relevant objectives

How this proposal will, if implemented, better facilitate the “code relevant objectives”, as defined in Condition 9 of the Gas Transporters Licence.

Standard Special Condition A11.1 (a): The efficient and economic operation of the pipe-line system to which this licence relates:

Increased accuracy within the AQ values contained within the CSEP NExA AQ Table will improve the estimation of the amount of gas which is oftaken at the CSEP and subsequent energy allocation to Shippers over the gas pipeline. This in turn will result in increased accuracy of costs.

Standard Special Condition A11.1(b): so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of :

- (i) **The combined pipe-line system, and/or**
- (ii) **The pipe-line system of one or more other relevant gas transporters;**

Increased accuracy within the AQ values contained within the CSEP NExA AQ Table will improve the estimation of off-take quantities at the CSEP.

Standard Special Condition A11.1 (c): so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee’s obligations under this licence;



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Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1(d): so far is consistent with sub-paragraphs (a) to (c) the securing of effective competition:

- (i) **Between relevant shippers;**
- (ii) **between relevant suppliers; and/or**
- (iii) **between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;**

Increased accuracy of AQ values will result in improved allocation of energy and costs between Shippers.

Standard Special Condition A11.1 (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;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (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;

Implementation would not be expected to better facilitate this relevant objective.

Proposed Legal Text

Wherever possible, a proposal should contain proposed draft legal text to reflect how the Network Code would change if the proposal were implemented.

Not required.

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