

6 August 2003

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Bryony Sheldon  
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Dear Bryony

### **TRANSPORTER INVOLVEMENT WITHIN SPAA**

The document *Gas Retail Governance – Further Consultation 37/03 dated June 2003* invited views from GTs on their involvement within SPAA.

GTC's stance is based on the relatively limited involvement which has so far been afforded iGTs.

The main drive has been between Shippers and Suppliers and, it appears that, with the immanency of RGMA it has been recognised that there is some urgency in the essential involvement of iGTs to ensure the successful workability of both RGMA and SPAA.

Although GTC can see some benefit in the long term possibility of an ultimate Industry Data Manager, at this stage, and subject to future meetings between iGTs and Suppliers, we have yet to be convinced of proposed benefits of SPAA to Transporters.

GTC can see the need for areas of uniformity and compatibility and, indeed, are keen to pursue work undertaken by The Gas Forum iGT Sub Groups to reach levels of consistency throughout industry processes. However, this could be maintained via Network Code Ancillary Documents.

We would wish to have a better understanding of the relationship between Shippers and their Suppliers in terms of their involvement within SPAA. For example, it appears that suppliers are concerned about the level of control they have over iGT conduct. On the face of it, it is felt that this is a facet which should be dealt with directly between Shipper and Supplier.

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In summary and in response to Ofgem's request:

- ❖ GTC recognise that, from a Supplier's position, there is a definite need for GTs to become party to SPAA and that, without their involvement, the proposed agreement cannot be complete. However, until the benefits to GTs are more obvious, GTC will be unable to decide whether or not to commit to it.
- ❖ As the benefits to GTs is not evident at this stage it appears that involvement would not be at the outset.
- ❖ Because of the previous points made GTC will not, at this stage, support SPAA becoming a condition of the GT licence.
- ❖ With regards to funding GTC agrees with the initial principals proposed at the SPAA Transporter Forum ie; secretarial costs would be funded by the suppliers, meeting attendance costs would be met by individual parties and changes would be funded on a "gain share basis".

GTC are happy to remain involved with the SPAA Transporter Supplier Forum in the hope that GT benefits become evident, at which time the option of joining SPAA may appear more favourable.

Yours sincerely

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**Gas Transportation Company**

cc : P Edwards - GTC  
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