Nexus Transitional AQ Validation Rules

Effective Date: 11th October 2017 – subject to change

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To be effective from [11th October 2017]

Document Control

Version	Version Date	Reason for Change
0.1 First Draft	15 June 2015	First draft for review at 24th July 2015 Project Nexus workgroup
0.2 Draft	24th July 2015	Updated Section 3 following PN UNC review
1.0 Approved	8th January 2016	V0.2 approved at UNCC on 19th November 2015.
2.0 Draft	9th August 2017	Proposed change to 'roll forward' AQs the previous AQ where the outcome of the calculation was a negative AQ.
2.0 Approved	14th September 2017	V2.0 approved at UNCC on 17th August 2017

Development of the Nexus Transitional AQ Validation Rules

1. The requirement to produce the Nexus Transitional AQ Validation Rules is specified in the Uniform Network Code – Transition Document, Part IIE – Nexus Implementation, Section 5.4. This section also provides for the document to be revised from time to time.
2. This document meets the Transporters' obligation in accordance with the Transition document as stated above. The document is published on the Joint Office of Gas Transporters website, www.gasgovernance.co.uk.
3. The Transporters would welcome comments from Users on the published document at any time, which should be sent to enquiries@gasgovernance.co.uk. In accordance with the UNC, the Transporters will put any revisions they propose should be made to the document to the Uniform Network Code Committee for approval.

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1. Introduction

The purpose of this document is to define how validation will be performed on the calculated AQ from the AQ process and the values used to validate the AQ. This document does not form part of the Uniform Network Code (UNC).

2. Background

Following implementation of Modification 0432 the Annual Quantity (AQ) of a Supply Meter Point will be calculated monthly where a valid meter read is received. The meter read will be validated on receipt and where accepted will be used for all downstream processes; including the AQ process. From the Project Nexus Implementation Date all meter reads and consumption adjustments will be validated (see Uniform Network Code Validation Rules) however the AQ process will continue to use un-validated reads received pre the Project Nexus Implementation Date (PNID): where the 'start read' is pre PNID (see diagram 1).

Note: The AQ calculation will use the prevailing consumptions, not just the reads, so reads not reflective of actual consumption, or assets between the start and end reads could cause AQs that are not reflective of actual consumption.

Following discussion at Project Nexus Workgroup it was agreed that validation will be performed by the Transporters on the calculated AQ where any read or consumption used in the AQ process was received prior to the PNID. For clarity, where a calculated AQ uses only reads and consumption post PNID, validation on the AQ will not be performed and the AQ will be become effective from the 1st of the following month.

Modification 0528: Implementation of Supply Point Administration, gas allocation and settlement arrangements (Project Nexus Transition Modification) was raised to facilitate the transition from the old to the new arrangements, this includes the validation of the AQ.

Diagram 1 displays the scenario whereby reads and consumption recorded on UKLink pre the PNID may be used in the AQ process post PNID.

3. Scope

3.1 In Scope

- AQ increases following calculation
- Treatment of the AQ following a negative AQ value calculation
- Start read used in the AQ calculation is pre PNID

3.2 Out of Scope

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- Calculated AQ decreases (excluding where the AQ calculated is a negative value) or unchanged following calculation
- Start read used in AQ calculation is post PNID
- AQ resulting from an AQ Correction

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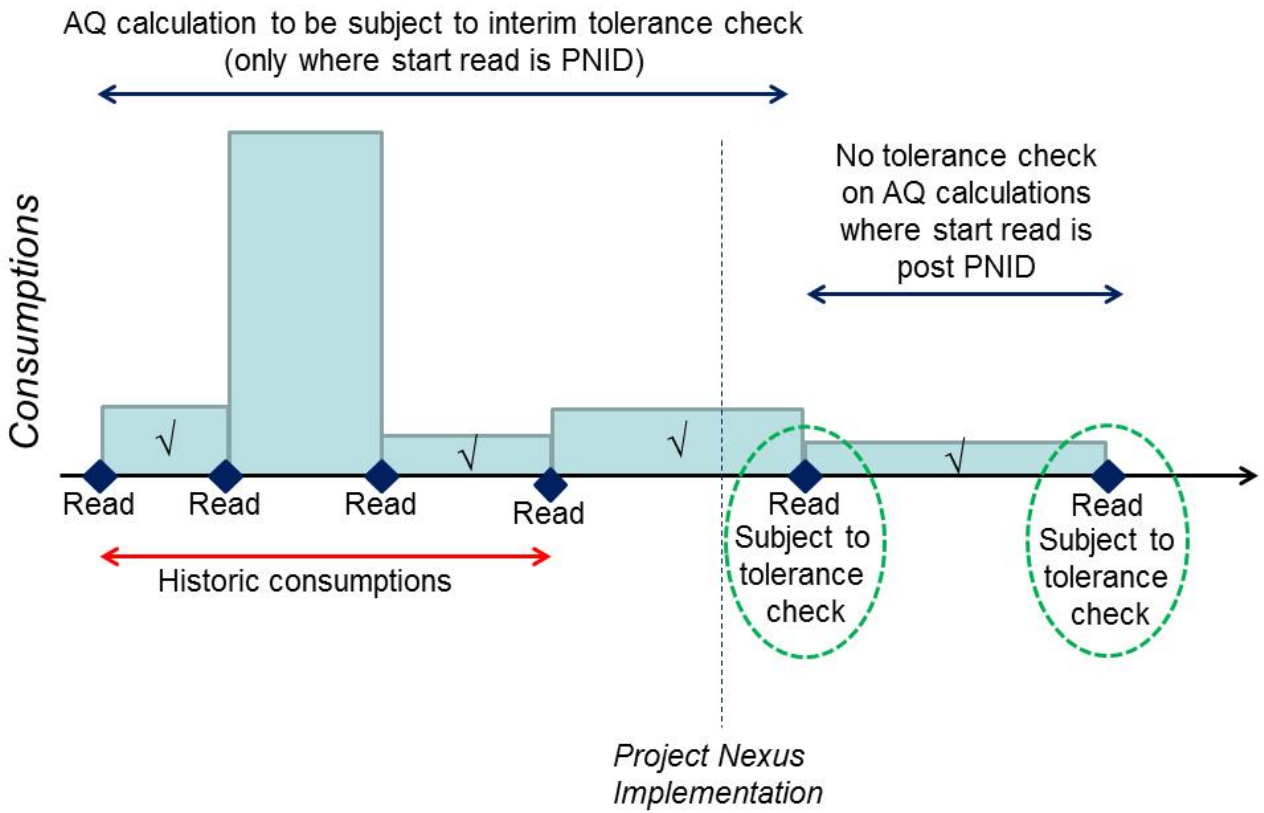
Diagram 1



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4. AQ Tolerance Levels

The following tolerance levels will be applied to each new AQ calculation which falls within the scope listed in 3.1 above. The tolerance is applied to the increase in AQ, i.e. the difference between the current and newly calculated AQ.

For example, for an AQ of 100,000 kWh, the maximum new allowable AQ would be 100,000 + (100,000 x 550%) = 650,000 kWh. A new AQ of 650,001 kWh would fail the tolerance level.

Where the AQ fails the tolerances set out below the current AQ will continue to apply. The validated read submitted will continue to be used for downstream processes, for example reconciliation.

4.1 SSP to LSP Tolerance Levels

Lower AQ Band (kWh)	Upper AQ Band (kWh)	AQ tolerance - % Increase in Calculated AQ	Maximum Allowable New AQ (kWh)
1	1	7,000,000%	70,001
2	200	25,000%	50,200
201	500	10,000%	50,500
501	1,000	5,000%	51,000
1,001	3,000	2,000%	63,000
3,001	5,000	1,000%	55,000
5,001	10,000	500%	60,000
10,001	20,000	400%	100,000
20,001	73,200	600%	512,400

4.2 LSP to LSP Tolerance Levels

Lower AQ Band (kWh)	Upper AQ Band (kWh)	AQ tolerance - % Increase in Calculated AQ	Maximum Allowable New AQ (kWh)
73,201	732,000	550%	4,758,000
732/001	2,196,000	500%	13,176,000
2,196,001	29,300,000	450%	161,150,000
29,300,001	58,600,000	400%	293,000,000
58,600,001	And above	350%	4.5 x previous AQ

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5. Treatment of Negative AQ Values

Where the calculated AQ is a negative value as a result of any read or consumption used in the AQ process which was received prior to the PNID, the current AQ value shall be retained and the newly calculated AQ shall be disregarded.

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