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By email: enquiries@gasgovernance.com

Dear Mike

**Re: Total Gas and Power response to Modification proposals 0209**

Total welcomes the opportunity to respond to the modification proposals 0209. Total generally support modification 0209.

**1. The Modification Proposal**

The modification attempts to address the issue of the observed yearly step change in AQ and make them more up to date. At present domestic AQ's can only be reviewed once a year and I&C sites are subject to constraints on appeals for most of the year. This results in AQ being potentially 18 month out of date at any time. Modification 0209 would update AQs with every meter read ensuring they were as up to data as per the most recent read at all times. This will succeed in creating higher accuracy in forecasting and charging. To this extent Total generally supports modification 0209. Within the modification the proposal states a staged implementation with it being applied to the LSP sector first and the SSP sector after up to a year after. Total hold reservations as to the benefits of a staged implementation. The start date of the rolling AQ would be most suited to just after completion of an annual AQ review. It would therefore seem likely that SSP sector would only be included exactly 12 months after LSP sector. For suppliers of both LSP and SSP sectors this would then involve running two systems in parallel for 12 months and having to participate in a further annual AQ review but for only for part of their portfolio. This would add additional burden to such organisations and potentially introduce errors. Total has significant concerns over how sites that cross the threshold during this transition period will be treated.

The impact of modification 0209 would be that every meter read submitted would now directly affect the AQ on the relating MPR. Total therefore suggest that reads from the previous 9 months and 1 day (as per the amended period for calculation) be sent with the transfer of ownership file. This would then enable in house validation to be made prior to submission of new reads, ensuring higher accuracy in read data and also helping to prevent erroneous AQ being applied even for short periods.

Total holds concerns over how DM meter points will be treated under the proposal. DM sites do not appear to be mentioned in detail. Also of note is the linkage of DM AQ changes and the ability of shippers to accurately reflect revised capacity within SOQ, SHQ and BSSOQ values. If the AQ is revised down the SOQ, SHQ and BSSOQ could be out of line with the new AQ for up to 12 months. The proposal does

not explain how it will deal with consumption during shut down periods, the management of meter asset data and reading errors not identified within the replacement window, all of which may result in incorrect AQ's being applied.

The modification states that increases outside of the validation should take effect in month +2 unless notified as incorrect but decreases will not alter unless notified as correct. Total see no reason for stipulating two different criteria and only serves to add complexity to the process.

And finally, there have been a number of proposals regarding the charges relating to the set up costs for modification 0209. Currently shippers are charged for use of the Xoserve speculative calculator through the User Pays system. These charges are base on a price per meter point requested. Total strongly favour the proposal of initial set up costs being charged on a meter point basis inline with current charges on the speculative calculator. There appears no justification for this to be done at capacity or throughput volumes as these will not impact on the set up costs. Total believes this is a clear and fair way of distributing the costs.

Yours sincerely

Richard Myers  
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