

iGT UNC / iGT INC Consultation Response

Date	01/03/2012
Reference	iGT041 DMR Consultation
Title	EU Third Package 3 week switching
Respondee	Lorna Gibb - ScottishPower Energy Management Ltd
Position on the Modification	Qualified support for Modification

Facilitation of the relevant objectives

How this proposal will, if implemented, better facilitate the "code relevant objectives", as defined in Standard Condition 9 of the Gas Transporters Licence. For those answered Yes to, please provide a detailed explanation below the table.

Relevant Objective	Yes/No
a. the efficient and economic operation of the pipe-line system to which this licence relates	N
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	N
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	N
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	N
e. so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers	N
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	N
g. so far as is consistent with sub-paragraphs (a) to (f), the compliance with the Regulation* and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	Y

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Relevant Objectives to be better facilitated:

Likely impact on environment?

How this proposal will, if implemented, impact on greenhouse gas emissions?

Implementation issues including impact on your systems

While we appreciate this change is a licence requirement, due to the complexities it would introduce to the objection process we would request a minimum of 9months lead in from

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Authority approval.

We do not have detailed costs but high level assessment suggests costs of a minimum of £500k (UNC & iUNC).

We would have preferred a more pragmatic approach to the implementation of this part of the EU Third Package. The detrimental impact the changes to the objection window could have on customers, both on individual transfers and on the cost to serve, mean these changes will not improve the transfer overall transfer process. We feel the risk to increased erroneous transfers due to a shorter objection window will directly impact customers, especially as customer requested objections are usually raised towards the end of the current window. As the CRO is normally triggered by a "sorry to lose you" type of communication 3 working days could easily have passed before the customer reacts to it. To give an idea of volume as a losing supplier we raise several hundred objections at the customer's request a month. If these cannot be raised the customer has two options – stay with a supplier they do not want to be with or go through the sometimes lengthy erroneous transfer process. Further details on customer requested objections can be provided if required.

As a gaining supplier there is still the option of a confirmation cancellation but this window is also being reduced.

Completed forms should be returned to the iGT UNC Representative, Gemserv Ltd at iGT-UNC@gemserv.com or faxed to 020 7090 1001