

Modification proposal:	UGI034/GTC343/GPL042: 'Mandatory use of defined file formats for Change of Supply and Change of Supply Meter Readings'		
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:	16 April 2008	Implementation Date:	To be confirmed by GTC / the iGT UNC representative

Background to the modification proposal

The procedures for modifying the iGT UNC are set out in Section L – 'Modification rules' of the iGT UNC itself, in accordance with Standard Condition 9, paragraphs 7 and 8 of the Gas Transporters Licence. These rules also cover modifications to the iGT individual Network Codes, which are retained in a short format, with the majority of substantive provisions being included by reference to the iGT UNC. The provisions retained within the short form Network Codes are those which are specific to that licensee.

This decision letter covers identical proposals to modify the Network Codes of UGI, GPL and GTC, all part of the GTC group.

The modification proposal

This modification proposal seeks to introduce formal governance arrangements around existing processes between GTC and Shippers who have acceded to its Codes. In particular, the proposal seeks to insert the file formats used for customer transfers and customers transfer meter readings into the GTC codes as appendices and mandate that Users use either the fax forms, or the electronic file format, but not a combination of the two. Future changes to those file formats will be subject to the UNC modification rules.

iGT UNC Panel² recommendation

At its meeting of 27 February 2008, the iGT UNC Panel were unable to reach a majority decision and therefore did not recommend that this proposal be implemented.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 07 March 2008. 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 Condition 9 of the Gas Transporters Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=13355

Reasons for the Authority's decision

We note that the iGT UNC Panel reached a split decision on this proposal and therefore did not recommend implementation of this proposal. Although the Pipeline Operators on the Panel considered that this proposal would further facilitate the efficient and economic operation of the pipeline systems, the User Representatives considered that such a modification to a single iGTs Network Code(s) would be detrimental to the workings of the IGT UNC and therefore did not support the promotion of efficiency in the administration of the iGT UNC.

The common theme amongst those who were opposed to the proposal was that the iGTs should be moving towards a common set of file formats for Supply Point Administration such as customer transfers and considered that by introducing a set of arrangements specific to the GTC Codes, this proposal would be contrary to that aspiration. Several noted their preference for these issues to be taken forward as part of the work on iGT UNC 004. In its original proposal, GTC acknowledged the ongoing work on iGT UNC 004 but suggested that the current arrangements should be made subject to robust governance in the meantime. This view was subsequently echoed by the other Pipeline Operators.

Whilst we note the ongoing work of the iGT UNC 004 development group, we do not consider that it is pertinent to this decision, given that each proposal must be assessed on its own merits. We also note that other iGTs currently have similar provisions covering network specific communication methods in their short form Network Codes. We consider that the proposal represents an improvement on the current baseline, whereby the files which are currently in use are not subject to any formal governance, but are amended on an ad hoc consensus basis with the final decision on any amendments being at GTC's discretion.

We do not consider that the acceptance of this proposal in any way hinders the ongoing work as part of iGT UNC 004. Given that the files which the proposal seeks to make subject to iGT UNC governance are already in use, we do not consider that there will be any substantial sunk costs from its implementation, or other adverse implications in the event that it is superseded in the near future by iGT 004 or any other similar proposal.

In removing the potential for dual or conflicting governance, and clarifying that future modification to these file formats will be subject to the iGT UNC modification rules, we consider that the implementation of this proposal will better facilitate the achievement of relevant objective (f) *the promotion of efficiency in the implementation and administration of the Uniform Network Code*.

As mentioned, whilst we understand the long term aspirations of shippers to introduce a common file format across all iGTs, that is not the proposal before us and we do not consider that work ongoing elsewhere justifies rejection of this proposal. Therefore, taking this proposal in isolation and contrary to the views of shippers, we also consider that this proposal will marginally better facilitate relevant objective d) *securing effective competition between relevant gas shippers*, by providing a greater degree of certainty and confidence in the arrangements between GTC and shippers on its networks.

Decision notice

In accordance with Standard Condition 9 of the Gas Transporters Licence, the Authority, hereby directs that UGI034/GTC343/GPL042: 'Mandatory use of defined file formats for Change of Supply and Change of Supply Meter Readings' be made.



Kersti Berge,
Head of GB Markets

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