

iGT UNC / iGT INC Consultation Response

Date	8 March 2012
Reference	iGT045 Modification Proposal Consultation
Title	Identification of meter supply point pressure
Respondee	ES Pipelines Ltd David Speake
Position on the Modification	Support Modification

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.

Relevant Objective	Yes/No
a. the efficient and economic operation of the pipe-line system to which this licence relates	
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	Yes?
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	
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	
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	
g. so far as is consistent with sub-paragraphs (a) to (f), the compliance with the Regulation* and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Likely impact on environment?

No impact identified.

Implementation issues including impact on your systems

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Implementation would require a limited amount of system development for ESP. Supply point pressure is already identified on ESP systems. The values recorded against supply point would be translated to the proposed single letter values and reported in the portfolio extract in the additional field.

Additional Information and CommentsLimited background given

The intent of the proposal is clear. ESP would like to provide its understanding of the background to this proposal, which is less clear.

The assertion that iGTs have medium pressure domestic supply points is true. It should be recognised that this is not unique to iGTs. It is our experience that GDNs have an equivalent proportion of domestic supply points at medium pressure. The proposal gives no information about the availability to shippers of equivalent data on the remaining 95% of UK gas supply points.

Standard industry practice, as dictated by MAMCoP, is for the shipper's agent to approach the GT for details of the supply point, including supply point pressure, in advance of commencing work at that supply point.

The additional costs incurred by the shipper, as mentioned in the proposal document should not assumed to be attributable to lacking or imperfect existing industry or in particular iGT processes. It is ESP's understanding that this proposal has been raised in reaction to specific incidents, representing internal failures by shippers and their agents to identify correctly the characteristics of a supply point. In other words, standard practice, ensuring integrity of the GT's assets and safety of the operator and customer have not been followed. It is disappointing that no mention is made in the background to the proposal of the measure that shippers are taking to address this.

Facilitation of relevant objectives

It is hard to argue that this change is not imposing cost to iGTs as a result of error on the part of shippers and their agents, in particular since existing processes are in place to prevent this. For this reason, ESP cannot argue the case for facilitating relevant objective A, despite the high value that we place on the safety and integrity of our networks.

It is clear that iGTs will still be expected to respond to requests for supply point information via the standard MAMCoP route, even though the information has been made available to the shipper. Therefore, ESP sees no efficiency gain here.

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Nor is objective F facilitated, as suggested by the proposer.

Some may argue the facilitation of objective D, although the counter-argument has some weight that those shippers who engage in the existing process in order to avoid the cost that the proposer identifies are being disincentivised to do so. In a sense, this could be regarded as making it easier to avoid existing obligations. The governance of MAMCoP may wish to respond to this.

Smart metering and other developments

Nevertheless, taken as a whole ESP can lend some support to the proposal. Whilst we are unhappy that the proposal would see ESP incurring cost that we are unable to recover, as a direct result of third parties 'cutting corners', there should be an overall benefit to the industry in making this information more readily available. In particular here we are thinking about the increased third party metering activity that must take place under smart metering. The availability of this information in a central database is the most efficient way to address this requirement, and we would expect it to become the standard route for all such. iGT045 may be a first step towards this, although it is hard to apply this sentiment neatly to the facilitation of the existing relevant objectives.

We are able to give this support only owing to the limited cost that will be required to develop our systems.

It is also worth noting that if iGTs are to transition to a central agent model, then we would like to ensure that identical information is currently available from the large transporters, so as to limit the risk of either (a) additional costs to iGTs of the provision of an iGT-only service line; or (b) the necessary subsequent removal of this obligation in order to align with existing or proposed large transporter service provision.

Legal text

In the proposed legal text, we do not believe that the last line is necessary, since the file format in code will grant the obligation on iGTs. We would rather not see a definitions section being used for listing obligations.

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