

Mod 652 - Introduction

Obligation to submit reads and data for winter consumption calculation (meters in EUC bands 3 - 8)



Reasons for proposal and noting of UNC Panel points

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Reasons for proposal

- Meters in EUC bands 3 – 8 are assigned a demand usage profile based on sensitivity to winter weather. Where data is not available to calculate the winter period consumption, a default profile band is applied.
- Default Winter Annual Ratio (WAR) bands for EUCs 3 – 8 lead to inaccurate demand estimation (positive or negative) for the relevant sites.
- This issue has been cited as a source of uncertainty and a potential contributing factor to temporary UiG since Nexus go-live, with approx. 25% of relevant sites on a default WAR band according to xoserve.
- The topic has been discussed in review group 631 and PAC.
- On any given gas day, a less accurate demand estimate will be assigned to these sites.
- Currently there is no reference to the underlying concepts and process in the UNC, or any associated obligation to take action. This reduces the clarity and focus applied to the issue by the industry.

Options – why a mod?

- To date, xoserve have flagged the issue to the industry, and have produced educational material to support shippers to reduce the number of sites assigned a default WAR band.
- The process relies on successful submission of meter readings in two periods, (November/December and March/April). The winter consumption is then calculated and compared to the AQ to determine the ratio of winter to annual consumption. Without readings, consumption cannot be calculated and a WAR band (and therefore profile) assigned.
- If not possible, a data update process can update the winter consumption retrospectively to receive the correct assignment of WAR band.
- The situation has not improved since Nexus go-live.
- The proposal is that the creation of concepts, process and obligations in UNC will provide clarity and focus for the industry to ensure appropriate profiles are assigned.

Solution

- The solution proposes creating the concepts of winter consumption and WAR bands in the UNC (section H), and also potentially bringing them across into the UNC related document NDM Demand Estimation Methodology.
- In addition it is proposed that an obligation is added to section M for shippers with meters in these EUC bands to submit the appropriate winter reads (in November/December and March/April).
- An additional obligation is proposed to be added for shippers to submit data updates when read submission was not possible in either or both of those periods.

UNC panel points

Review of model and value of impact related to the proposal

The modification as drafted references the PAC settlement risk register, and a value cited from the register in relation to this issue. Some subsequent discussion centred around the use of this value and the model used to create the figure.

Self-governance question

Self governance was requested, as it was believed that no additional processes are being introduced to the industry, more that clarity and weight are being added to existing processes. However, the mod as drafted cites the risk value above, so there was some debate as to whether that means materiality could be a factor affecting that outcome.

Way forward in workgroup

Assess value and impacts.