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Document title: 6h - GDWG Option B implementation options (9 Dec)

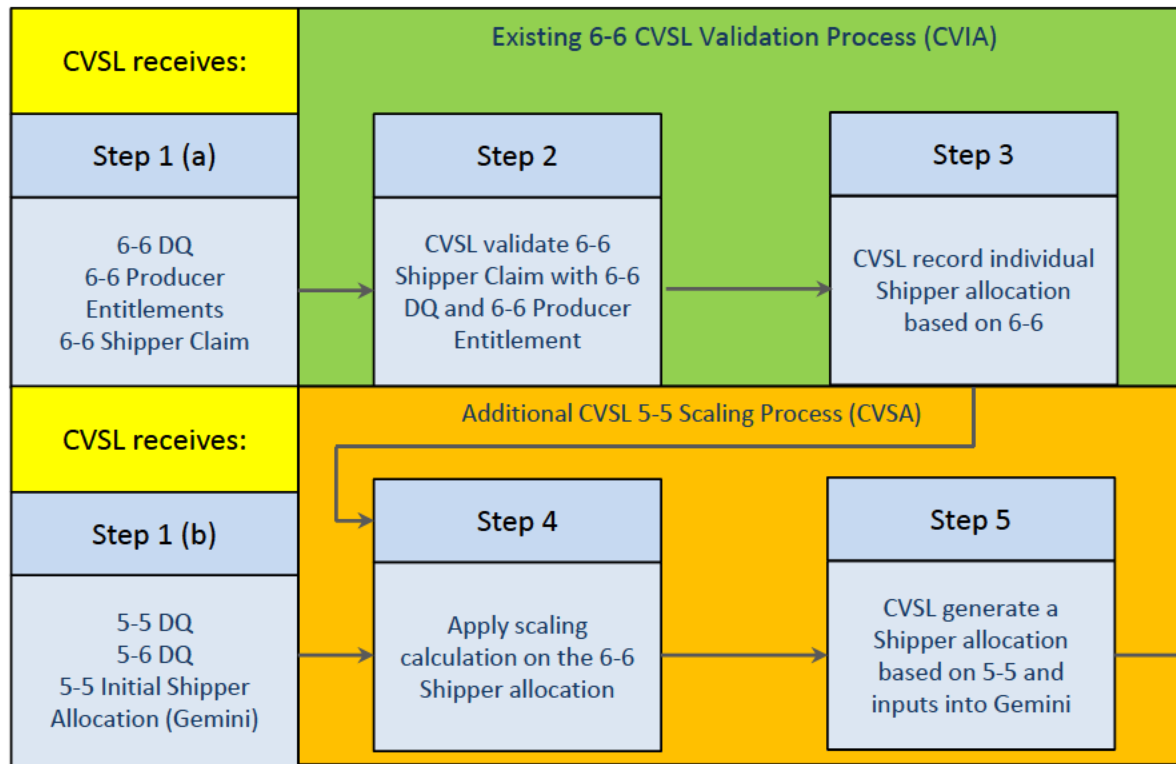
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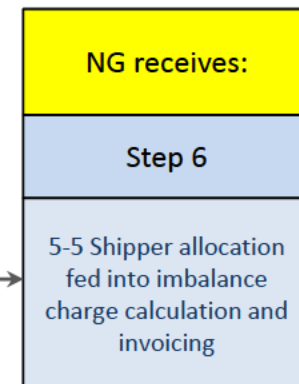
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Option A (for reference)

CVSL process



National Grid process



Option B Overview

Aim

Provide certainty for Shippers by ensuring upstream notified daily deliveries match Network input claims for the purpose of imbalance management

Method

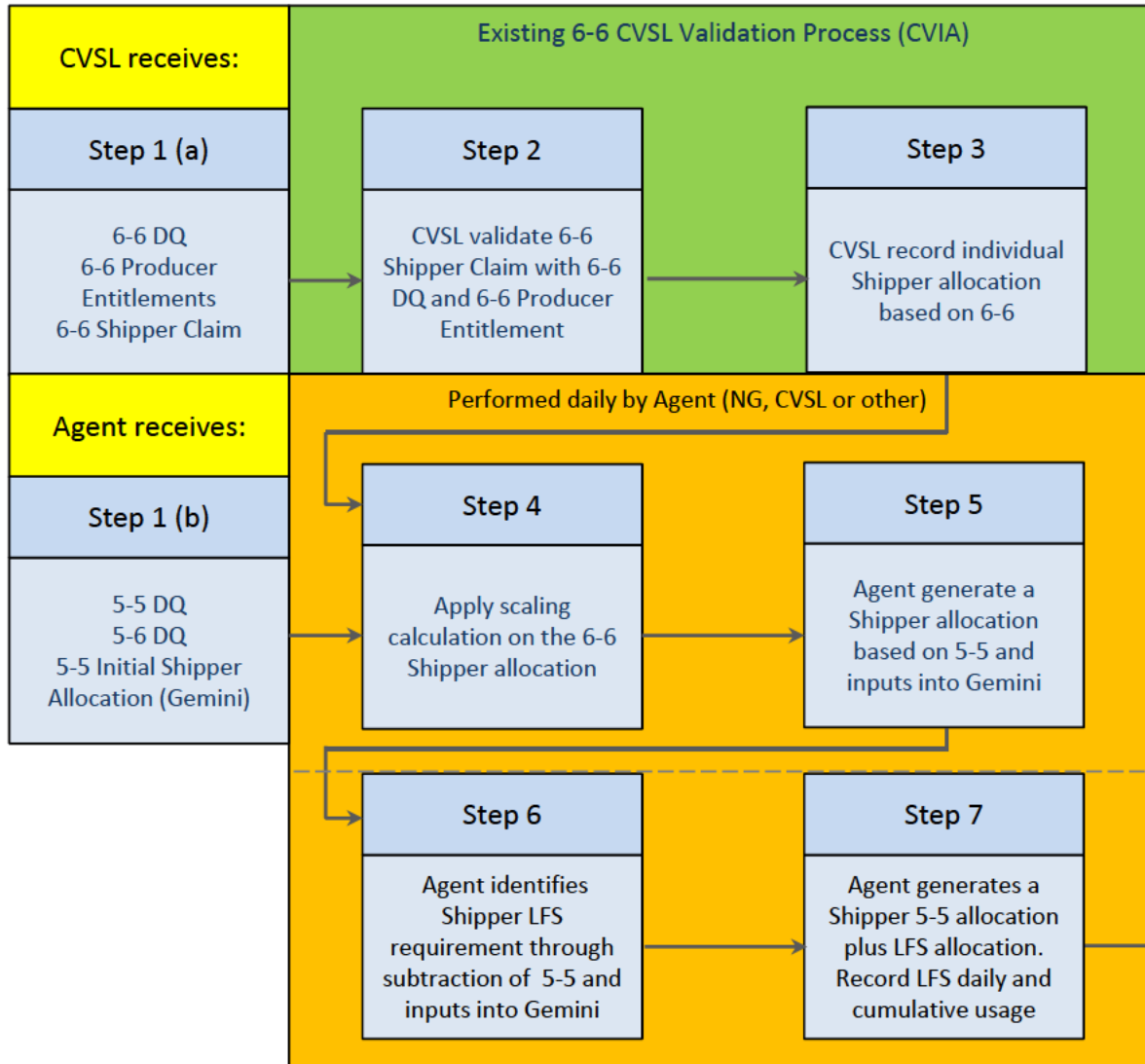
Convert daily Shipper claims, at participating Terminals, from a 06:00-06:00 basis to an 05:00-05:00 basis (using Option A methodology) then use a Linepack Flexibility Service to supplement (or repay) an amount leading to alignment with 06:00-06:00 quantities for use in subsequent imbalance charge calculations

Calculation

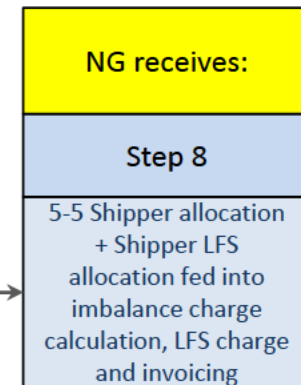
Shipper allocation = 06:00 Shipper claim + the last hour delivery of the previous day - the last hour delivery of the current day + Shipper LFS quantity

Option B (i)

CVSL/Agent process



National Grid process



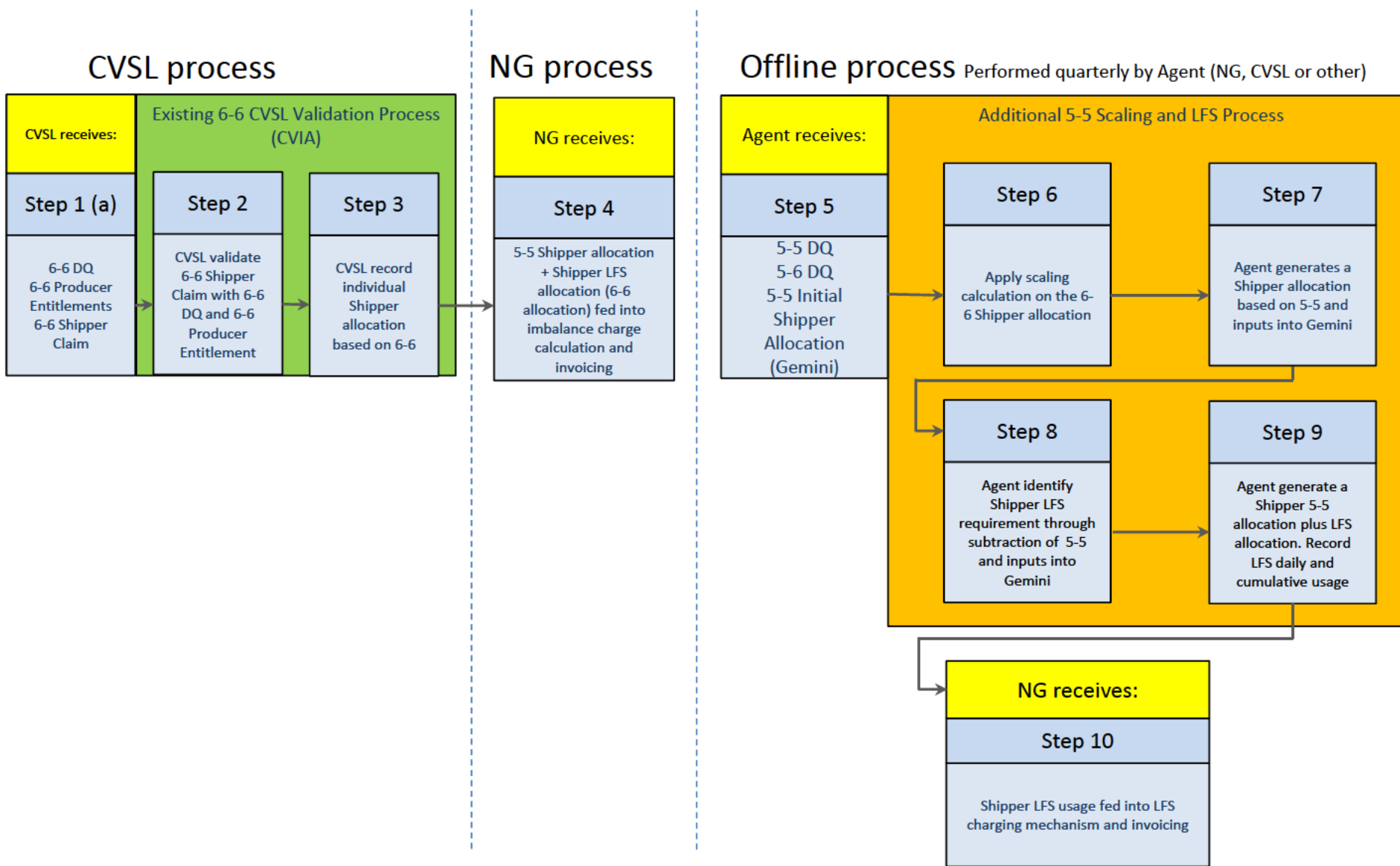
What are the benefits?

Option B (i)

- Shipper within day forecast information will be more accurate
 - Producer forecasts will align with final Shipper claims
- Potential misalignment of upstream purchasing arrangements by Shippers will be avoided
- No requirement to change the CVIA
- Avoids potential liquidity issues due to different arrangements at different Terminals

Back Up

Option B (ii)



What are the benefits?

Option B (ii)

- Shipper within day forecast information will be more accurate
 - Producer forecasts will align with final Shipper claims
- Potential misalignment of upstream purchasing arrangements by Shippers will be avoided
- No requirement to change the CVIA
- Avoids potential liquidity issues due to different arrangements at different Terminals
- Retrospective calculation may relieve any complexity in changes to the CVSA and work required by CVSL
- Timescale to complete any IT change can potentially be extended beyond the implementation date of the gas day change (due to the retrospective nature of the calculation)

What are the risks?

- Adherence to the regulation requires confirmation
- Confirmation is required that retrospective linepack utilisation will not interfere with physical network day to day operations
- Assuming a UNC modification is required can a positive outcome be achieved in sufficient time to allow for IT work scopes?
- Could create additional Shipper costs through LFS charges



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