

# Negative Implied Flow Rates

Transmission Workgroup

6<sup>th</sup> October 2016

Jennifer Randall

# Background

---

## March 2016

Issued letters to relevant shippers asking for reasons why they requested a downward renomination that breached the NIFR rule, in accordance with UNC TPD Section C 4.3.2.

## June 2016

The main reasons stated in the responses were:

- Beach trades reducing entry nominations
- Reduction in production due to gas field/terminal restrictions
- Power station trips
- Large offtakes reducing gas demand

## July 2016

Updated you on how the issue of no longer accepting faxes that breached the NIFR rule at IPs had developed over recent months;

- the fax facility at IPs was removed with the introduction of EU Phase 2 and could not be reinstated due to us no longer having our “super user” ability on Gemini.

## Current State

---

- In July 2016 we said that we are now considering applying an “enduring” solution to the NIFR issue.
  - This review will be considering all NTS entry and exit points, not just IPs
- Consideration of the NIFR rule at non-IPs was driven by the manually intensive nature of the fax process. The feedback from the letters highlighted that the reasons shippers are making renominations that breaches the NIFR rule is unlikely to decline, meaning the volume of faxes is unlikely to reduce in the future
- On 5<sup>th</sup> September 2016 we held a workshop with interested shippers; Gazprom Marketing and Trading, RWE, Uniper and EDF Trading to discuss possible options.

# Potential Options

---

- Potential options discussed on 5<sup>th</sup> September 2016:
  1. Do nothing
  2. Remove the NIFR rule
  3. Remove the NIFR rule on a trial basis
  4. Remove the NIFR rule and introduce additional incentives / penalties to encourage timely and accurate renominations
  5. Always apply the NIFR rule
  6. Relax the NIFR rule so that we accept faxes up to a particular point in the gas day (e.g. half way through)
  7. Keep the NIFR rule and change Gemini to allow GNCC “super user” access (i.e. revert to pre 1<sup>st</sup> October 2015 arrangements)
  8. Sub daily balancing

# Potential Options

---

- Potential options discussed on 5<sup>th</sup> September 2016:
  1. Do nothing
  2. Remove the NIFR rule
  3. Remove the NIFR rule on a trial basis
  4. Remove the NIFR rule and introduce additional incentives / penalties to encourage timely and accurate renominations
  5. Always apply the NIFR rule
  6. Relax the NIFR rule so that we accept faxes up to a particular point in the gas day (e.g. half way through)
  7. Keep the NIFR rule and change Gemini to allow GNCC “super user” access (i.e. revert to pre 1<sup>st</sup> October 2015 arrangements)
  8. Sub daily balancing

## Actions from 5<sup>th</sup> September 2016 meeting

---

1. NG to confirm that GNCC no longer has “super user” ability to overwrite renominations on Gemini that have breached the NIFR
2. NG to explore with Xoserve the potential for facilitating renominations that breach the NIFR rule where operationally acceptable in respect of IPs on a temporary basis
3. NG to ensure that the outcome of the letters have been communicated
4. NG to discuss shipper feedback from the meeting concerning timely and accurate renominations internally.
5. NG to establish the number of faxes received at IPs
6. All to further consider the feasibility of Option 3 (remove the NIFR rule on a trial basis) and what criteria may be required in relation to this option
7. NG to feedback from the meeting the Gas Operational Forum and Transmission Workgroup.
8. NG to consider the most appropriate UNC governance arrangements in relation to this issue.

## Next Steps

---

- Minutes from the workshop on 5<sup>th</sup> September 2016 are published on the Joint Office website with the documents for this meeting

<http://www.gasgovernance.co.uk/Tx/061016>

- Currently working through actions from 5<sup>th</sup> September 2016 meeting
- We will update at October 2016 Gas Operational Forum and November Transmission Workgroup