

Modifications 0642/0642A/0642

High level Transition Document requirements

All modifications are effective on a Gas Flow Day basis – we can use generic language similar to recent mods.

We assume the Implementation Date will be the 1st of a month.

Section H

0642/0643

Will the Implementation Date be a 1 October? If so, the procedures for DESC in H1.7 and H1.8 will apply on the basis of the new rules (and amended NDM Demand Estimation Methodology) leading up to the Gas Year starting on the Implementation Date.

If not, the procedures H1.7 and H1.8 will have to apply, based on the new rules (and amended NDM Demand Estimation Methodology), as if there were a new Gas Year starting on the Implementation Date.

Will the revised formula for AQ in H3.2.1 actually give rise to any changes in AQs? If so (i) will AQs be recalculated (as of the first month) for all NDM SMPs even if no meter reads in the prior AQ read period, and (ii) if so could there be any threshold changers?

0642A

Base UIG Factor is 2.5% from Implementation Date until first Gas Year for which DESC sets a different Base UIG Factor.

Therefore no issues about October implementation.

No other transition provisions needed other than the Gas Flow Day basis.

Section E

0642

In E7.1, will the first Reconciliation Billing Period to which the new rules (ie settlement error reconciliation) apply, be the Reconciliation Billing Period starting on the Implementation Date? (Such that reconciliation carried out in the month of the Implementation Date, for the RBP ending immediately before the Implementation Date, is based on the old rules.)

Possibly some issues about LDZ reconciliation if it relates to a period more than one month prior to Implementation Date.

In E9, what is the first date (ie start of an AUG Year) from which an AUGE will operate to the new rules (the '*new AUG start date*')? Does it require a new appointment?

From the Implementation Date until the new AUG start date, the UIG Factor is 1.1%. (For E9, it doesn't matter whether the Implementation Date is a 1 October.)

Until new SER allocation factors are determined the SER allocation factors are the same as the UIG allocation factors.

The AUG Table in force as of the Implementation Date will be deemed amended to reflect the abot transitional UIG Factors and SER allocation factors.

What do we need to say about the determination of new SER allocation factors? Will they be set as from the new AUG start date (ie the first time that UIG Factors are set by the AUGE) or a later point in time?

0643

As for 0642, plus need to address 7.1.2(b), how the variable reconciliation billing period starts. Options are:

- period is based on last Offtake Reconciliation up to (and including the month of) the Implementation Date
- retain the rolling 12 months until the first Offtake Reconciliation for a SMP after the Implementation Date.

Also provide for retrospective application/adjustment when detail is developed.

0642A

No transition provisions needed other than the Gas Flow Day basis.