



**Association of
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Gas Transporters**

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Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
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Attention of Julian Majdanski

Dear Sirs,

Network Code Modifications Raised by Scottish Power

With reference to the series of IGT Network Code Modifications raised by Scottish Power concerning the provision by IGTs of Supply Point information to Large Transporters, I write to advise that implementation of these on some licenses has now being directed by Ofgem. You will be aware that a corresponding UNC modification (083) has recently been approved, which has placed obligations on Large Transporters within the UNC to process the data received from IGTs in a timely fashion.

It has been made clear at every stage that a major concern for the IGTs is the potential for 'double jeopardy', whereby obligations existing in more than one document have the potential to become misaligned. For this reason, it is necessary that the relevant sections of Annex A of the NDM CSEP NExA are removed. This action requires a modification to be raised by the UNC Large Transporters. The AIGT has been approached to seek permission to carry out this. This letter is in response to that recent communication on behalf of the Large Transporters. It seeks to clarify the IGTs' position and suggests a suitable course of action.

Firstly, with regard to your request on behalf of the Large Transporters, I would like to advise you that we fully support your intention to raise the necessary modification to the UNC to progress the removal of certain provisions from the NDM CSEP NExA. However, may we make it clear that at this point this does not constitute go-ahead to alter the NExA. Such changes to the NExA should be undertaken as part of a due process. We recognise the valuable momentum provided by the current Scottish Power modifications and are very keen to use this opportunity to discuss the NExA

with all relevant parties, with a view to overhauling certain parts that have, over the years, become unfit for purpose. Whilst relocating certain provisions from the NExA to relevant sections of Network Code will provide accountability to parties to that Code, it cannot be regarded as a solution to the operational problems associated with those provisions. For this reason, the Code modifications in question should be seen as a trigger to a worthwhile piece of work involving interested parties to the current NExA. We would welcome cooperation from those parties in improving those processes underpinned by the NExA. To this end, we would like to invite interested parties to meet with an AIGT workgroup to identify those parts of the current NExA that might need removing or refashioning.

It is not the intention of this letter to specify the areas of the NExA requiring discussion. A by-product of the current work on an IGT UNC will be an 'issues log', listing areas that can usefully be addressed once a common Code exists across the sector. It has already become clear that many of these issues relate to the workability of the current NExA and we would look to circulate a more detailed summary of these in anticipation of a meeting with interested parties.

The suggested course of action should be considered as the next logical step in the process that has been initiated by the Scottish Power modifications. Assuming these modifications are approved by the Authority, they will not see implementation until the relevant sections have been removed from the NExA. In the meantime, it would seem an appropriate time to understand whether modifications may be required at a future date to further improve the CSEP reconciliation process. We believe this question is best addressed by means of a joint appraisal by IGTs and Large Transporters.

We would welcome an opportunity to progress this matter in the near future. Please feel free to contact either myself or the Chairman of the AIGT, Russell Ward (Russell.Ward@inexus.co.uk), perhaps with a view to meeting at some point in December to begin discussions. We very much look forward to hearing from you.

Yours faithfully,

John Barrett
Secretary, Association of Independent Gas Transporters

Copy to: Chris Warner, National Grid