

Consultation Response**iGT0102: Enduring solution for provisions that allow Contingency Invoicing in the event of System Failure by the CDSP**

Responses invited by: 06 Dec 2017

Respondent Details

Name: Kirsty Dudley

Organisation: E.ON UK

Support Implementation ☐

Qualified Support ☐

Neutral ☐

Do Not Support ☒

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

We do not support this change as we do not believe there is a cost benefit for its introduction and we also believe the code has provisions for what the modification is trying to deliver. iGT097 was approved by the Authority to act as a contingency in the event the CDSP didn't go live correctly and they were unable to provide files to the iGTs for them to invoice. There have been no instances where iGT080 has been required so we believe this to be an expensive industry investment which will rarely (if ever) be required.

Additionally the principle of creating an invoice document can be completed with the current legal text, other than the addition of the CDSP to provide the flow updates we do not see how the invoice process is different and needs these refinements. We instead believe that these contingencies need to be managed via the agreements the iGTs have in place with the CDSP and not have Shippers change their systems for the unlikely event of this happening. We believe that Nexus stabilisation would have been the most likely time these contingencies would have been required, they have not been so why cost the industry more by introducing something the iGTs even feel would not be required and is acting as a 'safety net' only.

We did not support iGT097 and we still do not support iGT102.

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?

We support the work groups determination that this should not be self-governance.

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

See further comments / Legal Text comments

Relevant Objectives

How would implementation of this modification impact the relevant objectives?

Our belief is it has a negative impact on objective F – it introduces a complex and costly process which has not been evoked through Nexus stabilisation and isn't anticipated to be required. Therefore it is our belief the change is not required and can be managed through mechanisms already in place.

Impacts and Costs

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

This would be a project level change to introduce the new charge types, complete development and testing as well as the MI to track where evoked the correct invoicing being completed so challenges are completed within the 6 month period to update estimations with the 18 month challenge cut off.

As this has never been evoked we believe this is a complex proposal with little benefit especially with complex regression testing to ensure correct delivery.

Implementation

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

These are system changes to introduce the new charge types so we would need a minimum of 6 months to implement if approved.

Legal Text

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

We do not support this but our feedback to the legal text is:

9.1.1 – Our interpretation of this is that the documents cannot be sent 7 days after the normal submission deadline date, we disagree with adding another 7 days without any notification and suggest that the requirement is to issue the notification no later than the last day of standard invoice issuing.

9.1.1 (c) – we would prefer the supporting data is obligated in this section explicitly to the RPC format to avoid any adhoc formats being used for either isolated iGT issues or CDSP issues

9.2.4 – there is a requirement to issue an email notification but we believe there should also be the offer of a call to give a verbal update, if it is a CDSP issue then it should be hosted by them and if it is an isolated iGT issue that it is hosted by them. This will allow the opportunity for Q&A rather than emails flying all over the place.

9.2.4 b vii – Where there is an issue which impacts more than 1 iGT we believe the decision to include or exclude New Supply Points should be one which all iGTs follow, otherwise it over complicates validation for the Shippers

9.2.4 i – We believe the solution could be cleaner and have less monitoring if approved, it would be our preference that a B14 is always a debit charge and a B15 is always applied as a full reversal with the correct charges (for the correct billing period) being applied on either a B10 or B12 row. We do not feel that adjustments should be overly complicated and need to add or subtract the values in the B14 from/to the B15. We believe this process should always see a contingency invoice net to zero and charged correctly on a non-contingency charge type.

21.2(c)(i) – ‘System Failure’ relates to issues which are just for the iGT (Pipeline Operator) there is no requirement for a a unique ticket number or P1, P2, P3 incident. To ensure that this is evoked in only similar situations we believe there should be further requirements so that regardless of the origin the processes are aligned.

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

We believe these additional factors need to be considered:

- 1) It is not clear in the drafting if a contingency charge type could also be part of a standard invoice, we believe that full reversals of contingency invoices should be completed and because of this contingency invoices need to be a separate invoice so it can be tracked, especially if the issue is anticipated to last for a number of months, if amalgamated it makes it extremely difficult to track.
- 2) A minimum number of days which the process is evoked for e.g. 7 days or greater, to make the solution have any sort of cost benefit we do not believe from our analysis that anything <7 days would cause any financial detriment even for the smaller iGTs so we would suggest this guideline is introduced. There is already the facility to complete adjustments via the B11 or B13 rows so we believe that anything <7 days should be invoiced via this mechanism.
- 3) Our interpretation of this is invoice challenges would be based on when accurate invoicing is produced so there would be a two part challenge for contingency invoices 1) 6 months to rectify actualise the charges 2) 18 months standard billing challenge period. We believe that if our interpretation is correct then new invoice challenge codes are required so it is clear which query types are for which element. We do not feel that using 'OTH' is the most appropriate.

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