

Reform of gas allocations regime at Interconnection Points UNC Modification 0510



Workgroup meeting
December 2014

Background

The Modification Solution covers 3 areas:

- Allocation of gas by NG NTS to IP Users equal to their Confirmed Quantities
- NG NTS and the adjacent Transporter to allocate the difference between metered quantities and net aggregate confirmed nominations to an Operational Balancing Account (OBA)
- Provision for NG NTS to allocate Users in proportion to measured quantities in some circumstances

The Workgroup's only concerns have been regarding proportional allocation. These have been addressed by National Grid in confining any possible such provision to 'Exceptional Days'

Where should the allocation rules be located? (1)

- General allocation provisions at IPs to be contained in the UNC EID
- As Adjacent TSOs are not party to the UNC, any detailed proportional allocation-related rules need to be in the Interconnection Agreement (IA)
- The IA will be subject to ‘Information Obligation’ (Art 4) of the INT Code

Where should the allocation rules be located? (2)

- Adjacent TSOs have agreed that detailed allocation rules be subject to the above consultation with shippers
- Proportional allocation may apply only on ‘Exceptional Days’ (see suggested legal text)
- NG is currently negotiating IA content with Adjacent TSOs
- SMPS also to reflect key aspects of the new regime

The following slides show recent daily steering differences at each of the IPs

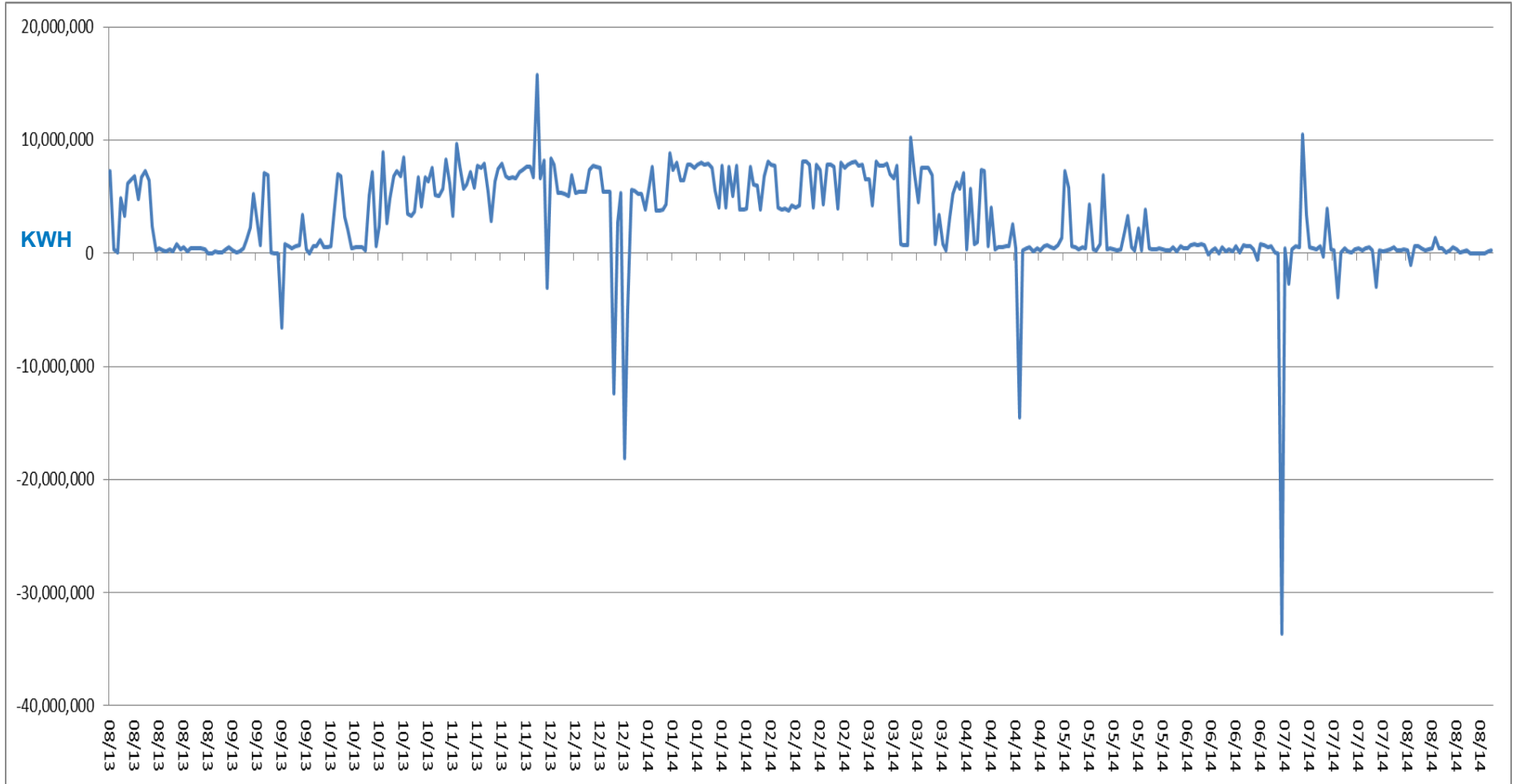
‘Steering performance’ is expected to be accurate with the introduction of OBAs as Adjacent TSOs will be bound by strong INT Code provisions:

Article 6 Rules for flow control

- ‘Adjacent TSOs shall ensure that rules are established for minimising the deviations from the flow pursuant to the matching process’
- The TSO in charge of flow control shall steer ‘at a level of accuracy sufficient to minimise the steering difference’

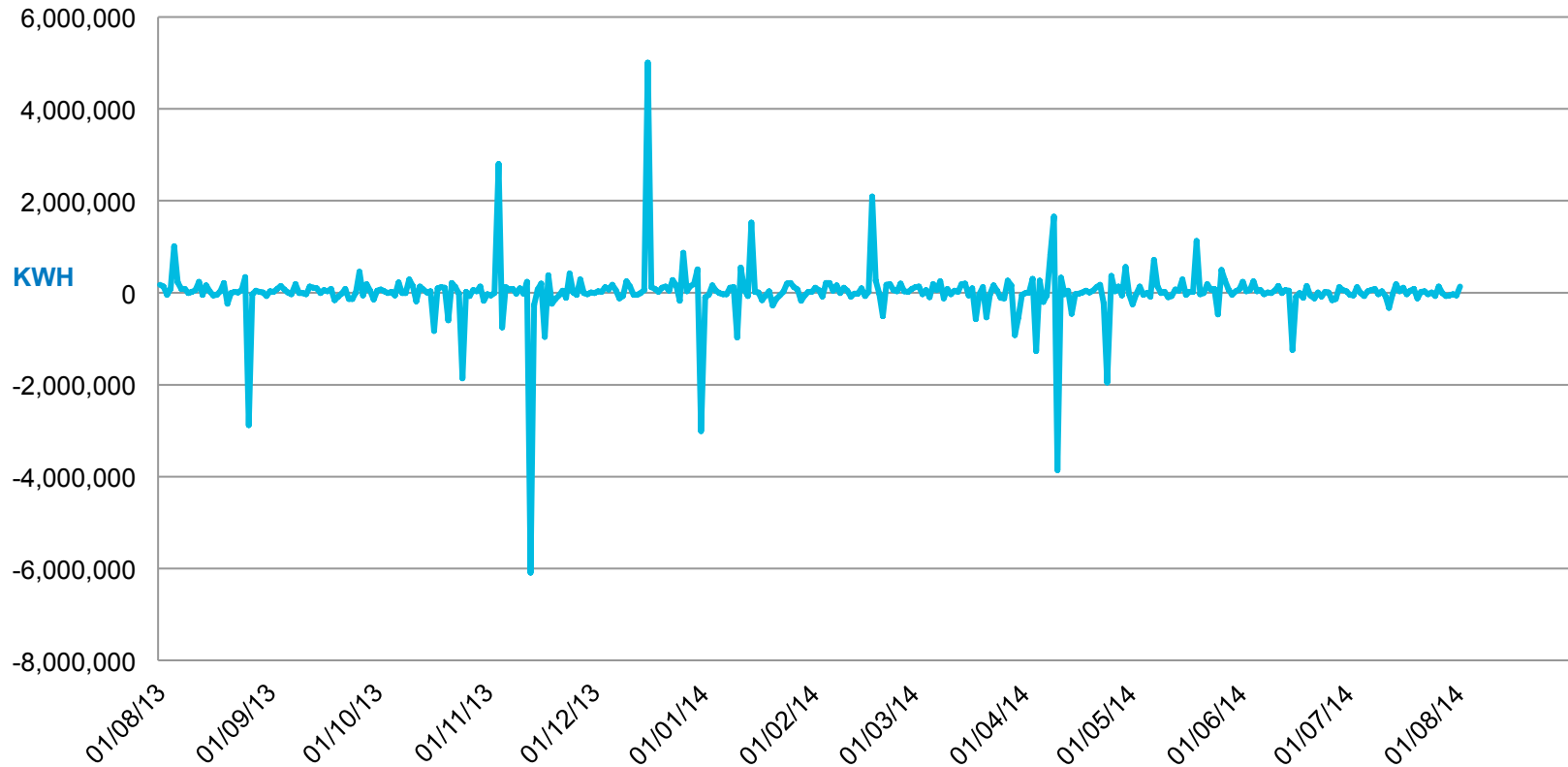
Article 9 Rules for the allocation of gas quantities

- the adjacent TSOs ‘shall maintain an operational balancing account balance that is as close to zero as possible’

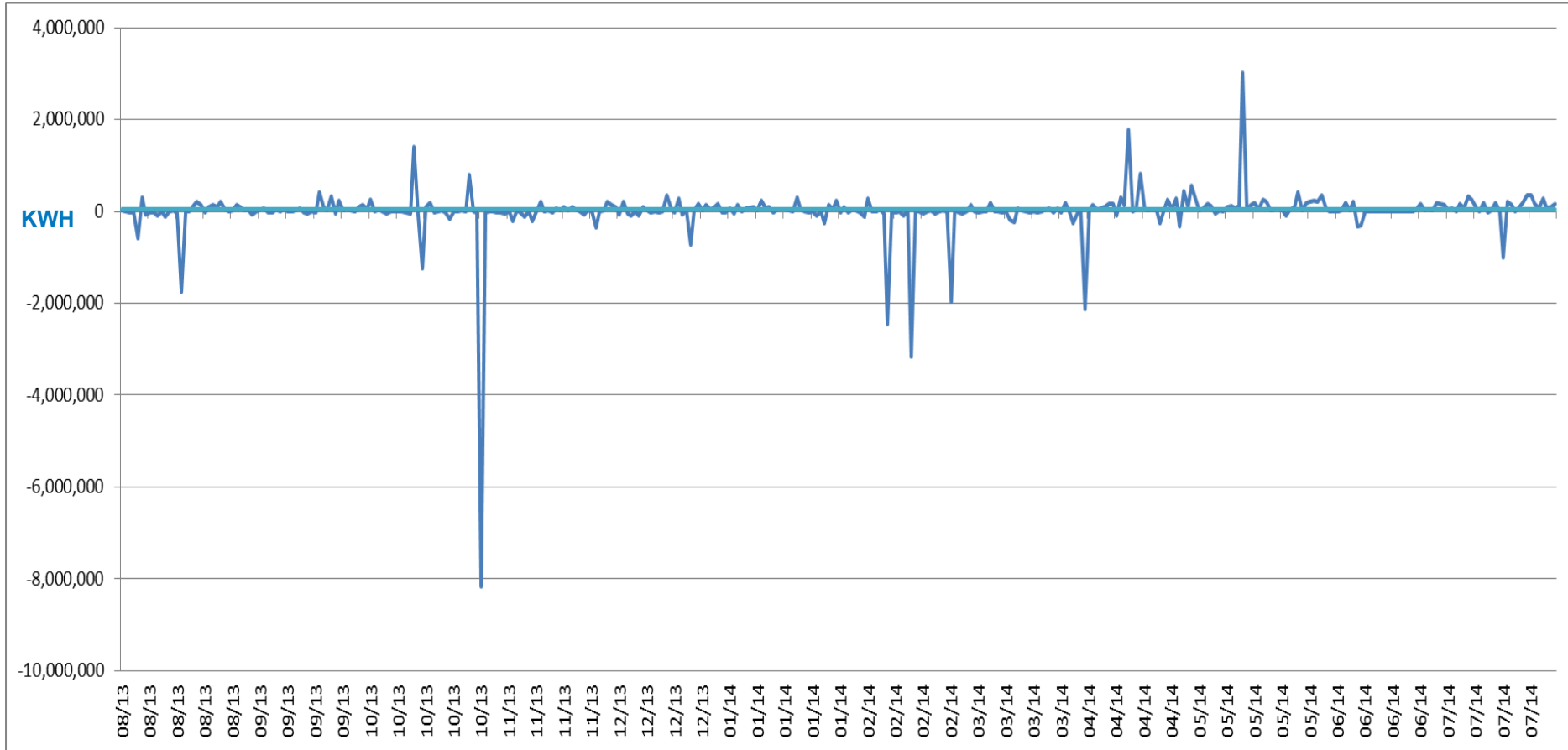


Graph showing daily differences between physical flow and net aggregated nomination quantities: August 2013-August 2014

Moffat



Graph showing daily differences between physical flow and net aggregated nomination quantities: August 2013-August 2014



Graph showing daily differences between physical flow and net aggregated nomination quantities: August 2013-August 2014

Next steps

Subject to Workgroup comments:

- Complete Workgroup Report
- Submit report to Panel
- Consultation