

iGT UNC / iGT INC Modification Proposal

Date	02 nd August 2011
Urgency	Non-urgent
Reference	iGT040V
Status	For Consultation
Title	Amendment to AQ values present within the CSEP NExA Table
Proposer	ScottishPower Energy Management Ltd
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: 19/08/2011 Response: 12/09/2011 Circulation of DMR: 03/10/2011 Response to DMR: 24/10/2011 DFMR published: 14/11/2011 DFMR considered at Panel: 21/12/2011 FMR sent to authority: dd/mm/yyyy Circulate Authority's determination: dd/mm/yyyy Suggested Implementation date: dd/mm/yyyy</i>

Urgency

Non-Urgent

Background

IGT's are required to adopt the AQ values present within the CSEP Nexa Table for the purpose of calculating domestic transportation charges through the Relative Price Control Charging Methodology (RPC). The AQ values represent a reasonable estimate of the value of gas consumed in accordance with the geographic location and house type.

No amendments have been implemented to the AQ values since implementation of Modification 075 in 2006.

Changes to the AQ values are necessary to take account of revised Seasonal Normal Demand data (produced by the UNC Demand Estimation Sub-Committee) and the impacts of demand destruction resulting from climate change and energy efficiency measures taken by consumers.

This Modification seeks to introduce the most up to date AQ values into the IGT UNC, providing reassurance to all parties that ongoing pricing reflects the current average consumption levels, and is as accurate as possible.

As a result of the workgroups (igt030) the IGTs calculated a revised table based on the AQ Review outputs from 2009/2010. In reviewing the outputs the Workgroup noted that this was in line with the Demand Destruction noted by the DESC.

iGT UNC / iGT INC Modification Proposal

Annual aggregate Non-Daily Meter AQ changes were reported as:

- 4.4% (reduction) in 2009/10
- 3.4% (reduction) in 2008/09
- 4.0% (reduction) in 2007/08

For information, a UNC Modification has been raised to facilitate a change to the CSEP NExA.

The Proposal

The proposal seeks to replace the [current](#) table in APPENDIX CI-1 of the iGT UNC

Band	House Type	South		Average		North	
		AQ (kWh)		AQ (kWh)		AQ (kWh)	
A	1 Bed	8,815		9,585		10,127	
B	2BF, 2BT	10,639		11,270		11,659	
C	2BS, 2BD, 3BT, 3BF	13,120		13,530		14,255	
D	3BS, 2BB	14,348		14,611		15,871	
E	3BD, 3BB	16,180		17,303		19,758	
F	4BD, 4BT, 4BS	19,823		21,195		22,690	
G	5BD, 5BS, 6BD	28,077		30,035		31,176	

with the following table

Band	House Type	South		Average		North	
		SW, NT, WS, SO		WN, SE, NW, EA,		NO, SC	
		AQ (kWh)	Number	AQ (kWh)	Number	AQ (kWh)	Number
A	1 Bed	6,473	12,167	7,022	14,210	7,718	3,167
B	2BF, 2BT	7,989	54,965	8,383	82,049	8,684	32,705
C	2BD, 3BT	10,776	37,236	11,304	76,964	11,372	17,821
D	3BS, 2BB	11,748	39,182	12,221	93,752	12,596	21,069
E	3BD, 3BB	13,429	20,549	14,468	51,950	16,276	24,883
F	4BD, 4BT, 4BS	16,256	60,393	17,655	158,584	19,296	53,089
G	5BD, 5BS, 6BD	22,644	8,799	24,423	23,175	25,606	6,169

Band	House Type	South		Average		North	
		SW, NT, WS, SO		WN, SE, NW, EA, EM, WM, NE		NO, SC	
		AQ (kWh)		AQ (kWh)		AQ (kWh)	
A	1 Bed	6,473		7,022		7,718	
B	2BF, 2BT	7,989		8,383		8,684	
C	2BS, 2BD, 3BT, 3BF	10,776		11,304		11,372	
D	3BS, 2BB	11,748		12,221		12,596	
E	3BD, 3BB	13,429		14,468		16,276	
F	4BD, 4BT, 4BS, 4BB	16,256		17,655		19,296	
G	5BD, 5BS, 6BD	22,644		24,423		25,606	

iGT UNC / iGT INC Modification Proposal

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 amended table referencing outputs of the AQ Review 2010.

This table will be utilised moving forward, only for new properties from the date of implementation.

Suggested timescale for implementation

- An implementation date of 1 October 2011 if an authority decision is received by 30 September 2011.
- If no decision has been received by 30 September 2011, an implementation date of 14 business days after an authority decision is received.

The methodology and values have been compiled by the IGT'S and discussed in the review group, therefore we do not see this as an unreasonable timescale.

Section of the Code Concerned

UNC APPENDIX CI-1

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

iGT UNC / iGT INC Modification Proposal

<p>Increased accuracy within the AQ values contained within the CSEP NExA AQ Table will improve the estimation of off-take quantities at the CSEP.</p>		
<p>c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence</p> <p>Implementation would not be expected to better facilitate this relevant objective.</p>	N	
<p>d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers</p> <p>Increased accuracy of AQ values will result in improved allocation of energy and costs between Shippers.</p>	Y	
<p>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</p> <p>Implementation would not be expected to better facilitate this relevant objective.</p>	N	
<p>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</p> <p>Implementation would not be expected to better facilitate this relevant objective.</p>	N	

Relevant Objectives to be better facilitated:

Likely impact on environment?

How this proposal will, if implemented, impact on greenhouse gas emissions? If there is a likelihood, please also advise if an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions is required?

None identified

Implementation issues including impact on systems:

There may be system impacts on IGT in terms of applying new CSEP values to contracts. We have tried to mitigate this by proposing a forward looking contract. Also given the commitment from the IGTs at the working group, the expectation is that preparatory work

iGT UNC / iGT INC Modification Proposal

will have taken place to allow immediate implementation.

It is expected there will be no/limited impact on systems for supplier/shippers

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.

The new CSEP NEXA Table is effectively the legal text.

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