

## Stage 01: Modification

# 0482S:

## Proposed Changes to Mod 81 Reports to be effective from 01/7/14

At what stage is this document in the process?



Changes to Mod 81 Reports. It is requested the above changes are effective from 01 July 2014.



The Proposer recommends that this modification should be

- should be issued to consultation



High Impact:  
None



Medium Impact:  
None



Low Impact:  
Changes required to Xoserve reporting

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About this document:			 telephone
This modification will be presented to the panel on 17 April 2014.			Transporter: <b>Wales &amp; West Utilities</b>
The panel will consider the proposer's recommendation and agree whether this modification should be:			Systems Provider: <b>Xoserve</b>
<ul style="list-style-type: none"> <li>issued for consultation</li> </ul>			 <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a>

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# 1 Summary

## Is this a Self-Governance Modification?

and the Modification Panel determined that this modification should follow Self Governance procedures as it would not have a material effect on consumers or competition.

## 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. This information is displayed in a number of reports which are periodically provided to Shippers during and after the AQ Review. Within the reports, User identities are protected by use of pseudonyms identifiers.

Implementation of Modification 0292 resulted in the AQ amendment tolerance reducing from +/- 20% to +/- 5%. As a consequence the number of AQ amendments that a Shipper has the ability to submit has substantially increased. In some instances Shippers may submit more than one AQ amendment for a Meter Point as meter readings or revised asset information becomes available within the AQ Amendment window.

Currently Mod 81 Reports 1 and 2 provide an aggregated position based on the number of successful AQ amendments submitted by individual Shippers. Current reporting based on all successful amendments has the potential to distort the overall picture of AQ movements (increasing and decreasing), as the reporting includes any multiple amendments for the same site. The reports therefore misrepresent individual Shipper energy movements by LDZ.

## Solution

It has been identified that Mod 81 Reports 1 and 2 are amended to report on effective AQ amendments. In addition the terminology used within the reporting column headings will be amended to align with UNC terminology.

## Relevant Objectives

Implementation of this modification will introduce increased clarity to the information provided to Shippers regarding AQ amendment activity within the AQ Review Process. As a consequence of this revised approach to reporting, the reporting pack produced by Xoserve and presented at the AQ Operational Meeting should be more representative of effective AQ amendment activity by Shippers and therefore produce a more accurate picture of energy movements by LDZ and market sector.

The Proposer therefore believes that this proposal furthers relevant objective (d) – securing of effective competition and (f) – promotion of efficiency in the implementation and administration of the Code.

## Implementation

The Transporters Agent has indicated that no material costs will be incurred as a consequence of implementing this modification.

No implementation timescales are proposed. However a date of 1st July 2014 is proposed to coincide with the first release of the Mod 81 Reports as required within UNC Section G 1.6.20(a).

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## 2 Why Change?

Implementation of Modification 0292 resulted in the AQ amendment tolerance reducing from +/- 20% to +/- 5%. As a result the number of AQ amendments that a Shipper has the ability to submit has substantially increased. In some instances Shippers may submit more than one AQ amendment for a Meter Point as meter readings or revised asset information becomes available within the AQ Amendment window.

Reports 1 and 2 provide an aggregated position based on the number of successful AQ amendments submitted by individual Shippers. Some Shippers who attended the Xoserve AQ Operational Meeting held in Nov 2013 expressed a view that it would be beneficial if reporting was based on the number of effective AQ amendments. Current reporting based on all successful amendments has the potential to distort the overall picture of AQ movements (increasing and decreasing) and therefore misrepresent individual Shipper energy movements by LDZ.

At the 7th January 2014 Distribution Workgroup a new Issue was raised entitled "AQ reporting to include amendments that result in a revised AQ". The Workgroup debated the Issue and were generally supportive of a change to the reporting criteria. However the Workgroup suggested that a broader opinion should be sought from the industry, specifically from organisations' AQ subject matter experts. A further meeting was therefore held on 24<sup>th</sup> January to discuss the proposed changes.

The opinions from those attendees at the AQ Operational Meeting, who commented on the proposed reporting, agreed that the changes would add clarity to the Mod 81 Reports and as such were supportive. We therefore do not believe that further development of this Modification is required.

## 3 Solution

### Proposed Changes to Mod 81 Reports

It is proposed to make the following changes to the Mod 81 reports and that these changes should be effective from 01 July 2014. The opinions from those attendees at the AQ Operational Meeting, who commented on the proposed reporting, agreed that the changes would add clarity to the Mod 81 Reports and as such were supportive.

#### 1. Changes to the Structure of Reports

This Modification seeks to make the following amendments to the current suite of Mod 81 Reports;

**Report 1:** “AQ Trends Report – Total number of Accepted Amendments Received by LDZ (Count and Energy)”

**Report 2:** “Accepted Shipper Amendments – increasing and decreasing AQ by Shipper”

**Proposed Solution - Report 1 & 2** –Only effective AQ amendments for each Registered Shipper User are reported.

Reports issued on 1st July and 1st August will report on the latest effective Amendments submitted by a Shipper and will be referenced as “User Provisional AQ”. The 1st November report will show the AQ that becomes live as at 1st October YY i.e. the Effective AQ.

#### 2. Terminology Changes

In addition changes are proposed, where necessary, to the column headings of Mod 81 Reports (Reports 1 to 10) to ensure that UNC Terminology is consistently applied. This change will enhance Shipper’s ability to interpret the information being displayed within the contents of the Mod 81 Reports.

Existing Mod 81 Terminology	UNC Terminology
Sum Current AQ	Current AQ
Sum Proposed AQ (kWh)	Provisional AQ
Sum New (kWh)	Effective AQ

#### 3. Illustration of Proposed Changes

For the purposes of this Modification, the impact of the proposed changes outlined above on Mod 81 Reports 1 and 2 are displayed below:

##### Report 1 - format as currently published

LDZ	State	Count Of Meter Points	Sum Current AQ (kWh)	Sum Proposed AQ (kWh)	Sum New (kWh)
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(Revised Format)

1<sup>st</sup> July, 1<sup>st</sup> August

LDZ	State	Count Of Meter Points	Current AQ	Provisional AQ (kWh)	User Provisional AQ
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1<sup>st</sup> November 2014

LDZ	State	Count Of Meter Points	Current AQ	Provisional AQ (kWh)	Effective AQ
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**Report 2** - format as currently published (no format changes required).

State	Accepted	Decreasing AQ's	Increasing AQ's
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For the avoidance of doubt, User identities will continue to be protected by the use of pseudonyms.

It is proposed that these changes are effective from 1st July 2014.

The Transporters Agent has indicated that no material costs will be incurred as a consequence of implementing 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 as costs may be incurred amending the existing reports although the Transporters Agent has indicated that these costs would be minimal.

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.

Transporters have indicated that costs would be minimal and therefore may be waived.

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

Transporters have indicated that would not be recovering the User Pays costs associated with this modification so an ACS wont be published.

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## 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

### d) Securing of effective competition

Implementation of this modification will introduce more accurate reporting of Shipper AQ amendment activity at periodic points within the AQ Review process i.e. 1<sup>st</sup> July, 1<sup>st</sup> August and 1<sup>st</sup> November. In addition, the reporting pack produced by the Transporters Agent, Xoserve and presented at the AQ Operational Meeting should be more representative of effective AQ amendment activity by Shippers and therefore produce a more accurate picture of energy movements by LDZ and market sector. More accurate reporting may provide greater confidence to all Users on Shipper amendment activity and that AQ amendments are being raised in accordance with the rules outlined within UNC Section G. 1.6.4 and therefore furthering effective competition.

### 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.

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## 5 Implementation

No implementation timescales are proposed. However it is proposed that implementation be on 1st July 2014 to coincide with the first release of the Mod 81 Reports as required within UNC Section G 1.6.20(a).

Xoserve has indicated that no material costs will be incurred by the implementation of this Modification.

## 6 Legal Text

Legal text is to be provided

## 7 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should issued for consultation.