

Stage 01: Modification

0488:

Additional Changes to the Mod 81 Reports

At what stage is this document in the process?



This modification seeks to introduce further changes to the Mod 81 Reporting Suite. Implementation of this modification is not dependent on the implementation of changes proposed within Modification 0482.

The Proposer recommends that this modification should be (*delete as appropriate*):



- subject to self-governance
- proceed for Workgroup assessment



High Impact:
None



Medium Impact:
None



Low Impact:
Changes required to Xoserve reporting

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About this document:

This modification will be presented by the proposer to the panel on 20 Mar 2014.

The panel will consider the proposer's recommendation and agree whether this modification should be:

- subject to self-governance
- issued to workgroup for assessment

1 Summary

Is this a Self-Governance Modification?

ScottishPower considers that this modification meets the criteria for Self-Governance, as it could be delivered by Xoserve at minimum cost and would not have a material effect on consumers or competition.

Is this a Fast Track Self-Governance Modification?

Fast Track Self-Governance is not proposed as this is not regarded as a house keeping modification.

Why Change?

UNC Section G 1.6.18 – 1.6.20 requires Transporters to publish information regarding the manner in which the AQ review is conducted. These reports are commonly referred to as “Mod 81 Reports”.

The current drafting of UNC, Section G, Paragraph 1.6.18(a) requires that for each User, in aggregate across all EUCs, the number of successful AQ amendment applications made is reported. Mod 482 if implemented will require that Mod 81 Reports 1 and 2 are amended to report on effective AQ amendments only. This Modification will not affect the solution proposed within Mod 482 but builds on the changes proposed therein.

At the AQ Operational meeting held by telephone conference on 24th January 2014, AQ experts discussed changes, which could be made to the Mod 81 Reports to improve transparency and therefore enhance reporting of AQ amendments activity by Shippers within the AQ Amendment Window. Presently AQ reporting does not separate SSP and LSP AQ amendments activity. While Reports 5 and 7 provide information on the effect of AQ amendments in respect of increasing/decreased energy by EUC and reports 6 and 8 on the movement of Meter Points between EUCs however this does not provide enough granular information on the impact of AQ amendment activity against the Current AQ (AQ effective at commencement of Gas Year in which AQ Review Process is performed) and Provisional AQ (Transporter calculated AQ commonly referred to as the T04 position).

Solution

The following changes are proposed to the Mod 81 reports:

- 1. Introduction of an additional report 2 i.e. 2b to report on effect of AQ amendments on the Provisional AQ. The existing Report 2 shows the effect of AQ amendments on the Current AQ only.*
- 2. Reports 1 and 2 – separate reporting for Smaller Supply Points and Larger Supply Points AQ amendment activity. For Threshold Crossers the market sector will be determined by the Current AQ i.e. the starting position at the commencement of the AQ Review Process.*

These changes will be applied to the third release i.e. 1st November reporting. Interim reports issued on 1st July and 1st August will not be affected and will continue to be issued as currently outlined.

Relevant Objectives

Implementation of this modification will introduce increased granularity and transparency to the information provided to Shippers regarding the impact of AQ amendment activity which occurred within the AQ Review Process. As a consequence of this revised approach to reporting, the reports produced by Xoserve on 1st November following the completion of the AQ Review process and those presented at the AQ Operational Meeting should be more representative of the impact of AQ amendment activity by Shippers. The proposed changes to reporting will produce a more transparent picture of energy movements by LDZ and market sector when compared against the Current AQ and Provisional AQ.

Shippers will not incur any additional operational costs as a result of implementing this modification. However, Xoserve has stated that some costs will be incurred in developing and thereafter running these reports.

Implementation

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No implementation date is proposed for this modification. However, it would be desirable if this modification were implemented by 1st November 2014 to coincide with Mod 81 Reporting third release as required within UNC Section G 1.6.20(a).

2 Why Change?

UNC Section G 1.6.18 – 1.6.20 requires Transporters to publish information regarding the manner in which the AQ review is conducted. These reports are commonly referred to as “Mod 81 Reports”.

The current drafting of UNC, Section G, Paragraph 1.6.18(a) requires that for each User, in aggregate across all EUCs, the number of successful AQ amendment applications made is reported. Mod 482 if implemented will require that Mod 81 Reports 1 and 2 are amended to report on effective AQ amendments only. This modification will not affect the solution proposed within Mod 482 but builds on the changes proposed therein.

At the AQ Operational meeting held by telephone conference on 24th January 2014, AQ experts discussed changes which could be made to the Mod 81 Reports to improve transparency and therefore enhance reporting of AQ amendments activity by Shippers within the AQ Amendment Window. Presently AQ reporting does not separate SSP and LSP AQ amendments activity. Reports 5 and 7 provide information on the effect of AQ amendments in respect of increasing/decreased energy by EUC and reports 6 and 8 on the movement of Meter Points between EUCs however this does not provide enough granular information on the impact of AQ amendments when compared against the Current AQ (AQ effective at commencement of Gas Year in which AQ Review Process is performed) and Provisional AQ (Transporter calculated AQ commonly referred to as the T04 position).

3 Solution

The following changes are proposed to the Mod 81 reports:

1. *Introduction of an additional report 2 i.e. 2b to report on effect of AQ amendments on the Provisional AQ. The existing Report 2 shows the effect of AQ amendments on the Current AQ only.*
2. *Reports 1 and 2 – separate reporting for Smaller Supply Points and Larger Supply Points AQ amendment activity. For Threshold Crossers the market sector will be determined by the Current AQ i.e. the starting position at commencement of the AQ Review Process.*

These changes will be applied to the third release of the Mod 81 Reports i.e. 1st November reporting. For the avoidance of doubt, interim reports issued on 1st July and 1st August will not be affected by implementation of this Modification.

User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

This is a User Pays modification, however it does not amend an existing User Pays service. Costs may be incurred amending the existing reports.

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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.

100% Shippers based on market share at the date of implementation

Proposed charge(s) for application of User Pays charges to Shippers.

To be confirmed

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

To be confirmed

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

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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

d) Securing of effective competition

Implementation of this modification will introduce increased granularity and transparency to the information provided to Shippers regarding the impact of AQ amendment activity within the AQ Review Process. As a consequence of this revised approach to reporting, the Mod 81 Reports produced by Xoserve on 1st November following the completion of the AQ Review process and those presented at the AQ Operational Meeting should be more representative of the impact of AQ amendment activity by Shippers. The proposed changes to reporting will produce a more transparent picture of energy movements by LDZ and market sector when compared against the Current AQ and Provisional AQ.

f) Promotion of efficiency in the implementation and administration of the Code.

Implementation of this modification will introduce increased clarity and visibility to the information provided to Shippers regarding AQ amendment activity within the AQ Review Process therefore promoting efficiency in the implementation and administration of the Code.

5 Implementation

No implementation date is proposed for this modification. However, it would be desirable if this modification were implemented by 1st November 2014 to coincide with Mod 81 Reporting third release as required within UNC Section G 1.6.20(a).

6 Legal Text

Legal text to be provided

7 Recommendation

The Proposer invites the Panel to

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