

Dear Julian

Thank you for giving ScottishPower the opportunity to respond to the above Modification Proposal.

I confirm that we support the implementation of this proposal.

ScottishPower has been actively involved in the ongoing Industry discussions regarding a solution for clearing the number of outstanding I&C reconciliations on iGT networks. We understand the complexity of the current working arrangements operated under Annex A of the CSEP NExA to facilitate the update of New Connection and Change of Supply AQ movements between Shippers on iGT Networks. xoserve require the provision of timely and accurate information relating to offtake quantities to produce energy allocations, to calculate the proportion of Transportation Costs relating to Large Transporters and to facilitate the reconciliation of Larger Supply Points as obliged under the terms of the UNC.

It has been recognised through discussions within the iGT Workgroup and the Ofgem facilitated CSEP NExA meetings that the current operational and commercial arrangements present within the CSEP NExA are not fit for purpose. This view has been formed when taking into account the growth of iGT connections, the risks to RbD Shippers of energy misallocations where the timely and accurate exchange of AQ information does not occur and the additional arrangements which are needed to support the exchange of information where Nested CSEP Networks exist.

Through our participation within the iGT Workgroup and engagement within Industry discussions, we are aware that alternative solutions were explored for the clearance of outstanding I&C reconciliations. However, while efforts have been made by xoserve, iGTs and some Shippers to clear missing reconciliation periods, it has been recognised that due to the existence of a number of complex issues including the fact that there is no obvious link between Logical Meter Numbers created where a Larger Supply Point changes ownership to another Shipper, there will always be the likelihood of gaps existing in reconciliation periods.

The proposed solution is to apply a neutral reconciliation based on the AQ value held for that Meter Point where no meter readings are held within the iGT system. Shippers will be given the opportunity to challenge the reconciliation values calculated by the iGT should they have suitable meter readings. While this process is not ideal and could be open to potential gaming opportunities we accept that outstanding reconciliations require to be cleared in order for the Industry to move forward with a more structured and managed approach. ScottishPower are of the view that robust Industry processes and governance arrangements are urgently required to support the exchange of information between iGTs, Large Transporters and Shippers to ensure that such a situation as currently exists should not be permitted to occur going forward. All Parties involved within the AQ Update and I&C Reconciliation process need to be appropriately incentivised to submit the required information in line with UNC and NExA obligations.

We believe that this proposal will better facilitate the relevant objectives as defined in SSC All of the GT Licence by facilitating the clearance of outstanding reconciliation values and allowing the Industry to move forward to adopt an enduring solution where responsible parties are appropriately incentivised to submit reconciliation quantities in line with UNC and CSEP NExA requirements. This will assist in securing effective competition between Shippers and Suppliers.

Kind regards

Marie Clark
Energy Commercial Manager