

Modification proposal:	Independent Gas Transporter (iGT) Uniform Network Code (UNC): 'iGT RPC Invoice Template' (iGT007v)		
Decision:	The Authority ¹ directs that this proposal be made		
Target audience:	Gemserv, Parties to the iGT UNC and other interested parties		
Date of publication:	07 February 2008	Implementation Date:	To be confirmed by the Representative of the iGT UNC

Background to the modification proposal

Following a Shipper initiative in 2005 to improve iGT Governance, a workgroup was set up under the Gas Forum iGT workgroup to look at, amongst other things, issues faced by shippers and iGTs around processes which historically sat outside of formal Network Code governance. In particular a sub-group was created to look at the various file formats used by iGTs. This group recommended the adoption of a standard format for Relative Price Control (RPC) invoicing, which was subsequently incorporated into a Code of Practice. However, to date none of the file formats which were developed by the group have been incorporated into the iGT UNC and are therefore not contractually binding upon Parties.

The modification proposal

This modification proposal seeks to introduce a standard template to be used by all iGTs for RPC invoicing, and mandate its use through the iGT UNC. This template is provided as an appendix to the Final Modification Report. The proposer considers that this will afford all Parties greater certainty over the format and allow more efficient communication of information such as that provided through short codes and AOs values. It is also noted that these values may be amended outwith the iGT UNC, without requiring a modification to the templates.

iGT UNC Panel² recommendation

At its meeting of 19 December 2007 the iGT UNC Panel unanimously recommended implementation of iGT UNC 007v.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 2 January 2007. The Authority has considered and taken into account the responses to the Representatives consultation on the modification proposal, which are attached to the FMR³.

The Authority has concluded that implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the iGT UNC⁴.

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 The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules.

³ iGT UNC modification proposals, modification reports and representations can be viewed on the iGT UNC website at <http://www.igt-unc.co.uk/>

⁴ As set out in Standard Special Condition A11(1) of the Gas Transporters Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=6547

Reasons for the Authority's decision

We note that all of the respondents to the consultation supported the implementation of this proposal, though there were few substantive comments. Of those respondents who did provide comment, one suggested that the introduction of a common format will reduce the costs and resource constraints of the current multiple formats. They also suggested that this cost may act as a barrier to entry. They therefore considered that the implementation of this proposal would further facilitate the achievement of relevant objective (f) *the promotion of efficiency in the implementation and administration of the Uniform Network Code*.

Another respondent suggested that this proposal would further facilitate relevant objective (f) by allowing shippers to develop more efficient back office systems to validate iGT RPC invoices and stated that this is currently hindered by the plethora of processes and associated file formats that shippers have to support.

We note that one respondent raised some concerns over the mandatory nature of some of the fields used in the file format, suggesting that this may require some systems development in order to accommodate them, though they nonetheless supported the implementation of the proposal.

We agree with those respondents who suggested that this use of standard file formats can improve the communication between Parties and more generally lead to efficiency gains, particularly by allowing shippers to adopt standard and systemised procedures for common processes such as invoicing. We support the standardisation of processes to the extent they deliver efficiencies without fettering innovation, or Parties' ability to differentiate themselves from competitors. We therefore agree that it is appropriate to standardise the file formats used for RPC invoicing as this will further relevant objective (f) as set out above.

Decision notice

In accordance with Standard Condition 9 of the Gas Transporters Licence, the Authority, hereby directs that iGT UNC modification proposal 007v: *'iGT RPC Invoice Template'* be made.



Mark Feather,
Director of Industry Codes and Licensing, Corporate Affairs
Signed on behalf of the Authority and authorised for that purpose.