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Mr. Jon Dixon

By email only to
jonathan.dixon@ofgem.gov.uk

09 January 2015

Dear Mr. Dixon,

Response to statutory consultation on licence modifications and further consultation on UNC modifications to introduce IGT Single Service Provision

I am writing on behalf of ES Pipelines Ltd, ESP Connections Ltd, ESP Networks Ltd and ESP Pipelines Ltd (collectively 'ESP'), in response to your '*Project Nexus: statutory consultation on licence modifications and further consultation on UNC modifications to introduce IGT Single Service Provision*' document, published 4 December 2014.

ESP is supportive of the drafting of the proposed licence condition and the accompanying charging methodology, but would like Ofgem to consider our comments (particularly those in paragraph's 3 and 7) provided in the annex below.

We appreciate the opportunity to respond and I welcome any questions or queries you may have in relation to ESP's response.

Yours sincerely,

Adam Pearce

ES Utilities Group Ltd

ANNEX

1. Space required in 2nd paragraph “by the 1 October 2015(unless the Authority”.
2. Space required in 2nd paragraph “of services and *systems*by the agency”.
3. Paragraph 4(a)
ESP would appreciate Ofgem’s and industry’s view on the extent to which, and how, iGTs can ensure that “*such services and systems shall be established, operated and developed on an economic and efficient basis*”. One of the fundamental principles of iGT Agency Services was that SPA processes were identical (as far as reasonably practical) regardless of GT type. This limits iGTs to using the GDN’s agent (Xoserve) as the “agency” referred to in the proposed licence drafting. In the absence of choice of service provider, and no influence over the management of Xoserve, ESP does not believe this principle should be applied “without limitation”, at least until the outcome of the Xoserve FGO work has been concluded and, the subsequent FGO proposal, implemented.
4. Space required in 7th paragraph “Price *Control*)for the activities”.
5. Space required in 7th paragraph “*methodology*”.*Such contribution*”.
6. Space required in 7th paragraph “charging *arrangements*under *Special*”.
7. Paragraph 7
ESP would like to see a clarification around the meaning of “supply point”. This could be included in paragraph 9. Any definition should make clear make clear that an iGT will be charged only for supply points where:
 - 1) There is a shipper registered, and
 - 2) A Meter has been installed.

This will ensure that iGTs are being charged only for providing supply point administration services, through its agent, to shippers for those supply points for which the iGT is invoicing a registered shipper the appropriate transportation charge. Should Ofgem consider it unnecessary to include this clarification in the licence drafting, ESP would appreciate a written view from Ofgem as to the definition of a supply point in relation to paragraph 7.
8. Space required in 9th paragraph “this *condition*,*the methodology*,”.