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Implementation of LDZ System Entry Commodity Charge (UNC MOD0391)

UK Link Committee / Operational Forum

Max Pemberton

Change Overview

Modification 0391: “Distributed Gas Charging Arrangements” has recently been approved by Ofgem and will be implemented from 1st April 2013. At present, the distribution transportation charges are based on the premise that gas enters the gas distribution system from NTS off-takes.

With potentially significant amounts of Distributed Gas available, Modification 0391 has introduced a new distribution transportation charge (LDZ System Entry Commodity Charge), which reflects the operating costs associated with the entry of distributed gas directly into LDZ systems, and not via the NTS.

Xoserve will provide a new system which is capable of calculating and invoicing a new distribution transportation charge; the LDZ System Entry Commodity Charge (LSEC).

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Invoice & Supporting Information

As part of the change implementation a new invoice and charge types will be created, along with a new associated invoice supporting information file.

Details of which are as follows:-

New Invoice Type :- ADL (within Invoice file ADH)

New Primary Charge Type :- LEC

New Adjustment Charge Type :- LEA

New Supporting Information File Format and Hierarchy:- .LSE

New Record Type :- R15 Daily LDZ Entry Commodity Charge

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Implementation & Invoice Timescales

The Modification specifies an implementation date of 1st April 2013, with expectations from the DN's that a billing solution will be delivered as soon as possible after that date.

All charges incurred will be accrued from the 1st April and monthly invoices will be generated and issued as soon as practically possible upon delivery of the billing solution, but no later than the October 2013.

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Invoice Details

Invoices will only be generated for Shippers classed as 'Active' at an LDZ System Entry Point (LSEP) and that have registered gas flow at any point within the billing period.

The invoices and the associated supporting information files will be issued via the IX.

Invoices will be issues on D+8 of M2, i.e. for the August 2013 billing period, closeout will be 20th September 2013 and the invoice will be issued on 10th October 2013.

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NOTIFICATION OF NEW CHARGE TYPES & INVOICE SUPPORTING INFORMATION FOR: UNC MOD 0391 "COR2563 Implementation of LDZ System Entry Commodity Charge"

Dear Colleagues

As a result of UNC Modification 0391, which is due to be implemented on the 1st April 2013, a new distribution transportation charge ("LDZ System Entry Commodity Charge"), which reflects the operating costs associated with the entry of distributed gas directly into LDZ systems, and not via the NTS, will be introduced.

The charges will be Ad Hoc charges, included on the Ad Hoc invoice file type (.ADH). To support Shipper identification of these charges, a new invoice type, ADL, contained within the Ad Hoc invoice has been created. Two new Ad Hoc charge types have been created against the ADL invoice type, details of which are shown below:

MOD 0391 "COR2563 Implementation of LDZ System Entry Commodity Charge"

Charge Type Name	Ad Hoc Charge Type Code	VAT Code	VAT Rate	Credit Debit	Frequency	Ad Hoc Invoice Type
LDZ System Entry Commodity Charge	LEC	08	20.0%	Credit & Debit	Adhoc	ADL
LDZ System Entry Commodity Charge Adjustment	LEA	08	20.0%	Debit & Debit	Adhoc	ADL

A copy of the proposed supporting information file (.LSE) and hierarchy has been attached and will be issued to the UK Link Committee via the March 2013 Change Pack for approval at the UK Link Committee meeting on 11th April 2013. It is proposed to issue the supporting information file via the IX. Please note the supporting information format is only for the LEC charge type. The LEA charge type is an adjustment charge and is expected to be issued on an infrequent, adhoc basis via the existing adjustment SI file. The supporting information format for LEA will be issued prior to any adjustment invoice.

All charges associated with this change are considered predictable charges; therefore the supporting information files will be issued the same day as the invoice.

The "Xoserve Comprehensive Invoice and Charge Type List" has been updated with the above changes and can be accessed via: <https://www.xoserveextranet.com/uklinkdocs/default.asp> (folder 6, sub folder 6C).

The system invoicing solution is currently being developed and further updates will be provided.

If you have any questions in relation to the above charges, please do not hesitate to contact either myself or Max Pemberton (0121 623 2731).

Yours Sincerely

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