

BUSINESS RULES

Rolling AQ

Joint Office of Gas Transporters
0209: Rolling AQ
Business Rules

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DOCUMENT REVISION HISTORY

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<u>V0.4</u>	<u>11/08/2008</u>	<u>Draft reflecting Work Group discussion</u>

Introduction

1. This document provides detailed “**Business Rules**” of proposed enduring Rolling Annual Quantity arrangements to support consultation on Modification Proposal 0209 “Rolling AQ” that has been raised following the work of Review Group 0177 “Rolling AQ Review”.
2. The proposed model has been developed following extensive discussions at the Development Work Group.

High Level Definitions

3. “**AQ Effective Day**” is the Day on which the Notified AQ becomes effective.
4. “**AQ Validation Rules**” is the UNC Related Document setting out the validation to be conducted by the Transporter as part of the Monthly AQ Review.
5. “**Consumption Period**” is the period in Days between two Meter Readings available for use in the Monthly AQ Review calculations.
6. “**Current AQ**” is the Annual Quantity registered at a Supply Meter Point prior to a change in the Annual Quantity made as a result of the Monthly AQ Review.
7. “**Information Close-Out Day**” is the last Day on which Meter Readings or other information received by the Transporters will be considered for the purposes of the Monthly AQ Review.
8. “**Monthly AQ Review**” is the process conducted by the Transporters whereby, as a result of Meter Readings ~~or other information received~~, the Annual Quantity of a Supply Meter Point is recalculated.
9. “**Notification Day**” is the Day on which the Transporters notify the Registered Users of changes in the Annual Quantity.
10. “**Notified AQ**” is the Annual Quantity notified by the Transporters when a change of Annual Quantity of a Supply Meter Point is notified to the Registered User as a result of the Monthly AQ Review.
11. “**Validation Override Flag**” is the indicator set by the User to request that despite anticipating a Supply Meter Point would fail validation, the calculated Annual Quantity shall become the Notified AQ.
12. “**Winter Consumption**” is the consumption of a Supply Meter Point calculated from meter readings taken over the period between 01 October to 31 March divided by the Annual Quantity to derive a WAR (Winter Annual Ratio) Band, which is found within the EUC Band..

Meter Readings

- ~~9.~~The current Meter Read processes will continue unchanged.
- ~~14.13.~~ Registered Users will receive notifications of Valid Meter Readings separately from notifications of Meter Readings that are rejected by validation.

14. All Valid Meter Readings will be considered for use in the Monthly AQ Review.
15. The incidence of a User Suppressed Reconciliation Variance at a Supply Meter Point will not of itself prevent consideration of the associated Valid Meter Readings in the Monthly AQ Review.¹.
16. Estimated Meter Readings, including Proposing User's Estimates, will not be considered for use in the Monthly AQ Review.²

Monthly Process

17. The Information Close-Out Day will be the **[10th]** Business Day of each month.
- ~~14. The Annual Quantity calculations will be conducted between **[15th]** and **[24th]** Days of each month.~~
18. The Notification Day will be **[25th]** [five (5)] Business Days prior to the end of each month by which the Transporters will notify to the User:
 - 18.1 Transaction Type identifier;
 - 18.2 Unique Reference:³
 - 18.3 Shipper Nomination Reference (where applicable):
 - 18.4 LDZ:
 - 18.5 Exit Zone:
 - 18.6 End User Category Number;
 - 18.7 Supply Meter Point Reference Number;
 - 18.8 Postcode Outcode;
 - 18.9 Postcode Incode;
 - 18.10 Meter Serial Number;
 - 18.11 Corrector Serial Number (where applicable);
 - 18.12 Number of Dials or Digits;
 - 18.13 Meter Status;
 - 18.14 Correction Factor;
 - 18.15 Imperial Indicator;

¹ It is intended that validation will effectively prevent notification of Annual Quantities for readings that are suppressed.

² This is a change from current practice where estimated readings are considered under certain circumstances

³ Currently known as the Confirmation Reference

- 18.16 Reading Factor;
 - 18.17 Reading Units;
 - 18.18 Datalogger Present;
 - 18.19 Current AQ;
 - 18.20 Notified AQ;
 - 18.21 Notification Day;
 - 18.22 Consumption Period Start Date;
 - 18.23 Consumption Period End Date;
 - 18.24 Start Reading;
 - 18.25 End Reading
 - 18.26 Through the Zeros Count over the Consumption Period;
 - 18.27 Number of Meter or Corrector Exchanges; ~~and~~
 - 18.28 Percentage AQ Change; ~~and~~
 - 18.29 Where set by the User, the User Validation Flag.
19. The Notified AQs will be effective from the 1st Day of the month following the Notification Day.

Consumption Periods

- 20. No Annual Quantity calculation will be ~~conducted~~ carried out in respect of Supply Meter Points where the smallest available Consumption Period is greater than 3 years.
- 21. No Annual Quantity calculation will be ~~conducted~~ carried out in respect of Supply Meter Points where the largest available Consumption Period is less than nine months plus one Day.
- 22. Where a Valid Meter Reading or a Replacement Meter Reading has been received since the Information Close-Out Day of the previous Monthly AQ Review but on, or prior to, the Information Close-Out Day of the current Monthly AQ Review, the Consumption Period will be selected as follows:
 - 22.1 If the Supply Meter is a Monthly Read Meter, the two Meter Readings selected for Annual Quantity calculation will be the most recent Valid Meter Reading and, from those available, the Valid Meter Reading that would result in a Consumption Period closest to 50 Weeks.
 - 22.2 If the Supply Meter is an Annual Read Meter, the two Meter Readings selected for Annual Quantity calculation will be the most recent Valid Meter Reading and, from those available, the Valid Meter Reading that would result in a Consumption Period closest to 42 Weeks.

- 22.3 If the Supply Meter is Daily Read the Annual Quantity will be ~~calculated~~^{changed} in accordance with the current rules.
23. If a Supply Meter Point has been isolated during the Consumption Period selected in accordance with paragraph ~~2224~~ above:
- 23.1 No Annual Quantity calculation will be ~~carried out~~^{conducted} unless there is an available Consumption Period greater or equal to nine months plus 1 Day for which the Supply Meter Point was not isolated.
- 23.2 If there is an available Consumption Period that meets the criteria set-out in paragraph ~~23.122-4~~ then the Notified AQ will be calculated based on this shorter Consumption Period and not on the Consumption Period selected in accordance with paragraph ~~2224~~ above.

Validation

24. As part of the Monthly AQ Review process, validation will be conducted on all calculated Annual Quantities by the Transporters prior to notification to the Registered Users.
25. The validation rules will be set out in the ~~UNC Related Document~~ “AQ Validation Rules”, the initial version of which is attached to these Business Rules as Appendix A ~~[not yet attached as a separate document]~~.
26. The AQ Validation Rules will be added to the list of UNC Related Documents in the Uniform Network Code Transportation Principal Document V12 and be subject to the same governance arrangements as the existing UNC Related Documents listed therein.
27. Where the Registered User anticipates that a calculated Annual Quantity will fail validation, but it reasonably considers that this calculated Annual Quantity ~~would be~~^{is} correct, this Registered User, ~~by setting the Validation Override Flag~~^{by setting the Validation Override Flag}, will confirm that the Annual Quantity should be calculated and notified.
28. On receipt of such a confirmation, the calculated Annual Quantity will be the Notified AQ and will be effective from the 1st Day of the following month.
29. Where a calculated Annual Quantity fails validation, the Registered User will be notified.
30. This notification will include a reason code that identifies the reason for validation failure in accordance with the AQ Validation Rules.
31. All such notifications will be notified separately from the Notified AQs that have passed validation.⁴
32. In the event the calculated Annual Quantity, that has failed validation, represents an increase from the Current AQ:
- 32.1 Where the Registered User considers that the information from which an Annual Quantity is calculated is incorrect and it has failed validation, this

⁴ ~~This is a change from current practice~~

Registered User will confirm that the Annual Quantity should not be calculated ~~and notified~~.

- 32.2 In the absence of such confirmation, the calculated Annual Quantity will be the Notified AQ and will be effective from the 1st Day of the second month following the month during which the Transporters notified the User that the calculated Annual Quantity had failed validation.
- 33. In the event the calculated Annual Quantity, that has failed validation, represents an decrease from the Current AQ:
 - 33.1 Where the Registered User considers that the information from which an Annual Quantity is calculated is correct but it has failed validation, this Registered User will confirm that the Annual Quantity should be calculated ~~and notified~~.
 - 33.2 On receipt of such confirmation, the calculated Annual Quantity will be the Notified AQ and will become effective from the 1st Day of the second month following the month during which the Transporters notified the User that the calculated Annual Quantity had failed validation.

Appeals

- 34. The appeals process set-out in paragraph ~~3534~~ to ~~4342~~ below will apply to both Small Supply Points and Large Supply Points.
- 35. Notwithstanding any appeal being submitted by the Registered User, the Notified AQ shall stand and apply for the month following the AQ Effective Day.
- 36. The Registered User may appeal where it reasonably considers that the Transporters' calculation of the Notified AQ is derived from:
 - 36.1 Meter Readings that are incorrect or were taken prior to Meter Readings available to the Registered User; or
 - 36.2 Materially incorrect details of the Supply Meter Installation for the relevant Supply Meter Point.
- 37. The Registered User may also appeal if it considers that a change in the Consumer's Plant has resulted in a change to the basis on which gas is consumed. In this event:
 - 37.1 The Registered User will submit a reasonable estimate of the Annual Quantity and have available for inspection by the Transporters supporting evidence of consumption.
 - 37.2 If the Transporters accept this submission the User's estimate will be the Notified AQ and, where applicable, the End User Category will be revised to reflect this Notified AQ.
- 38. The Registered User will warrant that in appealing against the Notified AQ it has applied a methodology that:
 - 38.1 Is consistent to all Supply Points for which it is the Registered User;

- 38.2 Does not materially differentiate in its treatment of Supply Points where the Notified AQ is greater than the Current AQ and Supply Points where the Notified AQ is less than the Current AQ; and
- 38.3 Does not withhold any Supply Points from appeal that qualify for appeal under its methodology.
39. For any appeal to be considered the Registered User will, as early as reasonably practicable, but not later than **five (5) Business Days** prior to the Information Close-Out Day of the following month, provide in respect of all such Supply Meter Points:
- 39.1 The Supply Meter Point Reference Number; and one or more of the following;
- 39.2 A pair of Meter Readings that meet the criteria set-out in paragraphs ~~2019~~, ~~2120~~, and ~~2221~~ above and which it reasonably considers to be more accurate than those on which the Notified AQ was based;
- 39.3 Details of all readings associated with meter exchanges that are relevant to the appeal; and/or
- 39.4 The correct details of the Supply Meter Installation for the relevant Supply Meter Point and the current details of the Supply Meter Installation that it considers were materially incorrect.
40. The Transporters on receiving an appeal from a User will seek to calculate the Annual Quantity from the information provided by the Registered User under paragraph ~~3938~~ above and, provided this calculated Annual Quantity does not fail validation, it will be the Notified AQ, providing that:
- 40.1 If the Transporters cannot establish the Notified AQ prior to the Notification Day, the Annual Quantity that existed prior to the appeal will be reinstated; or
- 40.2 If the Transporters have received further Meter Reading(s) that better meet the criteria set-out in paragraphs ~~2019~~, ~~2120~~, and ~~2221~~ above than those submitted by the Registered User, and which it reasonably considers do not reflect the errors that gave rise to the appeal, the Notified AQ will be calculated from these Meter Readings.
41. Where the Transporters ~~receive~~~~accept that~~ either or both of the Meter Readings, to replace those erroneous Meter Reading(s) on which the original Annual Quantity calculation was based, ~~was in error~~, these erroneous Meter Reading(s) will not be used in any subsequent Annual Quantity calculation.
42. Where the Transporters cannot establish the Notified AQ under paragraph ~~40.139.1~~ above or do not accept that either or both the Meter Readings were in error, both the Registered User and the Transporters will use reasonable endeavours to resolve the issue as soon as practicable.
43. Users making appeals shall record evidence in support of that appeal and shall make that evidence available to the Transporters when reasonably requested.

Thresholds

44. Where the Notified AQ of a Supply Point Component is greater than 58,600,000 kWh, but that Supply Meter Point is not already classified as a DM Supply Meter Point, that Supply Meter Point will be reclassified as a DM Supply Meter Point if:
 - 44.1 The Notified AQ is greater than 58,600,000 kWh for three successive Annual Quantity notifications; or
 - 44.2 The Registered User confirms that Supply Meter Point as a DM Supply Meter Point.
45. Where the Notified AQ of a Supply Meter Point Component is greater than 732,000 kWh, but that Supply Meter Point does not have a convertor installed in accordance with the Gas (Calculation of Thermal Energy) Regulations 1996, a convertor shall be installed if the Notified AQ is greater than 732,000 kWh for **[three]** successive Annual Quantity notifications.
46. Where the Notified AQ of a Supply Meter Point Component is less than 732,000 kWh, but that Supply Meter Point has a convertor installed in accordance with the Gas (Calculation of Thermal Energy) Regulations 1996, that convertor shall not be removed but the requirement to have a convertor installed will lapse if it develops a fault that would otherwise require replacement.

Supply Point Offtake Quantities (SOQs)

47. When an Annual Quantity for NDMs is revised the SOQ will also be revised.
48. When the Annual Quantity is revised the SOQ will use the applicable load factor.

Annual Parameter Changes

49. The Winter Annual Ratios (WARs) will be updated on **[1 April 31 March]** each year.
50. Annual Quantities and SOQs will reflect any Supply Meter Point cross-over in WAR bands at the first Notification Day following the update in WAR.
51. Following a revision to the Seasonal Composite Weather Variables, the Annual Quantities and SOQs will be revised at the first Notification Day following the update in Weighted Average Annual Load Profile.

Publication of Information⁵

52. The Transporters shall publish by **[1st November]** each year, a report for the previous Gas Year containing the following information in respect of each User (on a non attributable basis):
 - 52.1 In aggregate across all End User Categories:

⁵ To be discussed further

52.1.1. The number of appeals made by the User for an increase in the Notified AQ and the number for a decrease in the Notified AQ.

52.1.2. The number of such successful appeals made by the User that resulted in for an increase in the Notified AQ and the number for a decrease in the Notified AQ.

52.2 By each End User Category:

52.2.1. The number of Supply Meter Points where the Notified AQ has increased or decreased as a result of the successful appeals, referred to in paragraph ~~52.1.2~~ 52.1.253.1.2 above, shown as a percentage of the total number of Supply Meter Points in that End User Category;

52.2.2. The change to the Notified AQ in aggregate (expressed in kWh) that has occurred due to the increases or decreases as a result of the successful appeals referred to in paragraph ~~52.1.2~~ 52.1.253.1.2 above.

52.2.3. The number of Supply Points that have moved from one End User Category to another End User Category as result of the successful applications referred to in paragraph ~~52.1.2~~ 52.1.253.1.2 above.

52.2.4. By each LDZ, the number of such successful appeals made by the User that resulted in the Notified AQ shown by the resulting increase and decrease in comparison to the previously Notified AQ.