



**Association of
Independent
Gas Transporters**

Wood Howe, Keldwyth Drive, Troutbeck Bridge, Windermere, Cumbria, LA23 1NJ

Tel: 07790 877148 E-mail john.barrett@aigt.org.uk Web: www.aigt.org.uk

3rd September 2015

Rupika Madhura
Ofgem
9 Millbank
London,
SW1P 3GE

By email only to rupika.madhura@ofgem.gov.uk

Dear Rupika

Please find enclosed the AIGT* response to Ofgem's 'minded-to' consultation of the 5th August on the Fuel Poor Network Extension Scheme.

Question 1: Do you agree with our assessment of revised connections target for the GDNs for the Scheme?

AIGT members believe that discussion with all associated parties has led to an increase in connections targets. It is our understanding that some GDNs are of the belief that connections gained through IGT connections were to be allowed in the overall total. However, this is not the case.

Questions 2: Do you agree with our assessment of the additional allowed expenditure for the GDNs to facilitate additional connections under the Scheme?

Based on subsequent discussion with Ofgem, AIGT members feel that the most pertinent issue in this matter is the failure of GDNs to agree to forgo the need to receive real-time payments. GDNs are able to recover their contributions in subsequent price control periods by adding the value of each of the contributions to their respective RAVs at the end of the price control period in which the connection was made. AIGT members believe that there should be no change to this position.

Understanding and collaborating with GDNs will continue to be a priority for IGTs, but clearer guidance on how Ofgem will instruct active participation amongst the parties would be beneficial. It will become an issue to working together if there is not a benefit to both parties at the ground level.

AIGT members will continue to work collectively in order to benefit customers and believe that there is work to do in order for Fuel Poor customers to see the full benefit of the incentive.

Yours sincerely,

A handwritten signature in black ink that reads "John Barrett". The signature is written in a cursive style with a large initial 'J'.

John Barrett
Secretary, Association of Independent Gas Transporters

* AIGT Members are:

GTC Pipelines Limited
Independent Pipelines Limited
ES Pipelines Limited
Energetics Limited
Fulcrum Pipelines Limited
Indigo Pipelines Limited
Energy Assets Pipelines