

Interruption to Firm – initialisation

- DN Interruption Reform (Mod 90) requires all LDZ Supply Points to be charged at Firm Capacity Rates from 1 Oct 2011
 - Supply Points still requiring interruption will have bid for interruption rights under the Annual or Ad-hoc Interruption Invitation processes
- We need to apply new transportation rates from the change-over date
- We require a solution that on a single day will:
 - Change the status of about 1150 Supply Points
 - Deliver correct transportation invoicing
 - Record SNI / TNI supply points as Firm
 - Coordinate the status change across all Transporter & Shipper systems
- We believe this would be best achieved using the well established nomination, offer and confirmation process
 - This process is controlled and tried & tested
 - Minimal impact on all systems (including Gemini)

The Preferred Solution

- is low risk and straight forward
- Shippers reconfirm all LDZ Interruptible (SNI & TNI) Supply Points in their portfolio to Firm (DM or NDM)
 - Shippers generate a nomination with their proposed DMSOQ
 - xoserve validate and respond with a Supply Point Offer
 - Shippers confirm offer with confirmation effective 1 Oct 2011
 - Issues:
 - To successfully implement - other transfer dates surrounding 1st October would not be permitted
 - This may impact actual shipper transfers on or about those dates
 - Please advise if this is likely to cause problems

Benefits

- Shippers will nominate the correct Supply Type and receive an appropriate Supply Point Offer for the nominated values
- Shippers will be able to confirm supply points with GNT permitted by code
 - NDM or DM (DMM, DMV or DME)
- Updates both transporter and shipper systems
- Appeals simplified for Supply Type changes from April 2011
- Provides an opportunity to review and set the DMSOQ & SHQ
 - DMSOQ for Interruptible Supply Point will not have increased in line with daily consumption (although BSSOQ will have been reset once per year)
 - Supply Points confirmed as Firm DM will be subject to the LDZ capacity ratchet regime

Back-stop Solution

- For supply points not showing an appropriate Firm Confirmation effective date
 - xoserve will create and confirm offers on behalf of the Shipper and pass the confirmation response to the Shipper
 - Default Rules
 - Shipper will be sent a copy of the default Offer
 - Sites will be confirmed as DM (DMM or DMV)
 - Sites will be confirmed at the prevailing DMSOQ & SHQ
 - No DN liability
 - Potential candidate for User Pays Service / Charges
 - UNC Modification Proposal required

Shared Supply Meter Points

- Opportunity for shippers to review and revise Allocation Agreements for Shared Supply Meter Points (SSMPs) with an Interruptible element
- Some sites may remain Firm/Firm splits between multiple Shippers:
- Allocation Agreements should be reviewed to ensure all parties agree on how the gas is to be allocated when Interruptible elements are removed
 - DNI removes “overflow” Interruptible supplies
 - Ratchets could be incurred

Shared Supply Meter Points - not required

- Some sites will become fully firm with one Shipper
- These sites may no longer need to be managed via Unique Sites processes and could return to Sites & Meters
 - Reducing manual processes
 - Reads managed electronically
 - Charges issued on standard invoices
 - Avoiding SSMP admin charges
- xoserve will identify Unique Sites that could transfer and work with impacted Shippers to review and action