

SUMMARY OF CODE MODIFICATION PROPOSAL No 0209
Rolling AQ

Background

Annual Quantity (AQ) represents the expected volume of gas to be used at a particular supply point in a year. The AQ is an input to capacity planning, energy balancing, charging and reconciliation. The accuracy of the information is therefore important to Consumers, Shippers and Transporter. AQs are reviewed annually, such that the AQ is on average 18 months old at the time it is used. The delay in reflecting any change in gas consumption patterns creates risk for Shippers and Transporters.

Proposal

A rolling AQ revision process is proposed, allowing AQs to be updated on a more frequent basis. This would reduce the risk to Shippers from reductions in actual gas consumption since AQs would be less than 18 months (on average) out of date.

Existing computer systems and processes do not support the Rolling AQ process and therefore significant changes would be required prior to its implementation.

Views would be welcome on two potential implementation scenarios:

- i) Implement the change as soon as possible by modifying existing systems. The development and operating costs would be charged to Shippers - as users of the rolling AQ service.
- ii) implement the change when existing systems are planned to be upgraded (around 2012/13), with consequential cost savings for the industry as a whole.

SUMMARY OF CODE MODIFICATION PROPOSAL No 0217
Gemini Code Contingency Arrangements

Background

Contingency arrangements apply when a fault on the “Gemini” system severely inhibits users from using it. Gemini is used for daily gas flow nominations, both short and long term entry capacity auctions, and other entry capacity processes. Whilst these arrangements applied in an extended Gemini incident in 2007, it became clear that they were in need of revision, from both the operational and governance perspective and Review Group 0217 was set-up to analyse changes proposed by National Grid NTS.

Proposal

Following analysis in this Review Group, a detailed set of procedures has been developed by National Grid NTS, including flow charts, that set-out contingency processes. It is proposed that these replace the existing procedures and form a UNC related document. Shippers and Transporters will be able to propose changes to this document, which would be subject to Uniform Network Code Committee approval. Whilst the Review Group did not develop a Modification Proposal, National Grid NTS has agreed to do so.

SUMMARY OF CODE MODIFICATION PROPOSAL No 0233
Changes to Outstanding Energy Balancing Indebtedness Calculation

Background

The level of security to be provided to cover shippers' energy balancing debt positions is calculated in accordance with UNC rules. More accurate estimates may be available but their use is not permitted under the UNC.

Proposal

This Proposal seeks to reduce the risk to shippers by allowing National Grid NTS to identify, for each shipper, alternative imbalance data that exists and is believed to be accurate. Providing consent has been given by the EBCC, additional security can be required based on this information and, where this is not provided, termination can be instigated. In addition, the Proposal would allow shippers to provide their own imbalance data. This could reduce security requirements and the risk of termination.

SUMMARY OF CODE MODIFICATION PROPOSAL No 0242
Changes to the window for the submission of Valid Meter Readings

Background

Suppliers and shippers have a Uniform Network Code (UNC) obligation to submit 50% of meter reads within 10 Business Days of the read being taken, and 100% within 15 Business Days.

Proposal

This Proposal would change this to 50% within 10 Business Days and 100% within 25 Business Days. The Proposer (British Gas) suggest this would benefit Suppliers, Shippers and Transporters as it will allow a higher proportion of valid meter readings to be processed and this will improve the accuracy of the allocation of energy.

SUMMARY OF CODE MODIFICATION PROPOSAL No 0243
Amendments to the process for initialisation of Enduring NTS Exit (Flat) Capacity at
the Moffat NTS Exit Point

Background

Under the arrangements introduced by Modification Proposal 0195AV “Introduction of Enduring NTS Exit Capacity Arrangements”, NTS exit capacity rights at each exit point will be confirmed by 1 May 2009. Shippers at Moffat exit point, however, have indicated that this might lead to a mismatch between capacity bookings at this exit point and those downstream. These downstream systems are governed by three separate jurisdictions ie Irish Republic, Isle of Man and Northern Ireland.

Proposal

This Proposal seeks to exclude the Moffat exit point from the initial exit capacity allocation process. Instead, capacity at Moffat will be confirmed by May 2011 and will be based on a different process which reflects the arrangements applying to the downstream connected systems. These arrangements are currently being defined by the parties involved.

SUMMARY OF CODE MODIFICATION PROPOSAL No 0244
Amending DM Supply Point Data for Sites with Significant Changes in Usage

Background

A number of industrial and commercial gas consumers have raised concerns that they have significantly reduced gas consumption as production is being reduced, yet their transportation charges have not reduced commensurately.

Proposal

Currently, Shippers are allowed to request an AQ review for sites which are non daily metered sites and this proposal aims to introduce a similar mechanism for daily metered sites. This would allow Shippers to amend the AQ, SOQ and BSSOQ, booked for a site and therefore amend the associated transportation charges. The proposal limits the occasions this would be allowed for any site in a 12 month period - any reduction in AQ and subsequent increase within the same 12 month period would allow the Transporter to recover backdated charges based on the increased AQ.

SUMMARY OF CODE REVIEW PROPOSAL No 0245
Review of arrangements regarding the detection and investigation of Theft of Gas

Background

There has been significant industry focus on theft of gas issues and how these processes should be managed and incorporate best practice. Recently review group 0208 identified a number of impacts and modification proposal 0231 aimed to address some of these concerns. However, a number of issues identified were outside of UNC and outside of the review group scope.

Proposal

This proposal aims to review industry processes that exacerbate theft of gas both within UNC and those outside that directly impact UNC. The aim is to identify best practice which leads to the development and adoption of industry codes of practice which reduce the instances of theft of gas.

SUMMARY OF CODE MODIFICATION PROPOSAL No 0246
Quarterly NTS Entry Capacity User Commitment

Background

Shippers are required to lodge security with National Grid NTS twelve months prior to take-up of entry capacity. If they do not do so, their rights to capacity in the period for which security is sought will lapse. Shippers in general fund this capacity (through transportation charges) if it not purchased by others.

Proposal

This proposal provides firstly for all future entry capacity rights to lapse if security is not lodged. Secondly, it requires security, such as letters of credit or deposit deeds, to be lodged prior to long term entry capacity (QSEC) auctions.