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Mr. Jacob Kane  
Ofgem  
Distribution Policy  
9 Millbank  
London  
SW1P 3GE

Date: 10 July 2013

Dear Mr. Kane,

**Re: Independent Gas Transporter's Relative Price Control – Consultation on revising the guidance document and potential changes to Special Condition 1 of the IGT licence**

I am writing on behalf of the Fulcrum Pipelines Limited (FPL). FPL's response to the above consultation is as follows.

**Question 1: Do you agree that it is no longer necessary for us to carry out our current monitoring role of IGT charges under the RPC?**

FPL agrees that it is no longer necessary for Ofgem to carry out their current monitoring role. Under a recent modification to the iGT-UNC (iGT043VV), as of the 28<sup>th</sup> June, shippers will have information required to carry out their own monitoring of iGT charges.

**Question 2: Does this change to the guidance make this issue clear?**

FPL agrees with Ofgem's licence interpretation and the change to the guidance notes now make this clear.

**Question 3: Does the revised guidance provide sufficient clarity or do we need to amend the licence?**

FPL agrees with Ofgem's interpretation of the license conditions. The revision to the guidance notes clarifies this. FPL's current position is to start the 20 year period from connection of the CSEP and not the individual supply point, following acceptances of this clarification FPL will change to 20 years from individual supply point connection.



**Question 4: Should we proceed with licence changes (and a full statutory consultation) to address this issue?**

FPL's Transportation license was granted in July 2007 and as such had no input into the development of the RPC guidelines. FPL has used these guidelines in good faith to set its transportation charges. FPL is not able to comment on the original intentions and interpretations of the guidelines. It is suggested that a number of drafting errors occurred in the original document which may result in discrepancies around the calculation of the RPC charge. Having reviewed these discrepancies, FPL believes that a full statutory consultation is not required and a correction of the license condition is appropriate.

**Question 5: Is our intention on this issue clear. If not, what steps should be taken to make this clearer?**

FPL's Transportation license was granted in July 2007 and as such had no input into the development of the RPC guidelines. FPL has used these guidelines in good faith to set its transportation charges. FPL is not able to comment on the original intentions and interpretations of the guidelines.

FPL agrees with Ofgem's interpretation of the licence condition's original intent, which the guidance notes have made clear. FPL does however believe that the license condition could be interpreted as giving iGTs the choice as to whether to increase their quarter four charges or not.

In order to make this clearer there needs to be a positive statement that the quarter four charges can or cannot be increased removing the choice for the iGT's.

**Question 6: Are there any other drafting issues that you feel may need addressing by amending Special Condition 1 of the IGT licence?**

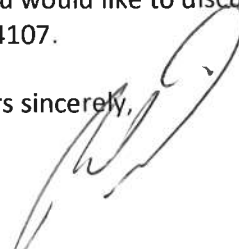
FPL's Transportation license was granted in July 2007 and as such had no input into the development of the RPC guidelines. FPL has used these guidelines in good faith to set its transportation charges. FPL is not able to comment on the original intentions and interpretations of the guidelines.

As a result of any changes to the formula for Transportation charges, FPL believes that as a consequence of any formula corrections, no retrospective corrective actions to adjust any current transportation charges should be required.

**General Comments**

If you would like to discuss FPL's response in more detail please do not hesitate to contact me on 0114 2804107.

Yours sincerely,

  
Paul Leighton IEng MIGEM MInstLM LCG  
Network Integrity Manager

