

PNUNC AQ Principles Workgroup

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9th March 2009

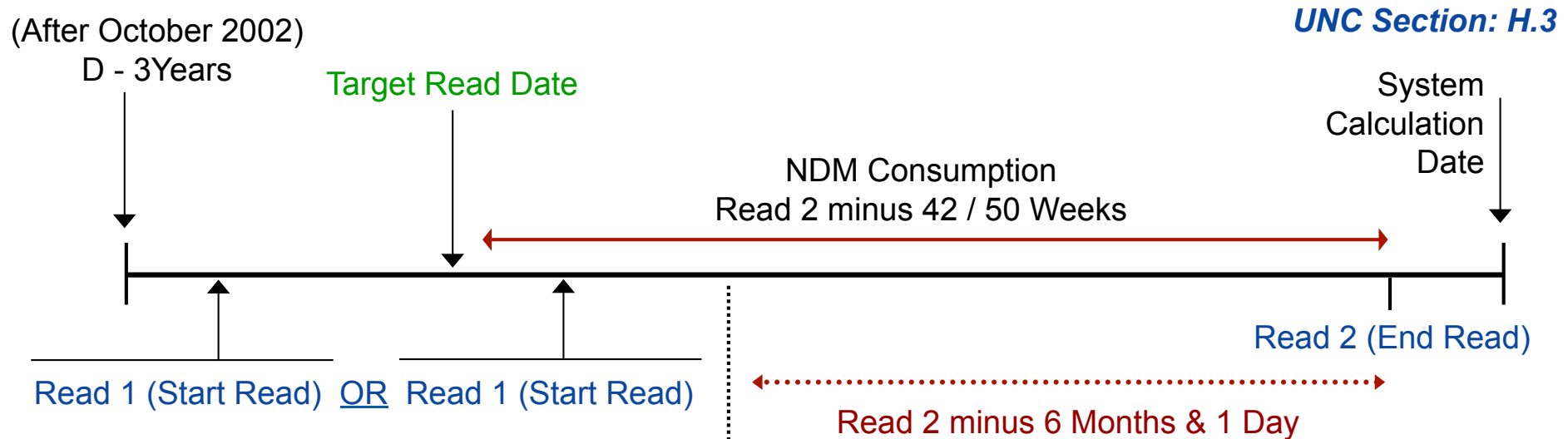
Annual Quantity (AQ)

- The Annual Quantity is the estimated yearly gas consumption for a meter point and is calculated using historic consumption recorded on S&M
- The AQ is calculated using two meter reads at least six months and one day apart for NDM meters, and 365 days for DM meters
- The optimum AQ calculation period is 42 – 50 weeks for NDM meters
- The AQ threshold is 73,200 kWh, below this value a sites classification is SSP (Small Supply Point), above this value is LSP (Large Supply Point)
- Sites with an AQ of exactly 73,200 kWh per annum are classified as SSP

Uses of AQ

- The AQ is utilised in many xoserve, Shipper and Network processes such as:
 - Site classification (SSP or LSP)
 - Network analysis and planning
 - Read Frequency
 - RBD & Transportation charges
 - Demand Attribution
 - Attributing Hourly (SHQ) and Daily (SOQ) loads
 - Attributing the Supply Type (Firm or Interruptible)
 - Attributing the Supply Type Category (NDM or DM)

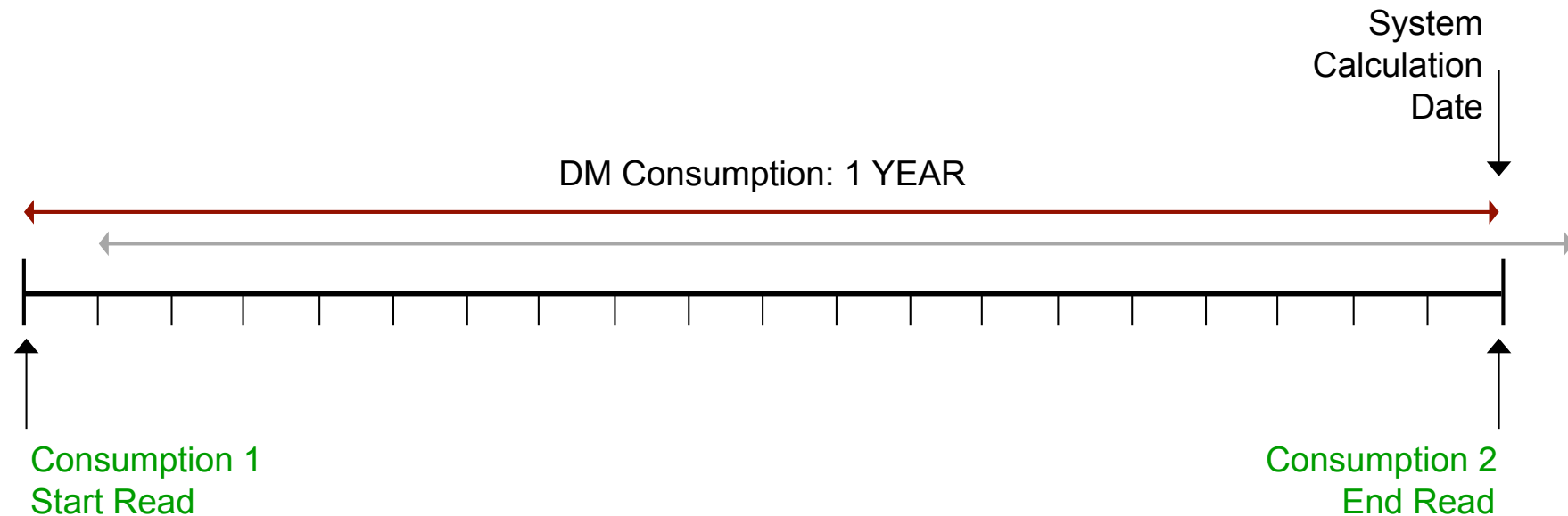
Non-Daily Metered (NDM) AQ Calculation



- Read 2 (End Read) is the latest dated valid read prior to the system calculation
- Target Read Date (Start Read) is Read 2 minus 50 weeks for Monthly Read Meters, 42 Weeks for Non-Monthly Read Meters
- Read 1 (Start Read) is the latest valid read prior to Target Read Date (but not less than 3 years since calculation date) OR if no valid read exists before the Target Read Date, the earliest dated read after the Target Read Date BUT before Read 2 minus 6 months & 1 day
- If no valid read exists earlier than the Read 2 minus 6 months and 1 day, no AQ calculation will take place, current AQ will be carried forward
- Consumption is annualised and adjusted to seasonal normal weather by application of WAALPs

Daily Metered (DM) AQ Calculation

UNC Section: G.1.6.2



- Reads on a day denote the end of the previous days consumption, therefore consumption 365 (End Read) will be derived from the read on day 366

Calculation Methodology - Important Points

- AQ System Calculation will use any valid meter read held within S&M
- The annual AQ calculation is initiated at the end of March, early April
- If the system is unable to identify two reads optimally placed then the AQ will be carried forward
- xoserve undertake manual analysis on:
 - Threshold Crossers
 - LSP AQ Calculation
 - Winter Consumption Calculation
 - Primes & Subs
 - BSSOQ
- Manual validation can have 3 outcomes:-
 - Confirm the system Calc
 - Recalculate using other qualifying meter readings
 - Roll over last years AQ

Speculative Calculator

- UK Link functionality which allows the Shipper to use meter reading and asset data (via IX) to derive AQ/WC calculation
- Available all year round – Amendments & Appeals
- Only way to accurately calculate an AQ value, taking into account CV and weather variables
- Must fall within the optimum Read Rules:
 - NDM: End Read must be later than start read + 6 months + 1 Day
 - DM: End Read must be 365 days from Start Read
- Spec Calc is a calculator only – the activity is to calculate, no validation of the data is undertaken
- When submitting an Amendment or Appeal the requested AQ must be derived from a successful Speculative Calculation

Bottom Stop SOQ (BSSOQ)

- The BSSOQ is a consumption figure calculated for all Firm and Interruptible DM Supply Points.
 - BSSOQ refers to the minimum usage permitted when booking capacity (SOQ)
 - Used for billing purposes for Interruptible sites
- xoserve calculates the BSSOQ from the Uncapped Winter Peak (UWP)
 - UWP is the highest energy usage from a single day during the winter period (between 1st October to 31st May)
- The BSSOQ is required to ensure security and safety of supply and planning.

AQ Amendments

UNC Section: G.1.6

- An AQ Amendment is an opportunity for the Registered User to challenge the xoserve proposed AQ value in anticipation for 1st October
- Shipper is challenging the data that xoserve has used to calculate AQ by using alternative reads and dates
- Amendments occur during the AQ Review period ONLY. If the amendment is accepted, the amended AQ will be effective on 1st October
- An Amendment can be submitted where:
 - The AQ calculation has used Asset Read Data that is incorrect
 - The Registered User has more recent reads than those used by xoserve
- The Shipper submitted End Read has to be more recent than the xoserve End Read used in the calculation
- Should the amendment be rejected, the xoserve proposed AQ will go live on 1st October

AQ Amendments: Validation

- When submitting the Amendment File – the AQ must match the calculation derived by the Speculative Calculator
- Validation will take place on the Amendment File against:
 - File Formats
 - Ownership
 - Reads against S&M
 - Meter Asset against S&M
 - Tolerance +/- 20%
- Amendment File will be:
 - Accepted – AC (automatically by system)
 - Rejected – RJ (automatically by system)
 - Referred – RF (for manual investigation by the AQ Team)

AQ Appeal Process

- An AQ Appeal may be submitted if:
 - Shipper believes current AQ is not reflective of current consumption and
 - Can provide evidence to support a change in AQ value
- AQ Appeals Process Window is 14th September to 31st July
- Appeals process is at Confirmation level (Amendments are at Meter Point level)
- Appeals require:
 - Speculative Calculator File Submission
 - Appeal File Submission
- If Accepted, an AQ Appeal Reference number is generated and issued back to the Shipper.
- The Registered User has to re-nominate and confirm the site using the xoserve generated Appeal Reference to enable new AQ to become effective
- Only the Registered User can raise Appeals.
- SSP to SSP changes cannot be Appealed

AQ New Business Appeal (NBA)

- An NBA can be raised if the Shipper believes: *UNC Section: G.1.6.13*
 - Current AQ is not reflective of actual consumption
 - Has substantial evidence to support the actual consumption of Gas
 - There is change in the Consumers Plant which results in a change in the basis on which gas is consumed but the Shipper has no read information and wishes to estimate an AQ
- NBA's can only be raised when a Shipper is taking ownership of a Site
- NBA's have to be raised within D-7 to D+23 of the Confirmation Effective Date
- Shipper should recalculate the AQ using a BTU form
- Shipper provides xoserve with a completed BTU form and an Appeal file stating the new AQ value.
- xoserve will generate an Appeal Reference with the response
- Shipper should re-nominate and confirm as per standard Appeals process to activate the amended AQ value

2009 AQ Review Timetable

26 th March 2009	Recalculation of smaller Supply Point AQs
1st May 2009	Recalculation of larger Supply Point AQs
12th May 2009	Recalculation of Meter Point Winter Consumptions (WC)
19th May 2009	First release: IGT (Weather correction and CV data).
30th May 2009	Domestic & Threshold Crosser T04 Files sent to Shippers
1st June 2009	Domestic Amendment Window Opens
8th June 2009	Start of the Bottom Stop SOQ review process
30 th June 2009	I&C T04 Files sent to Shippers
1st July 2009	I&C Amendment Window Opens
1st July 2009	First Release of MOD81
10 th July 2009	BSSOQ files released to Shippers
31 st July 2009	Appeal Window closes
1st August 2009	Second Release of MOD81
13 th August 2009	Last day for receipt of All Shipper Amendment Files
13th August 2009	End of the Bottom Stop SOQ Amendment Window
20th August 2009	Final release: IGT (Weather correction and CV data).
14 th September 2009	IX NRO/NRL files sent to Shippers (S91, S92, T69)
14 th September 2009	Appeal Window Opens
24 th September 2009	Notice of SPA files delay & IAD outage
1st October 2009	AQs Implemented
1 st November 2009	Third Release of MOD81