

Review Group Report

Review Group 121

Review of the AQ Update Process

Introduction

AQs form an integral part of the transportation regime since both NDM attribution and allocation are determined by reference to the supply point AQ. The AQ is also forms the basis for the calculation of the majority of the transportation charges applied to a site.

To help maintain the accuracy of AQs, under the Network Code, there is provision for an annual review in August of each year. Review Group 0121 was convened to examine end-to-end process for the AQ review and consider if it was possible to simplify the process while ensuring the output is of the highest quality. The objective was to identify areas where improvements could be made and implement the changes during 1997 in advance to the process to update the AQs that would be applied in gas year 1997/8.

Work undertaken during 1996 AQ update was also included in the scope of the Review to ensure any lessons learned were fully utilised.

Review Group Proposals

The Review Group met on four occasions and after detailed discussions, the following was agreed:

To minimise the risk of corrupt consumption data being processed, Transco will to carry out an exercise to identify these meter points and calculate the AQs off-line (still using the Network Code methodology).

To allow Shippers to participate in this process it was proposed that this work should begin in early May 1997. This would allow Shippers to receive the manually updated AQs, prior to the formal AQ Review, and have the opportunity to request changes without having to go through the formal appeals process.

The AQ review is dependent upon the finalisation of the end user categories (EUCs). Therefore to allow some system contingency it was proposed that the EUC finalisation should be brought forward. This would not only provide some system contingency but would also provide some scope to issue AQs earlier.

To further extend the appeal window it was proposed that appeals should be allowed up to the 31st December 1997. As part of this requirement it was proposed that AQ would only apply prospectively from the date of reconfirmation and no retrospective adjustment would be made to any invoice.

It was proposed that Domestic AQs should be extended to next year (1998) as concerns were expressed over the quantity of data that would be held on the system, bearing in mind the limited time that many of the domestic supply points had been in the competitive arena. However, it was recognised that shipper may need some opportunity to query & correct domestic AQs . To accommodate this requirement, Transco raised Modification Proposal 0289.

In addition the group agreed that both the treatment of isolations and the 10% deviation rule under the Network Code were not appropriate.

In order to deliver the Network Code changes required to support the above items, Urgent Modification 0136 'Amendments to Improve the AQ Review Process' was raised by Transco.

Conclusion

The review group concluded that the AQ review process will be improved if the recommendations made in Modification Proposal 0136 are implemented.

Recommendations

It is recommended that the AQ review process is further reviewed following the implementation Modification Process 0136 and further proposals made if thought necessary by the group.

Footnote

Modification proposal 0136 was implemented on 1st May 1997