**Consultation Response**

**iGT039: Use of a Single Gas Transporter Agency for the common services and systems and processes required by the iGT UNC**

Responses invited by: 21\textsuperscript{st} January 2015

**Respondent Details**

Name: Gethyn Howard  
Organisation: BUUK

<table>
<thead>
<tr>
<th>Support Implementation</th>
<th>☑</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualified Support</td>
<td>☐</td>
</tr>
<tr>
<td>Neutral</td>
<td>☐</td>
</tr>
<tr>
<td>Do Not Support</td>
<td>☐</td>
</tr>
</tbody>
</table>
Please briefly summarise the key reason(s) for your support

The IGT039 modification effectively has two aspects; firstly, the implementation of agency services and secondly, a way of ensuring the IGT UNC can be efficiently maintained where agency services processes mirror those of the GDNs.

BUUK is supportive of the concept of agency services and believes that objective (d) would be satisfied as a result of IGT039 on the basis that a single system and interface will be introduced to cover all supply points regardless of network. We believe that this objective could also be further fulfilled should the efficiencies realised by Shippers (believed to be in the region of £5.5-6.9m p.a.) be passed through to consumers via Suppliers, enabling a more competitive environment.

BUUK also believes that the “pointing to” drafting approach whereby the UNC is incorporated by reference (to ensure relevant processes are consistent between IGT and GDN networks) is the most efficient approach of maintaining the IGT UNC and consequently we believe that objective (f) is satisfied.
Self-Governance Statement

Do you agree with the Modification Panel’s determination that this should not be a self-governance modification?

We agree that this should not be a self governance modification on the basis that the modification if implemented will have an impact on existing or future gas or electricity consumers through competition or associated commercial activities between Shippers and Suppliers. Through the use of the “pointing to” approach in the legal drafting, it could be argued that this modification proposal also impacts uniform network code governance procedures or network code modification procedures and so would not be a self governance modification.

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

We do not believe there are any other issues that need to be considered outside of those reviewed by the IGT039 development group.

Relevant Objectives

How would implementation of this modification impact the relevant objectives?

d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers;

We believe that objective (d) will be satisfied as a result of IGT039 on the basis that a single system and interface will be introduced to cover all supply points regardless of network. This makes the requirements for new market entrants simpler and more cost effective, in turn reducing barriers to entry. We believe that this objective could also be further fulfilled should the efficiencies realised by Shippers (believed to be in the region of £5.5-6.9m p.a.) be passed through to consumers via Suppliers, enabling a more competitive environment.

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;

We also believe that objective (f) will be better facilitated as the “pointing to” approach on which the legal drafting is based will ensure that the processes across IGT and GDN networks are consistent where required, with the legal text requiring minimal maintenance. With process and accompanying UNC references being amended under the UNC modification process, there is a strong argument where all parties are in agreement, the corresponding IGT UNC reference amendments could be made under the self governance process thus minimising the amount of work required to maintain the IGT UNC.
Impacts and Costs
What development and ongoing costs would you face if this modification was implemented?

Though we are unable to provide an exact development cost we are expecting to use an ICT development team on a full time basis until the testing period has successfully been completed. The build will be supported by various operational parts of the business to help during the test phase as well as regulatory support who has (and currently is) engaging with the agency to develop the required file formats and necessary supporting contractual agreements.

Determining an accurate on-going cost for agency services has been a difficult exercise and it is not expected that an accurate cost will be available until near go live of agency services. Under the IGT039 development group it was agreed that a methodology would be used to determine the IGT contribution to the annual ongoing costs of the service based on the allowable revenue for associated activities under RPC. We note however that such arrangements will be temporary and will be replaced with the output of the Xoserve Funding, Governance and Ownership review though at this stage it is unknown what the impacts of this will be on agency funding and how IGT costs will be impacted as a result. We hold concerns on this at present but appreciate that the “methodology” as set referred to in the proposed accompanying agency services licence condition is required to be reviewed at the sooner of the months after the implementation of Project Nexus (schedule for 1 October 2015), or upon the conclusion of the Xoserve Funding, Governance and Ownership review prior to any amendments via statutory consultation.

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

We understand that the current target date for Agency Services and Project NEXUS is 1st October 2015. We are supportive of this date on the basis that all industry parties are ready to implement the required systems changes as we will be unable to support any party using legacy systems and processes once Agency Services have gone live.

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

Yes. BUUK has led the development of the legal drafting for IGT039. The text has been developed and the industry consulted through the drafting process and we are satisfied that the legal text will deliver the intent of the modification. We do acknowledge however that a transitional modification will be required to update the IGT UNC to include any further modifications implemented between v8.3 and October 2015 and to also account for any UNC changes between the UNC0440 baseline and “October 2015” version of the UNC. This is an unavoidable piece of work which will need to be taken forwards during 2015.
Further Comments
Is there anything further you wish to be taken into account?

We have no further comments on the consultation.

Responses should be submitted by email to iGTUNC@gemserv.com