

## Representation

### Draft Modification Report

#### 0440 – Project Nexus – iGT Single Service Provision

**Consultation close out date:** 21 March 2014

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** GTC on behalf of GTC Pipelines Limited, Independent Pipelines Limited and Quadrant Pipelines Limited.

**Representative:** Gethyn Howard

**Date of Representation:** 18<sup>th</sup> March 2014

#### Do you support or oppose implementation?

Support/Qualified Support/Neutral/Not in Support/Comments\* *delete as appropriate*

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

GTC is supportive of the intention of UNC0440 to implement Single Service Provision. However GTC offers qualified support for UNC0440 on the basis that the cost exposure for GTC as a result of Single Service Provision cannot yet be determined.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

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#### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

#### (d): Securing of effective competition between relevant Shippers and relevant Suppliers.

It has been well documented that the introduction of Single Service Provision will reduce costs for Shippers through the uniform use of file formats, processes and improved energy allocation procedures. However, such improvements will only promote competition if such savings are passed through to consumers. GTC believes that this relevant objective will only be achieved if this will be the case.

#### (f): Promotion of efficiency in the implementation and administration of the Code.

Though the creation of the IGTAD may not have been an absolute requirement for Single Service Provision to be implemented, the replacement of the CSEP NExA with the IGTAD (as part of the

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UNC) does improve the governance around IGT and GDN arrangements. We therefore believe that objective (f) is fulfilled in terms of promoting efficiency of the implementation and administration of the UNC.

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

As indicated above, GTC holds concerns that at this stage that the costs for Single Service Provision are unknown and that GTC is unable to quantify the financial impacts on its business. GTC remains committed to progressing this issue within the industry with the aim of resolving as soon as possible.

### **Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

We understand that the implementation date of Project Nexus is currently being reviewed in light of the risk of not being able to deliver Nexus and European gas market reform changes together in October 2015. GTC would not support an earlier implementation for Single Service Provision of October 2015 as we are currently awaiting a detailed specification from the Service Provider to be able to undertake a detailed analysis of the impacts on our systems. It is important to consider whether a standalone implementation of SSP ahead of NEXUS will impact the cost to deliver single service provision. We do believe however that for the maximum benefits to be realised from Single Service Provision, UNC0440 should be implemented at the same time as Project NEXUS to take full advantage of the new settlement arrangements.

### **Legal Text:**

*Are you satisfied that the legal text will deliver the intent of the modification?*

GTC proactively engaged with both the work group and modification proposer through out the drafting of the legal text. We are satisfied that the legal text delivers the intent of the modification.

### **Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

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