**Consultation Response**

**iGT0039: Use of a Single Gas Transporter Agency for the common services and systems and processes required by the IGT UNC**

19 January 2015

**Respondent Details**

Name: Kish Nundloll

Organisation: ESP Utilities Group Ltd ("ESP" - comprising ESP Pipelines, ESP Connections, ESP Networks and ESP Pipelines)

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

Analysis carried out by Xoserve on behalf of gas transporters and shippers, shows a clear, positive business case for iGT Agency Services. While ESP sees a net cost as a result of the implementation of iGT Agency Services, gas shippers have reported benefits of at least £7.5m in the first year alone (one off + 1st year annual benefits). ESP supports iGT039, in spite of the costs it faces, on the basis of the substantial shipper savings being passed on to end users/customers.

Industry has worked collaboratively over the past 3 years to develop the contractual, technical and funding framework to support this project with iGT039 representing an important element of the contractual arrangements. ESP Utilities Group has been engaged in the development of the modification and the resultant legal text. A full iGT-funded external legal review of the iGT UNC drafting has been carried out, in addition to ESP’s own rolling review of the text. ESP is comfortable that the drafting reflects, and will give effect to, the intent of the iGT039.
Self-Governance Statement
Do you agree with the Modification Panel’s determination that this should be a self-governance modification?

n/a

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

n/a

Relevant Objectives
How would implementation of this modification impact the relevant objectives?

ESPUG agrees with the Proposer’s/Development Group’s assessment of the relevant objectives.

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

ESPUG faces significant development costs as a result of the implementation of Single Service Provision – that not only from readying its systems to participate in the enduring solution, but also the costs of participating in the 9-month data migration exercise, leading up to October 2015.

In addition to ESP’s one-off set up costs, ESP will incur new on-going costs. These costs include the charges levied by the Agent (Xoserve), as capped by ESP’s new Standard Licence Condition 11. It should be noted that the majority of the processes currently carried out by ESP, which are to be carried out by Xoserve under Single Service Provision, are automated within ESP’s systems. As such, the vast majority of the costs associated with such processes have already been sunk into the development of ESP’s existing system.

ESP is happy to provide figures to the Authority upon request.

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

October 2015
### 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?

n/a

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