

Representation For.0075

"Proposal to amend Annex A Part 8 of the Connected System Exit Point (CSEP) Network Exit Agreement (NExA) by replacing the current version of the AQ Table with a revised Table to account for movements in AQ values as a result of the AQ Review 2004/05"
Version 1.0

Date of Communication: 20/04/2006
External Contact: Marie Clark(Scottish Power)
Slant: For
Strictly Confidential: No
Abstract

Tim,

As the Proposer of the above Modification, ScottishPower fully support its implementation.

One of the key elements that drives the calculation of iGT Transportation Charges under the Relative Price Control Charging Methodology is the Annual Quantity (AQ) value assigned to a Supply Point by reference to the CSEP NExA AQ Table. Upon completion of the AQ Review a re-evaluation is made of the AQ values present within the AQ Table to ensure that they continue to represent the estimated annual offtake value in relation to house type and geographical area. In addition to AQ values re-calculated by the use of actual meter readings, an adjustment has been applied to take account of the revisions to WAALP data applied from 1/10/05.

ScottishPower wish to raise a general point of concern in that iGTs continue to use AQ values present within the current NExA AQ Table when setting RPC charges. The continued use of these values not only affect iGT charges but those applied by Large Transporters at the CSEP. The revised AQ values present within the table contained within the Modification Proposal should in real terms have become effective from 1/10/05. The extended application of current AQ values disadvantages both Shippers, Suppliers and ultimately end consumers as the large majority of these values now appear to be over inflated when compared to the values present within the revised table. Inaccurate AQ values also undermines the effectiveness and integrity of RbD. ScottishPower have raised a further Modification to UNC with the ultimate aim of removing the AQ Table from the NExA and inserting this within iGT Network Codes. This to a degree should assist in reducing the period of time required to facilitate future amendments. However will not fully overcome the risks associated with a delay in implementation and we would ask that both Large Transporters and iGTs work together to bring about a solution that will ensure that future changes to the AQ values are achieved as close to the new Gas Year as possible.

Kind Regards
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