

0541, 0542, 0543:

Mod Titles: Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06.00 to 06.00 Gas Day (by various means)



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Why change?



- From 1 October 2015, the GB gas market will operate on a 05.00 Gas Day. A number of upstream sub-terminals will continue to operate on a 06.00 Gas Day. As a result, upstream allocated quantities will need to be “scaled” to produce UNC UDQI’ s. In simple terms scaling will cross two Gas Days and depend upon flows experienced during the two 05.00 to 06.00 periods. Scaling will create “Time shift mismatches” which are unpredictable and uncontrollable by the effected shippers. These mismatches will result in UNC charges, such as balancing, scheduling and capacity overruns

Options



The Gas Day “problem” has been considered by industry for a number of months. In order to comply with the regulation and the Balancing Code industry has elected to maintain 06.00 Gas Days at certain sub-terminals and correct the downstream allocations via a scaling process which will be carried out by CVSL.

The effect is to generate volume risks for inputting shippers. Given that volume variations can result in UNC charges, a change to the UNC is the only route available to remedy the problem.

Solution



- 0541 – transposing or deeming the upstream 06.00 allocations as downstream 05.00 UDAQs
- 0542 – ex ante removal of “Time mismatch charges” which are generated by the scaling process
- 0543 – ex post removal of “Time mismatch charges” which are generated by the scaling process via a reconciliation process (energy and capacity neutrality adjustments)

Recommended Steps



- The Proposer recommends that this modification should be:
 - Not subject to self-governance because of its effect on competition
 - Workgroup assessment to develop the modification for 1 month