

iGT UNC / iGT INC Draft Final Modification Report

Date	12 th October 2007
Reference	iGT003V
Title	Implementation of AQ Table Resulting from 2006 iGT AQ Review
Proposer	Gas Transportation Company
iGT UNC / Pipeline Operator	iGT UNC
Modification Proposal Dates	<i>Circulation: 04/07/2007 Response: 10/08/2007 Circulation of DMR: 31/08/2007 Response to DMR: 21/09/2007 Circulation of DFMR: 12/10/2007 FMR sent to authority: 21/10/2007</i>

The Proposal

Pursuant to Authority direction, Section 2 of the iGT UNC Transition Document Version 4.0 (dated 08.03.07) is to be implemented by all iGTs with effect from 1st October 2007. For ease of reference this relates to the allocation of AQ values for Domestic New Supply Meter Points in accordance with an AQ table developed as part of the iGT AQ Review process for 2005.

Since the Authority issued directions to implement the various iGT Network Code Modifications and UNC Modification 0075, an updated table has been produced following the iGT AQ Review process for 2006.

To date, the necessary Modifications have not been raised to the iGT Network Codes (now superseded by the iGT UNC) and this mod seeks to address this anomaly.

It is acknowledged that processes surrounding the NEXA that impact upon Shippers may require a fundamental review; however this modification does not seek to address this.

This modification merely seeks to introduce the most up to date AQ values into the iGT UNC, providing reassurance to all parties that ongoing pricing reflects as accurately as possible current average consumption levels.

The proposal seeks to replace the table in Appendix C1-1 of the iGT UNC with the following table:

Band	House Type	South SW, NT, WS, SO (92%)	Average WN, SE, NW, EA, EM, WM, NE (0%)	North NO, SC (108%)
		AQ (kWh)	AQ (kWh)	AQ (kWh)
A	1 Bed	9,111	10,417	9,153
B	2BF, 2BT	10,860	11,542	11,162
C	2BS, 2BD, 3BT, 3BF	13,545	14,446	13,879
D	3BS, 2BB	14,835	15,538	16,390
E	3BD, 3BB	16,645	18,227	19,458
F	4BD, 4BT, 4BS	20,091	21,835	22,712
G	5BD, 5BS, 6BD+	28,859	30,384	30,648

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Variation Notes

GTC raised a variation to the original modification. The iGT UNC panel agreed that the variation was immaterial at the meeting held on 31st August. Therefore modification iGT003 is deemed to be withdrawn and iGT003V will now proceed through the modification process. iGT003 sought to make changes to the iGT UNC Transition Document. The Proposer noted that the relevant section of the Transition Document will be incorporated in to the iGT UNC on 1 October to raise a variation to iGT007 to make changes to the iGT UNC rather than the Transition Document.

Suggested timescale for implementation

Next release of the iGT UNC following Authority consent in line with Section L, Clause 19 of the iGT UNC Network Code.

Representations

To view the Representations, click [here](#)

Organisation	Response to Consultation	Response to DMR
EDF Energy	Not in Support	
Energetics		Support
E.ON	Not in Support	
ES Pipelines	Support	Support
Envoy	Support	Support
Fulcrum Pipelines		Support
RWE npower	Not in Support	Not in Support
SSE Pipelines	Support	
SSE Energy Supply	Support	
Gas Transportation Company		Support
ScottishPower	Not in Support	Not in Support

Facilitation of the relevant objectives

As per justification for the initial modifications to the iGT Network Codes in order to insert the table into the iGT UNC, GTC believe that this proposal will better facilitate the Relevant Objectives of the GT Licence by improving transparency and accountability and promoting competition.

View of affected Operator(s) on whether or not the Proposal should be implemented

The Pipeline Operators are supportive of this Modification and would like it to proceed and be implemented as soon after 1st October 2007 when Section 2 of the Transition Document is implemented.

Several comments have referred to the lack of robustness of the 2006 AQ Review undertaken by iGTs. Reference has also been made to the large variation in values between the 2005 AQ values and the 2006 values. These comments require addressing.

The 2006 AQ Review Process was introduced following review of the previous AQ reviews, especially the 2005 process and sought to improve the robustness of the process and resulting AQ values. One of the actions to facilitate this was to embed the process into iGTs' network codes through the modification proposal process. This was supported by shippers with the intention that would provide an enduring robust solution for future AQ Reviews that would negate the need to raise network code modifications each and every year prior to the start of the AQ Review. It is to be assumed therefore that the process proposed and supported by the majority of shippers in Spring 2006 to achieve this outcome was robust, otherwise why raise the modification. Indeed, the majority of comments from shippers at the time supporting the modifications referred to putting in place a robust process.

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Reviewing the comments of the iGTs to these modifications, which at the time were to each iGT's individual network code, they too were in full support of the process as set out in the modification. It is a little concerning that some shippers appear to be rejecting the output of that review due to a perceived lack of robustness of the process. We would not dispute that there are improvements which could usefully be made to the AQ Review process, however we do not believe that the 2006 review was any less robust than that carried out in the previous year. Therefore, the resulting AQ values are no less robust than those calculated following the 2005 Review.

Implementation issues

None

Other information

None

Proposed Legal Text

Legal Text is not required