



# Downstream Reconciliation

Retail Gas Governance Forum

26<sup>th</sup> June 2012

## Background

- **Options Paper December 2011**
- **Downstream Reconciliation Advisory Group**
- **Two Statements of Proposal**
  - **June 2012**
  - **June 2013**

## To discuss today

- **Concept Consulting – Initial allocation algorithm investigation**
- **Statement of Proposal – June 2012**
- **Event audits – AUFG factors**

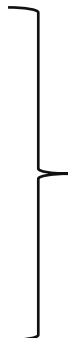
# 1. Concept Consulting

## **Initial allocation algorithm investigation**

## 2. Statement of Proposal – June 2012

**Will be released for consultation shortly**

## Atypical gas gates

- **Direct connect gas gates**
  - **Unmetered/oversized gas gates**
  - **Global 1-month**
- 
- Have been exempted since shortly after “go-live” in 2008*
- ***Statement of Proposal codifies these exemptions***

## Direct connect gas gates

- **Gas Industry Co will determine the list of direct connect gas gates (must consult)**
  - The list may be updated from time to time
- **Transmission System Owners will not need to supply injection information for direct connect gas gates**
- **Rules will distinguish between direct connect gas gates and “allocated gas gates”**
  - Ongoing fees payable at allocated gas gates

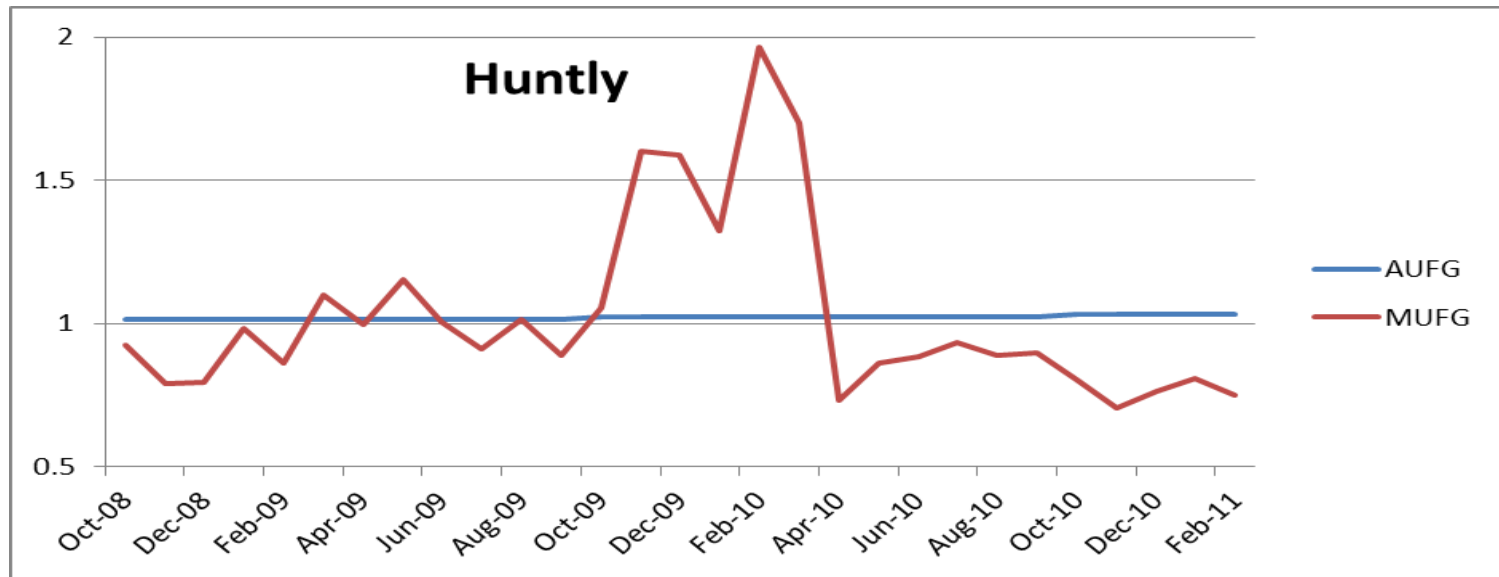
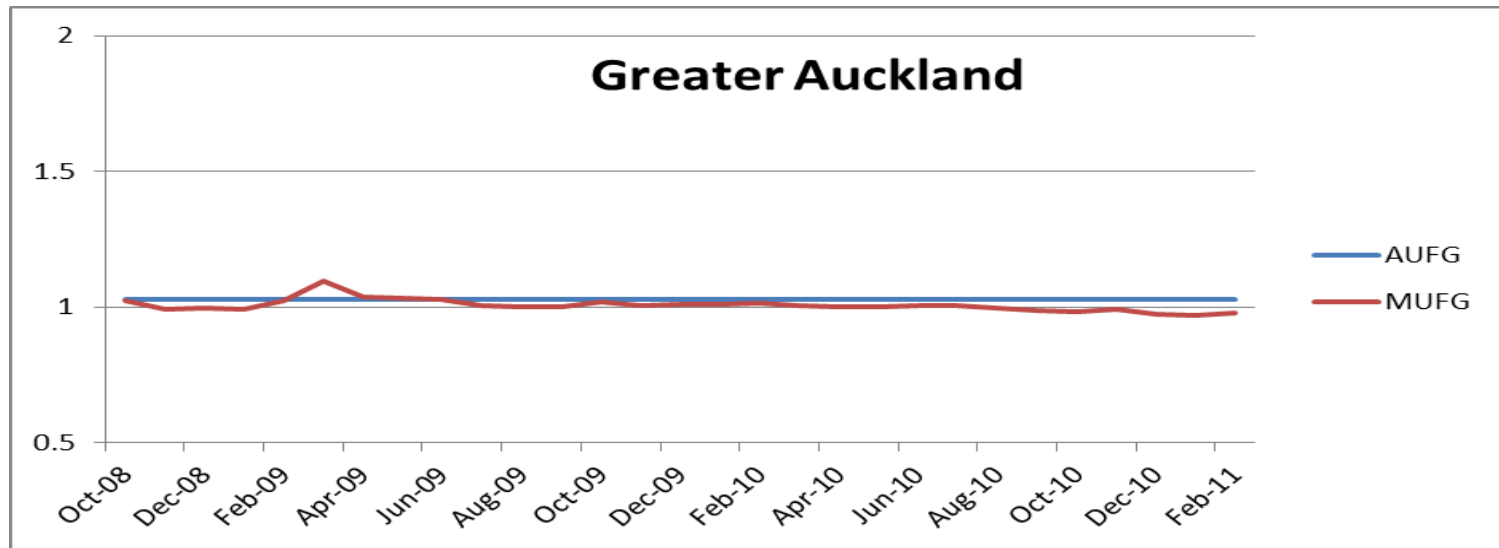
## Unmetered/oversized gas gates

- **Gas Industry Co will determine the list of unmetered/oversized gas gates (must consult)**
- **TSOs do not submit injection information for these gas gates**
- **Allocation agent continues to estimate injection**



## Global 1-month gas gates

- **Problem with some gas gates under the current allocation system where preponderance of TOU-load distorts residual profiles**
- **Typical symptom of there being a problem = variability of the gate's MUFG factor**



## Global 1-month gas gates

- **Gas Industry Co determines list of G1M gas gates by applying criteria listed in industry guideline (to be consulted on)**
- **Criteria likely to be:**
  - **80% TOU load and**
  - **$\pm 0.1$  MUFG**
- **Allocations performed as usual but all submissions scaled by  $G1M_{UFG}$  factor**

## Correcting AUFG factors

- New rule permits the correction of AUFG factors when they are found to be (materially) incorrect

	-0.01	Actual	0.01
<i>AUFG factor</i>	1.01	1.02	1.03
<i>MUFG factor</i>	1.04896	1.033	1.017
<i>Injection</i>	1000	1000	1000
<b>TOU consumption</b>			
Retailer 1	500	500	500
Retailer 2	100	100	100
<b>Mass market consumption</b>			
Retailer 1	0	0	0
Retailer 2	375.61	375.61	375.61

Allocation results				
<b>Corrected (-0.01)</b>				
	TOU	Mass market	Total	Change
Retailer 1	505	0	505	-5
Retailer 2	101	394	495	5
<b>Actual</b>				
	TOU	Mass market	Total	Change
Retailer 1	510	0	510	
Retailer 2	102	388	490	
<b>Corrected +(0.01)</b>				
	TOU	Mass market	Total	
Retailer 1	515	0	515	5
Retailer 2	103	382	485	-5

## Daily metered energy quantities

- **New definition removes references to “actual” in the Rules**
  - **“Actual” has caused problems when estimated TOU data/estimated injection data has been provided/submitted to the allocation agent**
- **Where no reliable meter data is available, estimation will be allowed (as long as it is consistent with Schedule 1 of the Rules)**
- **Estimation methodologies (if any) will be covered by performance audits**

## Other proposals in the SoP

- **Rule 42 to be deleted**
- **Amend requirements on retailers to provide trading notifications**
- **Performance audits to be carried out whenever a participant plans to carry out a major system change**
- **Other minor and technical amendments**

## Proposals not in the SoP

- **No change to apportionment of ongoing fees**
- **Breaches notifications will not be extended to meter owners**
- **No change to the exemptions process**

### 3. Event audits

- **Allocation agent has calculated AUFG factors for gas year 2012/13**
- **Some gas gates with  $AUFG < 0.96$  and with  $AUFG > 1.04$**
- **Should event audits be commissioned?**



Gas Gate	AUFG	Injection	ICPs
GTW06910	1.0524	310064	6191
PAU20101	1.0657	131132	3282
LAB20201	0.9498	29114	118
TKN17001	1.1021	25816	155
WVY23601	0.8990	25384	7
RAM15201	1.0598	18587	3
ORD24701	0.9237	6160	4
OPO32001	0.9294	6026	112
NGW14501	0.8858	3227	151
OKA13201	1.0884	1663	58
PIR31101	1.0779	1454	48
PAH23101	0.6115	728	21
KIG16801	0.7867	583	5
MTG17301	0.6231	563	35
EGC30702	0.8473	368	6
PGH15901	0.3248	17	1