

Modification proposal:	iGT UNC / iGT INC: "Amendment to the window for acceptance of Meter Reads by Pipeline Operators" (iGT012)		
Decision:	The Authority ¹ directs that this proposal be made		
Target audience:	Independent Gas Transporters (iGTs), Parties to the iGT UNC and other interested parties		
Date of publication:	16 April 2008	Implementation Date:	To be confirmed

Background to the modification proposal

Modification iGT012 was raised by ScottishPower Energy Management Ltd on 2nd November 2007.

The modification proposer considers that arrangements for metering and meter reading, whereby a number of parties and agencies are involved, combined with the requirements for Suppliers to carry out validation of meter readings, can mean that many readings are not available for submission within the current 10 Business Day window as outlined within Section E. Paragraph 3.1 on the IGT UNC.

A UNC Modification (UNC 124) was raised to amend the UNC to allow the Pipeline User to submit meter readings to the Pipeline Operator up to 15 Business Days after the Meter Read Date. This Modification was subsequently approved by the Authority and implemented on 16 April 2007.

The modification proposal

Paragraph 3.1 of Section E of the iGT UNC provides for the manner and timing of the submission of Meter Readings to the Pipeline Operator. It requires that meter reads are submitted up to the 10th Business Day after that Meter Read Date.

iGT012 proposes that Section E Paragraph 3.1 is amended to allow Users to submit meter readings up to the 15th Business Day after the Meter Read Date.

Panel decision

The Panel unanimously recommended the Modification for implementation, commenting that it promotes competition between Shippers and Suppliers.

The Panel recommended an implementation date of not earlier than four months pending Authority consent in accordance with clause 19.2 (b) of section L to the iGT UNC.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report dated 7th March 2008. The Authority has concluded that:

1. implementation of the modification proposal would further the relevant objectives as defined in Standard Condition 9 of the Gas Transporters License²; and
2. directing that the modification be made and is consistent with the Authority's principal objective and statutory duties.

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 http://epr.ofgem.gov.uk/document_fetch.php?documentid=13355

Reasons for Authority decision

We consider that iGT012 impacts most significantly upon relevant objectives (d) and (f). We set out the reasons why we believe iGT012 would better facilitate these relevant objective below.

We consider that the modification proposal will better meet relevant objective (d), by helping to secure effective competition between relevant shippers and suppliers. Allowing Users to submit meter readings up to the 15th Business Day after the Meter Read Date, is consistent with the arrangements that exist under the UNC following the implementation of UNC 124. The modification proposal should therefore allow suppliers and shippers to have in place more consistent systems for the submission of meter reads under the iGT UNC and the UNC. This improvement in efficiency should promote competition between suppliers on IGT networks.

We also consider that the modification will better meet relevant objective (f) by promoting efficiency in the implementation and administration of the iGT UNC. The modification proposal will provide for a greater number of meter reads to be accepted for purposes of setting Annual Quantities (AQ) which will improve the accuracy of AQ calculations at Supply Points. In addition, a greater number of meter readings will be available to allow for the reconciliation of I&C Supply Points. We therefore consider that the modification proposal will promote efficiency in the implementation and administration of the iGT UNC by ensuring greater accuracy of energy and cost allocations between suppliers and shippers.

Decision notice

The Authority directs that modification proposal iGT012: "Amendment to the window for acceptance of Meter Reads by Pipeline Operators" be made.



Kersti Berge
Head of GB Markets

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