

Modification proposal:	IPL029/QPL029: Logical Meter Number (LMN) AQ Updates- Reporting Requirements		
Decision:	The Authority¹ decided to reject this proposal		
Target audience:	IPL, QPL, Parties to the IPL/QPL Network Codes and other interested parties		
Date of publication:	26 April 2007	Implementation Date:	To be confirmed by IPL/QPL

Background to the modification proposal

Whilst the relationship between the CSEP User (shippers) and the appropriate Gas Transporter is governed by the relevant Network Code, the relationship between Large Transporters (GTs) and independent Gas Transporter (iGT's) is governed by the Connected System Exit Point ("CSEP") Network Exit Agreement ("NEXA").

Under Annex A of the CSEP NEXA, iGTs² are required to submit weekly updates on information pertaining to the Logical Meter Number (LMN) to xoserve (on behalf of GTs). This allows Large Transporters to calculate deemed offtake quantities, facilitate the reconciliation process and produce CSEP Transportation Invoices for their Shippers.

Periodically xoserve will submit return files to the iGT, which will provide information on the outcome of the submissions made by the iGT, including any submissions that failed xoserve's validation procedures. This return file has no contractual basis under the NEXA, however Approved UNC Modification 083³ obliges GT's to process data received from iGTs within specific timescales and will require xoserve to submit the return files within 2 Business Days.

On 9 November 2006, Ofgem approved Modifications IPL/QPL 18⁴, which placed obligations (in respect of data provisions) outlined in the CSEP NEXA into the IPL/QPL 18 Network Code.

The modification proposal

The modification proposal IPL/QPL 29, seeks to build upon IPL/QPL 18 by placing in the IPL/QPL Network Code, requirements on reporting information to be submitted to CSEP Users by iGTs when AQ updates are performed.

The Proposer considers that it is important that Shippers have visibility of portfolio movements resulting from new connections. In addition, that Supply Point transfer activity is accurately reflected and updated to Large Transporters in line with CSEP NEXA requirements.

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² See [UNC Section A 3.3.1](#) for full definition

³ [UNC Modification Proposal 083: 'Proposal to insert obligations to process data received from iGTs in line with the requirements as outlined within Annex A of the Connected System Exit Point \(CSEP\) Network Exit Agreement \(NEXA\)'](#)

⁴ UNC Modification Proposal 018: Independent Gas Transporters (iGT) obligations in respect of data provision to Large Gas Transporters – Supply Point Classification.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 22 March 2007. The Authority has considered and taken into account the responses to the IPL/QPL 29 consultation on the modification proposal which are attached to the FMR. The Authority has concluded that implementation of the modification proposal will not better facilitate the achievement of the relevant objectives of the IPL/QPL Network Codes⁵.

Reasons for the Authority's decision

We note that IPL/QPL 29 received three responses to the consultation. One respondent provided comment, one respondent did not support the modification proposal and the other respondent expressed support for the modification proposal.

The respondent who did not support the modification considered that the only evidence of 'portfolio' movement that the shippers will see is a reflection of the details provided to the iGT when a customer has changed supplier. This respondent therefore did not understand how the modification proposal will achieve its objectives.

We have sympathy with the intent of the proposal and consider that shippers should have greater visibility of the data that is critical to their business, such as that relating to portfolio movements. However, it is not clear how this proposal will, of itself, contribute to the furtherance of the relevant objectives.

Furthermore, we are concerned that absent agreement of what reporting regime shippers would like to see in place, iGTs may be requested to implement various ad hoc reports, all aimed at achieving the same end goal. This would have cost implications and be potentially detrimental to the relevant code objectives. In addition, we have concerns with regards to the extent to which the obligations around data provision may not be complementary across the various agreements and therefore may not practicably be backed. We recognise that the inter-relationship between the iGT Network Code, the CSEP NEXA and xoserve, via the UNC, remains a cause of concern for shippers and we would welcome a more holistic review of this.



Mark Feather
Associate Director, ICL

Signed on behalf of the Authority and authorised for that purpose.

⁵ As set out in Standard Condition 9(1) of the Gas Transporters Licence, see:
http://62.173.69.60/document_fetch.php?documentid=4311