

Modification Proposal 319

Connected System Annual Quantity (CSAQ) Updates

1 August 2000 - Decision

Present Situation

At this time AQ data relating to supply points on independent public gas transporter (IPGT) networks is passed by IPGTs to Transco to enable Transco to bill shippers for transportation across Transco's system to the IPGT network. This data supports the RBD process.

Proposal

The proposal is that this AQ data should be passed direct to Transco by shippers engaged in the activity of transporting gas across the Transco network to supply points on CSEPs.

Ofgem's Decision

Ofgem has directed BG Transco not to implement the modification. Ofgem notes the proposer's concern that a Transco invoice could be inaccurate as a result of data quality problems outside the control of Transco and the shipper and that such problems are significantly more difficult to detect than if the shipper supplied the AQ data to Transco direct. However, the other shippers who responded to the proposal were all opposed. First, shippers expressed concerns that the proposal could create opportunity for gaming by shippers manipulating the AQs submitted to Transco. Secondly, that the draft business rules would introduce significant additional complexity into the relationships between shippers and Transco / IPGTs. Shippers would confirm supply points on IPGTs twice, once to the IPGT and then in aggregate to Transco.

Ofgem's view – Ofgem can see merit in the direct transfer of load data from CSEP shippers to Transco. However, the final modification report appears to entail a great deal of additional work in terms of auditing of AQs which could result in even more disputed invoices than is currently the case. Ofgem also considers it likely that for such a new regime to work it would be helpful if the confirmation regime that exists between shippers and IPGTs was more user friendly than is presently the case. IPGTs are licensed to use Transco's data formats in their own confirmation process but these systems are unlikely to be implemented until the end of 2000..

Possible Impact on Customers

Ofgem has not identified any impact on customers on the Transco or IPGT networks as a result of not implementing this modification.

Further information

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