

## **URGENT MODIFICATION PROPOSAL 0043**

**SHORT TITLE:** Postponement of the 1995 Annual Quantity (AQ) update process.

**DATE:** 26 June 1996

**PROPOSED IMPLEMENTATION**

**DATE:** 5 July 1996

**URGENCY:** Urgent Network Code Modification

### **PROPOSED TIMETABLE:**

|   |              |
|---|--------------|
| 1. Ofgas determination regarding Urgency:                   | 26 June 1996 |
| 2. Date Circulated to Shippers and Representations invited: | 26 June 1996 |
| 3. Close out Date for Representations:                      | 3 July 1996  |
| 4. Modification Report to Ofgas:                            | 4 July 1996  |
| 5. Proposed Implementation Date:                            | 5 July 1996  |

### **JUSTIFICATION:**

The requirement for updating AQ's, contained in the Code, is to undertake an annual Update and Appeal process. However, the 1995-6 Appeal process did not close until May 1996 and therefore the community believe that to re-commence this process in July 1996 is inappropriate, particularly when TransCo's meter reading performance is acknowledged to be less than anticipated.

Under this proposal an Appeals process will continue to enable those sites, where the AQ is considered to be inaccurate, to be reviewed - initial procedures for the Appeals process are attached to this note. TransCo will also investigate those sites that indicate a very low AQ.

### **CONSEQUENCE OF NOT MAKING THIS CHANGE**

The community believe that it is inappropriate to update AQ's now given that the Appeals window has only recently closed. In addition, both the Shippers and TransCo may have to undertake a significant effort in changing/updating AQ's that have, only recently, been corrected by the AQ Appeals process.

Interruptible Supply Points will continue to be charged on the basis of their booked DMSOQ, as currently operating under the Transition Document. Firm Supply Points will not have their Bottom Stop SOQ's updated in the light of the previous Winter's consumption.

## **AREA OF NETWORK CODE CONCERNED**

Transition Document - Section 7.  
Transition Document - Section 8  
Principle Document - Section G  
Principle Document - Section H

## **NATURE OF PROPOSAL**

This proposal will extend the existing Supply Point AQ's, Meter Point AQ's, End User Category Structure, NDM SOQ's and Bottom Stop SOQ's into the next Gas Year. The NDM profiling parameters for Demand Estimation (ALP's & DAF's) will be updated.

An Appeal window for existing AQ's will be opened from 15 July 1996 and will remain open until 31 December 1996. In addition, an incoming Shipper will have an opportunity to update a prevailing AQ within 1 month of taking effective ownership of the site. Similarly, for firm sites, Shippers will be able to appeal against the Bottom Stop SOQ value recorded. These facilities will also close on 31 December 1996.

Where an appeal has been agreed there will be no retrospective adjustments to the Energy Balancing.

## **PURPOSE OF PROPOSAL**

To allow the application of resources to the correction and improvement of known data and avoid the uncertainty which would arise from the issue of revised data from September 1996.

## **SYSTEMS IMPLICATIONS**

An appeal process already exists, therefore the impact of this proposal on TransCo systems is negligible.

## **IDENTITY OF PROPOSER'S REPRESENTATIVE:**

**PROPOSER** : Peter Rayson  
**SIGNATURE** :  
**POSITION** : Network Code Co-ordinator  
**COMPANY** : TransCo

## **Annual Quantity Query Process**

In anticipation of the proposed Network Code Modification regarding the Annual AQ review process being agreed TransCo suggest the following as a basis for a new AQ query process.

You will remember that the previous "rules" relating to the successful challenge of AQ's required the provision of 2 firm meter readings between prescribed periods at least 120 days apart and Shippers to have replicated the AQ calculation including weather correction and annualisation; rules which were agreed as part of the transition process.

However, TransCo recognise that not all Shippers could take full advantage of the opportunities to adjust AQ's due to the lack of necessary data to follow the rules and the need to simplify those rules is seen to be essential.

Consequently the following proposals are put forward for comment.

### **Query Period**

AQ queries submitted will be accepted up until the 31st December 1996. The effective start date of the new query window will be 15 July.

Shippers will also have the facility to appeal an AQ of a site they have taken over; the current facility for this expires on 30 June. The current requirement is for such a query to be raised within the period between "D-7" and the Confirmation Effective Date (D). The proposed modification will extend this period for a further calendar month, and this query facility will also be available until 31st December 1996.

### **AQ Tolerances**

Shippers should apply the same tolerances to AQ's as applied to previous portfolios.

AQ appeals should only be lodged where the TransCo AQ differs to your evidence of what the AQ should be, by an amount as detailed in the Transition Document Section 7.6.3.

## **Query Prioritisation**

It is suggested that to help TransCo to provide a prompt turnaround of queries that you indicate the order in which you wish the Supply Point/Meter Point AQ's queries to be processed. i.e. you might wish to target firstly those sites which are most important to you or perhaps deal with the larger sites before the smaller ones. This approach will also support the objectives of Project Phoenix.

It is not intended that Domestic Supply Points be included.

## **Information Required**

The most accurate AQ's will, in practice, result from the calculation being based upon 2 firm meter readings 12 months apart and you are asked therefore to supply wherever possible the 2 most recent meter readings you have that cover the last year.

However we recognise that you might not have full meter reading history available for the site, for example, where you have taken over a new site. Any meter reading or consumption information, ideally covering a period of at least 3 months, could provide the initial basis for a recalculation. It is possible that TransCo might well have more complete meter reading history and wherever possible will refer to this prior to recalculating the AQ.

It is possible that you have some other information available such as your end user's meter readings which you consider are valid or even that the typical usage of the Supply Point cannot support the database AQ i.e.. the Fish and Chip shop with an AQ of 20m kWh. TransCo would of course be prepared to discuss these with you individually.

## **Accepted AQ Changes**

When AQ queries have been resolved (either increased or decreased) then Shippers will be supplied with details of the revised AQ and an AQ Appeal reference number which must be used to renominate and reconfirm the change into Sites and Meters via Supply Point Administration processes.

The effective date for these changes will be the Confirmation Effective Date, i.e. they will not be retrospective.

### **Meter Points with AQ's of 1,2 or 3**

TransCo agreed to consider the best approach to apply to the resolution of Meter Points with AQ's of 1,2 or 3 kWh. This is being considered now, and will be further explored with you.

### **AQ Shipper Workshop**

It is proposed that a workshop is held in mid-July (possibly the 10th or 11th) at which the AQ query process can be further developed to meet all the industry's requirements and agree the detailed way forward.

Comments regarding the above procedure should be addressed to Steve Marsden, to reach this office no later than Friday, 5th July. Should you wish to discuss any point or offer any further suggestions to develop a practical approach please do not hesitate to telephone (Tel. 0121 703 1248 or fax 0121 703 1531).

DBT/SM

26.6.96