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Final Modification Report	At what stage is this document in the process?
# IGT121: ## Clarify IGT AQ Review Reporting Procedure	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report

Purpose of Modification:

Minor update to the AQ Review Reporting requirements to clarify arrangements post-Nexus.

	Panel consideration is due on 17th May 2019 The Panel recommends implementation of this self-governance modification.
	High Impact: None
	Medium Impact: None
	Low Impact: Pipelines Users

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Timeline

The Proposer recommends the following timetable:

Initial consideration by Workgroup	5th March 2019
Amended Modification considered by Workgroup	N/A
Workgroup Report presented to Panel	22nd March 2019
Draft Modification Report issued for consultation	25th March 2019
Consultation Close-out for representations	15th April 2019
Variation Request presented to Panel	N/A
Final Modification Report available for Panel	22nd April 2019
Modification Panel decision	17th May 2019

Any questions?

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1 Summary

What

Section 1 of the IGT AQ Review Procedures Document deals with Post-Review reporting. Pipeline Operators have an obligation to collate and report the data from the AQ Review in accordance with inclusions and exclusions specified in the document. However, these inclusions and exclusions have not been updated to reflect post-Nexus arrangements.

Why

The current text assumes that Pipeline Operators still have visibility of meter reading data used for the AQ Review, but this is no longer the case now that Xoserve perform the review. This means that the current rules defining which data should be included or excluded are confusing and difficult to comply with.

How

Amend the EXCLUDED data list in Section 1 to remove the following defined exclusions:

o There was no AQ change because the site became less than 9 months prior to the cut off read date for the potential revision of the FYAQ.
o There were no reads with which to calculate the AQ.

And replace with:

o The AQ has not changed from the previous year's FYAQ

2 Governance

This change reflects how Pipeline Operators agreed to select the data for last year's AQ Review reporting. As such, this Modification does not attempt to change the way in which data is selected for inclusion/exclusion in the report, it merely seeks to make the existing requirements in Code easier to understand and comply with. It is therefore proposed that this Modification be progressed as Self-Governance.

Requested Next Steps

This modification should:

- be subject to self-governance
- be assessed by Panel

Workgroup Comments

The Workgroup agreed with the Proposers view that this is a Self-Governance change.

3 Why Change?

Pipeline Operators have an obligation to collate and report the data from the AQ Review in accordance with inclusions and exclusions specified in the IGT AQ Review Procedures document. However, these inclusions and exclusions have not been updated to reflect post-Nexus arrangements.

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The current text assumes that Pipeline Operators still have visibility of meter reading data used for the AQ Review, but this is no longer the case now that Xoserve perform the review. This means that the current rules defining which data should be included or excluded are confusing and difficult to comply with.

This change reflects how Pipeline Operators agreed to select the data for last year's AQ Review reporting. As such, this Modification does not attempt to change the way in which data is selected for inclusion/exclusion in the report, it merely seeks to make the existing requirements in Code easier to understand and comply with.

4 Code Specific Matters

Technical Skillsets

Knowledge of post-AQ Review Reporting

Reference Documents

IGT AQ Review Procedures Document

5 Solution

Amend the EXCLUDED data list in Section 1 to remove the following defined exclusions:

- o There was no AQ change because the site became less than 9 months prior to the cut off read date for the potential revision of the FYAQ.
- o There were no reads with which to calculate the AQ.

And replace with:

- o The AQ has not changed from the previous year's FYAQ

Workgroup Comments

The Workgroup agreed with the approach set out in the proposers suggested solution.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No

Consumer Impacts

None

Environmental Impacts

None

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7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
(A) Efficient and economic operation of the pipe-line system	None
(B) Co-ordinated, efficient and economic operation of (i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	None
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	None
(E) 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	None
(F) Promotion of efficiency in the implementation and administration of the Code	Positive
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

This Modification is essentially a Housekeeping change to update Code to better reflect current practice. It will improve administration of the Code (Objective F) by clarifying the reporting requirements.

Workgroup Comments

The Workgroup agreed with the Proposers view that this modification will further support Relevant Objective F).

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8 Implementation

June 2019

Workgroup Comments

The Workgroup agreed that the modification, if implemented, should be included in the June 2019 release.

9 Legal Text

Suggested Text

Proposed amendment to the IGT AQ Review Procedures Document

1. Reporting

The following report is generated for Industry analysis and debate as part of the process to conduct an Annual review of the values held within the CSEP NExA Table.

a) IGT data collation
IGTs will individually collate AQ data using template C1 using the following rules set out within the template.

• • Use one tab per licence held, inputting the average AQ per property type for each of the three geographic areas. Next to this value, input the number of individual supply points used to derive that average.

• • IGTs should be reporting from the Formula Year Annual Quantity review output files provided by the Pipeline Operator Agency, not from the overall portfolio. If an AQ has not been reviewed, it should not be part of the dataset.

• • The AQ used should be the Formula Year Annual Quantity (FYAQ) that was taken as the revised Formula Year Annual Quantity for application from the 1st April of the year in which the CSEP NExA table is being reviewed.

• • Where an IGT has no values for a type of property the cell AQ and NUMBER must

be left BLANK.

• The following should be EXCLUDED from the AQ data:
o Infill domestic property AQs.
o Non-domestic property AQs.
o The AQ has not changed from the previous year's FYAQ.
o ~~There was no AQ change because the site became less than 9 months prior to the cut off read date for the potential revision of the FYAQ.~~
~~o There were no reads with which to calculate the AQ.~~

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• The following should be INCLUDED in the AQ data:
o Only properties deemed to be new housing when first connected to a gas connection.
o All other AQ values calculated as part of the most recently completed revision of the Formula Year Annual Quantity using actual meter reads (for clarity it also includes those above the 2,500 therm threshold).
o Only house types that are listed in Section 2 Current Table of the IGT UNC Ancillary Document CSEP NExA Tables.

IGTs will collate the results of each IGT AQ review to create the Proposed CSEP NExA Table using template C2 by 31st May.

Workgroup Comments

The Workgroup agreed that the legal text fully supports the modifications solution and intention.

10 Consultation

Panel invited representations from interested parties with the Consultation closing on 15th April 2019. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Indigo Pipelines	Support	F - positive	• We believe this change is required as the current procedure pre-dates Project Nexus and no longer reflects existing practice. As such the procedure is confusing and difficult to comply with. This change will make it clear and easy to follow. • As proposer of the modification Indigo Pipelines supports the Panel's determination on Self-Governance and meets Objective F. • There are no impacts or costs foreseen worth of note by this change as it reflects existing practice. • As this change if to document existing practice, we feel it should be implemented in the next Release. • The proposed legal text is deemed sufficient to achieve the purpose of the modification.
BUUK	Support	F - positive	• We support the implementation of this change because it will provide greater understanding and

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			clarity around the IGT AQ review process. This will ensure that parties involved follow a set format and approach to this annual requirement. • We support the change progressing as Self-Governance as the wording is being changed and not the process itself as well as meets Objective F. • We support the timeline for the change to be implemented in the next release of the IGT UNC.. • We foresee no impacts or costs as a result of this change. We are also satisfied with the proposed legal text.
E.ON	Support	F - positive	• We are supportive of this change as it essentially moving the AQ reporting from IGTs to Xoserve in line with Project Nexus. • We support the change progressing as self-governance and support the June 2019 implementation date as well as meeting Objective F. • We are satisfied with proposed amendments to the legal text.
ESP	Support	F-positive	• We support the modification as we believe it follows the principle of promoting the efficiency of the implementation and administration of the IGT UNC. • We support this change as Self-Governance and meets satisfies Objective F. • We support Workgroup's decision for this modification to be implemented in June 2019. • We are satisfied with the legal text that will deliver the intent of the modification.
Npower	Support	F – positive	• We support the intent of the modification and agree that it will promote the efficiency in the implementation and administration of the Code. • We support this change as Self Governance and promotes efficiency of the Code thus satisfies Objective F. • We support the Proposer's recommendation of the June 2019 implementation date. • We are also satisfied with the legal text of this modification.

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In summary:

- Five responses were received to the consultation for IGT121, incorporating two responses from Pipeline Users, and three responses from Pipeline Operators.
- All five respondents offered support for this modification.
- All respondents agreed that the Modification better facilitates Relevant Objectives F) Promotion of efficiency in the implementation and administration of the Code.
- All respondents agreed that the Modification meets the criteria for Self-Governance.
- All respondents agreed that the proposed Legal Text supported the requirements of the solution.
- All five respondents agreed that the change should be implemented within the June release.

11 Panel Discussions

Discussion

The Chair indicated that this modification aims to clarify the Legal Text in the IGT UNC to remove any misleading and redundant text. The Chair summarised the responses noting that five responses were received, all of which provided full support for the implementation of this modification.

Consideration of the Relevant Objectives

All Panel members agreed that this Modification meets the criteria set out in Objective F and the published criteria for Self-Governance modifications.

Determinations

The vote was carried out with two Pipeline Operators and three Pipeline Users. The Panel agreed by unanimous vote that the Modification should be implemented. All Panel members agreed that this Modification should be implemented in the June release. This modification is subject to a 15-day appeal window as per the Self-Governance process.

12 Recommendations

Panel Determination Self-Governance

Members agreed:

- that Modification 121 should be implemented

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13 Appendix 1

https://www.igt-unc.co.uk/wp-content/uploads/2018/05/IGT-CSEP-NExA-Table-Review-procedures-document-1.5.pdf

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