

0589:

Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements

01	Modification
02	Workgroup Report
03	Draft Modification Report
04	Final Modification Report

The modification seeks to remove the restriction on the inclusion of CSEP Supply Meter Points within the available supply points for NDM Sampling arrangements.

	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> • subject to self-governance • assessed by a Workgroup
	<p>High Impact: Insert impact</p>
	<p>Medium Impact: Insert impact</p>
	<p>Low Impact: Gas Transporters & Shippers</p>

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About this document:		 07749 983418
This modification will be presented by the proposer to the panel on 21 July 2016.		Systems Provider: Xoserve
The panel will consider the proposer's recommendation and agree whether this modification should be:		 commercial.enquiries@xoserve.com
<ul style="list-style-type: none"> • subject to self-governance, and • referred to a workgroup for assessment. 		 telephone
The Proposer recommends the following timetable:		Additional contacts: Sallyann Blackett
Initial consideration by Workgroup	28 July 2016	 Sallyann.blackett@eonenergy.com
Workgroup Report presented to Panel	18 August 2016	 02476 182098
Draft Modification Report issued for consultation	18 August 2016	
Consultation Close-out for representations	09 September 2016	
Final Modification Report presented to Panel	15 September 2016	
UNC Modification Panel decision	15 September 2016	

1 Summary

Is this a Self-Governance Modification?

This is proposed as a Self-Governance modification as it seeks to enable the relevant UNC Committee to include CSEP Supply Meter Points into the development of End User Categories and Demand models. These activities are not related to competition in shipping, supply, or transportation and therefore will not have a material impact on these activities. Equally, there is no bias in network operator impacts as the selection of included meter points actually requires sampling to be random, which demonstrates the non-discriminatory nature of the modification.

Why Change?

The implementation of Modification 0440 - Project Nexus – iGT Single Service Provision CSEP Supply Meter Points will introduce iGT Supply Points into the Single Service Arrangements for Gas Transporters. However, Modification 0440 excludes iGT Supply Points from use in the available sample sites, which are used for the development of the Demand Models and End User Categories.

This Modification proposes to allow the use of CSEP Supply Meter Points in NDM Sampling to improve the overall sample selections by ensuring that Demand Models and End User Categories are developed with a fully representative set of supply points with the sample sets.

Solution

The modification will permit the inclusion of CSEP Supply Meter Points in the available sites selected for NDM Sampling.

Relevant Objectives

Relevant objectives d) and f) will be facilitated by this modification, as it will enable the relevant UNC Committee to include any connected meter point within the sample sets. This will make the samples more representative of all meter points in the LDZ, and ensure that sample sets are optimal to support more accurate allocation.

Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised, however until CSEP Supply Meter Points come within the UNC they cannot be included in the models, and therefore the Project Nexus Implementation Date or soon after is preferred.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

The modification has no impact on any significant code review or industry project.

2 Why Change?

CSEP Supply Meter Points have been excluded from use in the available sample sites, which are used for the development of the Demand Models and End User Categories by UNC Modification 0440 - Project Nexus – iGT Single Service Provision, which introduces iGT Supply Points into the Single Service Arrangements for Gas Transporters.

Since these supply points utilise the same algorithms for reconciliation and allocation purposes and are now of sufficient number to be considered as a representative part of the general metering population, not including them within the available pool of sites for sampling purposes perversely skews the sample pool.

Single Service arrangements will see CSEP supply Meter Points subject to the same processes of reconciliation and allocation as Large Transporter Meter Points and therefore they should not be excluded from processes that ensure transparent and accurate allocation of costs.

3 Solution

The solution is simply to remove the restriction placed in network code in Section H 1.6.10 to exclude CSEP Supply Meter Points from NDM Sampling and to allow the sites to come with the purview of DESC for creating Demand Models and the development of EUCs.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	n/a
Proposed charge(s) for application of User Pays charges to Shippers.	n/a
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	n/a

4 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None

b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Insert subheading here

Relevant Objective D – by ensuring that all meter points irrespective of how connected to the distribution network are included in the sets of available sites for NDM Demand Models and EUC development, it will ensure that these models are reflective of all sites connected to the distribution network, which leads to more accurate energy and cost allocation therefore furthering competition.

Relevant Objective F – by ensuring that all meter points irrespective of how connected to the distribution network are available for inclusion in the models it will ensure that the models are based on a statistically valid set of connected supply points, and DESC will not have to specifically exclude supply points from their samples, thereby making the process more efficient.

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised, however until CSEP Supply Meter Points come within the UNC they cannot be included in the models, and therefore the Project Nexus Implementation Date or soon after is preferred.

6 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

The Modification could be implemented coincidentally with Project Nexus; however no system changes are required and therefore it would have no impact on delivery of Project Nexus.

Post Nexus Implementation

The change will allow DESC to include CSEP Supply Points in the sample set it selects for demand model and EUC development and support the accurate allocation of energy and costs.

7 Legal Text

Legal Text Commentary:

Section H was amended by Modification 0440 to include a clause preventing the use of CSEP Supply Meter Points in the NDM Sampling. The legal text removes this restriction and will enable DESC to use all supply Points as provided under section H 1.1.5

1.1.5 In this Section H, unless otherwise expressly provided, references to Supply Meter Points and Supply Points (and classes thereof) include CSEP Supply Meter Points and CSEP Supply Points (and the corresponding classes thereof)

Suggested Legal Text

Section H – 1.6 NDM Sampling

~~1.6.10 In this paragraph 1.6, references to Supply Meter Points do not include CSEP Supply Meter Points.~~

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Progress to Workgroup assessment