



PN UNC

Scaling Adjustment
5th February 2013

- Allocation Scaling Adjustment discussed and principle agreed in Settlement BRD
 - Smear based on throughput at GFD+5
 - Daily consumption for Products 1 & 2
 - Allocation profile for Products 3 & 4
- Reconciliation Scaling Adjustment agreed in Reconciliation BRD
 - Smear based on Shippers total AQ within the LDZ (changed from throughput to AQ at PN UNC)
 - Smeared back over 12 months of market shares

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- Options discussed at PN UNC on 8th January 2013
- Agreed that the same ‘value’ should be used to smear the unidentified energy for both the Allocation Scaling Adjustment & Reconciliation Scaling Adjustment.
- The possible “values” were;
 - % of the share of unidentified gas is calculated using the total **AQ** for a Shipper in the LDZ
 - % of the share of unidentified gas is calculated using the total **consumption** for a Shipper in the LDZ
- Preference was consumption (total daily throughput per Shipper per LDZ)

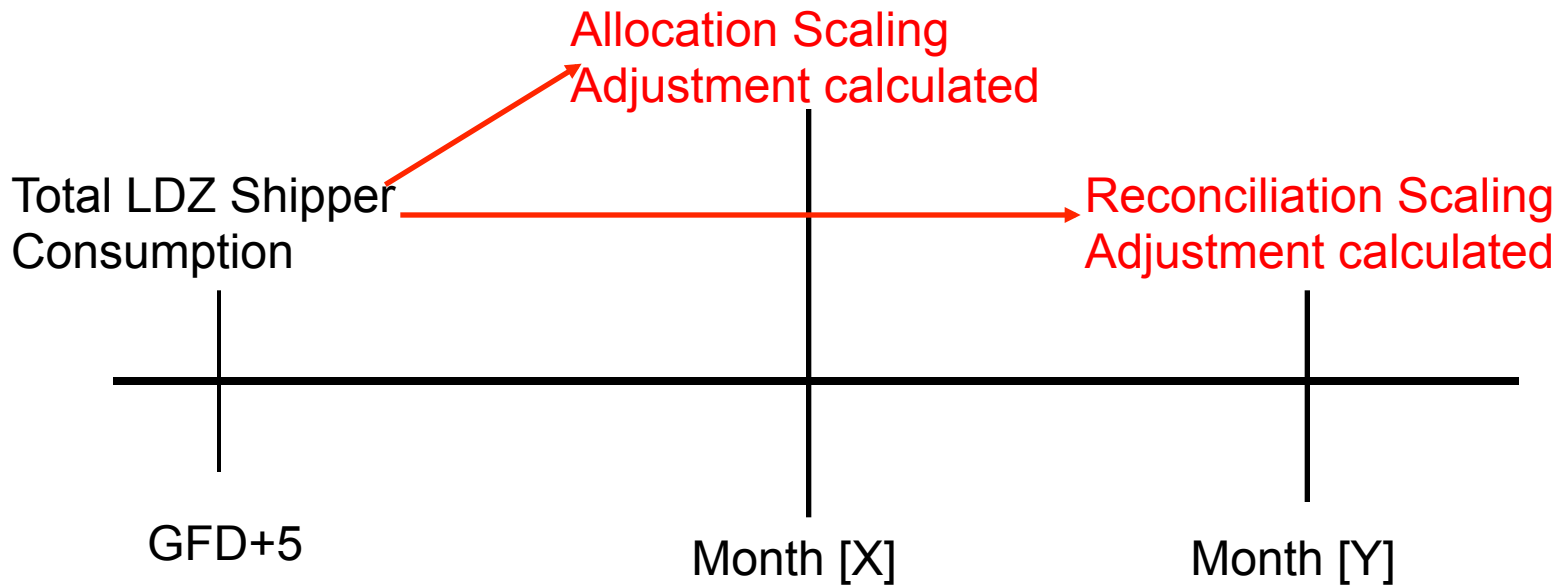
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- For the Allocation Scaling Adjustment the unidentified gas is smeared based on the total consumption at GFD+5 (close out)
- For the Reconciliation Scaling Adjustment there are options on which consumption value to use;
 - Consumption as at GFD+5 (same value as the Allocation Scaling Adjustment)
 - Latest consumption taking into account any Reconciliation or adjustments (this could potentially change daily)
 - Consumption as at Reconciliation Close Out (Month +10 days)

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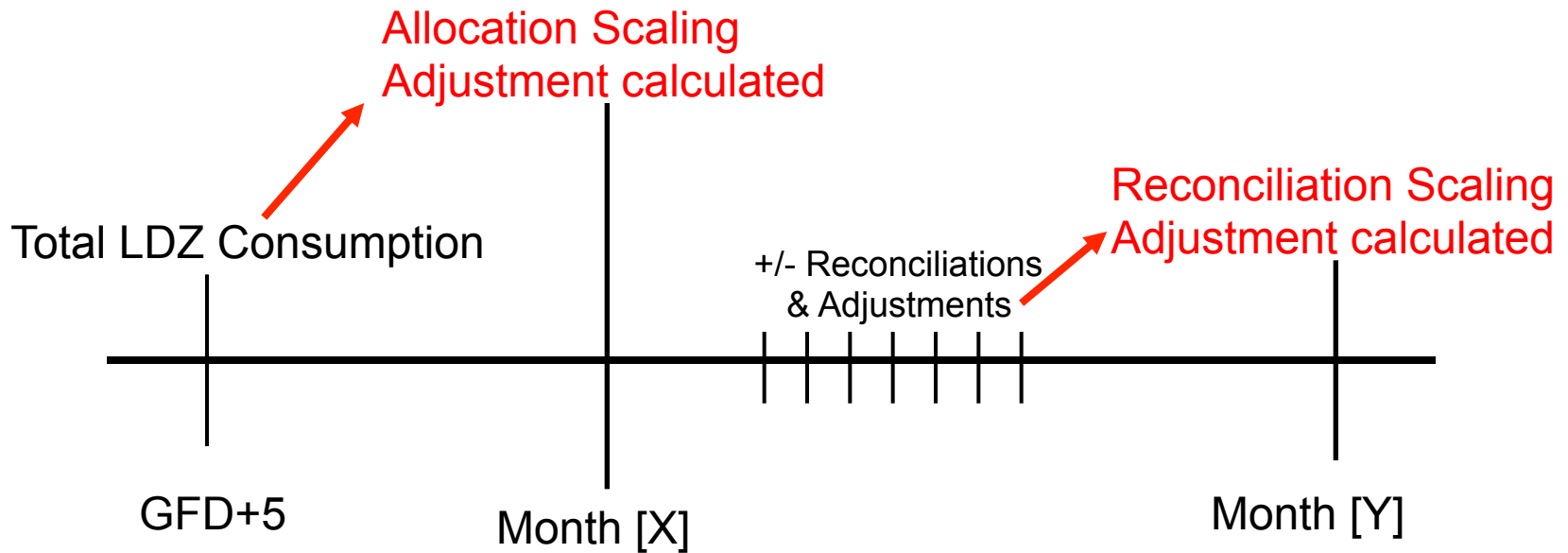


Shipper has X% of the throughput at GFD+5 therefore receives the same % of the smear of unidentified gas for both the Allocation & Reconciliation Scaling Adjustment

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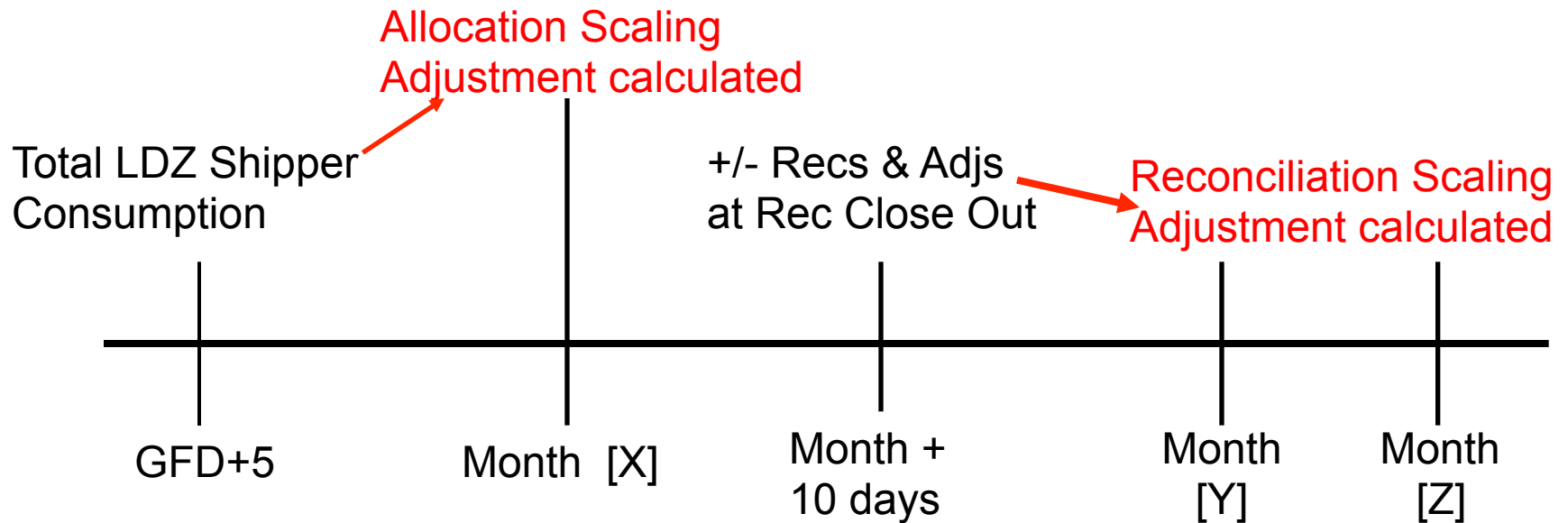
All Reconciliations or Adjustments since the Allocation Close-Out Date would be taken into account each month to determine the latest consumption position, which would be used to calculate the Reconciliation Scaling Adjustment

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Consumption at Reconciliation Close Out



Following Reconciliation & Adjustments to energy at Reconciliation Close Out the Shippers prevailing consumption is used in the calculation of the Reconciliation Scaling Adjustment for the following 12 months. I.e. changes after GFD + [10] would not be taken into account in determining market shares.

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- Based on GFD+5 Throughput
 - Same value used for both Allocation & Rec Scaling Adjustment
 - Easy to predict & validate
- Latest Consumption
 - Uses the latest consumption available to calculate Rec Scaling Adjustment
- Consumption at Rec Close Out
 - Only uses Recs and Adjustments included on the Reconciliation invoice to update market shares
 - Easier to validate in subsequent months

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- Based on GFD+5 Throughput
 - Where a DM site does not register true consumption on a day but after GFD+5 an actual read submitted - the Rec Scaling Adjustment will still be based on the original Allocation Scaling Adjustment
- Latest Consumption
 - Very complex due to the constant changing values
 - Harder to validate
- Consumption at Rec Close Out
 - Complex (although less so than latest consumption)
 - Difficult to validate (although less so than latest consumption)

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