

iGT UNC / iGT INC Consultation Response

Date	17 th March 2014
Reference	iGT060
Title	Amendment to AQ Values Present within the CSEP NExA AQ Table following the 2013 AQ Review
Respondee	Trevor Clark - E.ON
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	Yes
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	No
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	Yes
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	No
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	No
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	No

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

Relevant Objectives to be better facilitated:

Objectives A & B:

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Implementation of this Modification would support the efficient and economic operation of the pipe-line system for the following reasons:

1. Network capacity at the CSEP is based upon the AQ value calculated by the Pipeline Operators, this AQ value is no longer reflective of current consumption patterns resulting in the over-sizing of network capacity which is ultimately reflected in Supplier charges levied by the Transporters.
2. A more reflective AQ will allow the Supplier to more accurately calculate the gas required to meet the needs of their Consumers. Incorrect AQ values may result in a Supplier purchasing too much gas resulting in increased energy allocation errors.
3. The use of more accurate AQ values should result in fewer sites having to go through the AQ review process, benefiting both Pipeline Operators and users.

Objective D:

Current consumption patterns continue to follow a downward trend as more energy efficiency measures are applied to new build housing stock. By reflecting this reduction in consumption within AQ values delivers a more accurate pricing of transportation costs thus helping to facilitate effective competition between relevant Shippers and relevant Suppliers.

Likely impact on environment?

How this proposal will, if implemented, impact on greenhouse gas emissions?

None

Implementation issues including impact on your systems

None identified.

Additional Information and Comments

We note that the current AQ tables are based upon data from the 2010 AQ review and are therefore several years out of date, we are therefore supportive of the values from the 2013 AQ review being used going forward.



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