

**Consultation Response****iGT097: Provisions for allowing consecutive estimated invoicing in the event of System Failure by the CDSP**

Responses invited by: 13 APR 2017

**Respondent Details**

Name: Gethyn Howard

Organisation: BUUK Infrastructure

Support Implementation

**Please briefly summarise the key reason(s) for your support / opposition**

We believe that NEXUS presents a risk to IGTs as data may not be received in part or in whole from the CDSP. Where such issue occurs either due to a prolonged or multiple CDSP systems issue that spans consecutive billing periods, the IGT requires permission from the Shipper to invoice on an estimated basis. Such permission is not guaranteed and consequently presents a cash flow risk to IGTs. This modification therefore removes the requirement for the IGT to obtain permission from Shippers where a data issue occurs within the CDSP system that requires the IGT to generate consecutive estimated invoices.

## Self-Governance Statement

**Do you agree with the Modification Panel's determination with respect to whether or not this should be a self-governance modification?**

N/A

## Please state any new or additional issues that you believe should be considered

We acknowledge the views of some Shipper organisations that the current IGT UNC drafting can be interpreted in a way and that the contingency rules would only apply if the Pipeline Operator is unable to generate an invoice and that the circumstances outlined in IGT097 could be invoiced without invoking such contingency rules. BUUK believes the modification is required but would highlight that the net impact of this modification if approved would have the same net result in invoicing terms as the Shippers who believe IGTs can invoice in any case.

We are cognisant of the modification being open ended and allowing IGTs to effectively bill on estimated bills indefinitely. We have consequently amended the modification so that is effective only for 8 months from implementation which provides 2 months 'cover' from the implementation of IGT080 whereby IGTs would be required to invoice using the CDSP data only. We reserve the right however to conduct a wider review of contingency arrangements.

## Relevant Objectives

**How would implementation of this modification impact the relevant objectives?**

- 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;*

We believe Objectives a) and b) are both facilitated as ensures the economic and efficient operation of the pipeline by avoiding cash flow risks to IGTs. This will avoid IGTs having to make short term credit arrangements resulting in a higher and inefficient cost of capital. Objectives a) and b) are both facilitated as the modification applies equally to BUUK as it does to all IGTs.

## Impacts and Costs

**What development and ongoing costs would you face if this modification was implemented?**

This modification will not introduce any development or ongoing costs.

## Implementation

**What lead time would you wish to see prior to this modification being implemented, and why?**

This modification should be implemented at the Project NEXUS Implementation Date.

## Legal Text

**Are you satisfied that the legal text will deliver the intent of the modification?**

Yes

## Further Comments

**Is there anything further you wish to be taken into account?**

**Responses should be submitted by email to [IGTUNC@gemserv.com](mailto:IGTUNC@gemserv.com)**