



DAWG MEETING #8

DATE:

7 October 2015



Agenda

- MBB implementation
- Update from Vector
 - Daily BPP development
 - VTC side letter
- Discussion of Vector's costs and possible funding
- Business rules

Vector's costs and funding

- Vector is incurring costs associated with BPP/GTA:
 - setup/development costs
 - ongoing costs to deliver BPP information daily on business days
- Vector sees no benefit to itself from daily BPP information, but
 - is the Gas Transfer Agent
 - is the only party with the necessary inputs
 - derives benefits from being able to manage its own position (both as TSO and gas trader)
- Seeks a contribution to costs from GIC
- Current year GIC “rules change” budget fully committed – and then some

Vector's costs and funding (2)

- Informal soundings have indicated:
 - shippers are already shouldering their own costs for MBB
 - reluctance to share Vector's costs
 - but, if it gets things moving then may be willing to swallow that rat subject to conditions
- Conditions include:
 - payment on results
 - TSO derives benefits so must also contribute
 - fixed contribution (i.e. Vector manages costs)

Vector's costs and funding (3)

Cost category	Amount
Applications development, launch and transition to fully supported system (Jul 2015 – Mar 2016)	\$180,000
IT Support (7am to 5pm, business days)	\$50,000 p.a.
Operation of system (2pm to 5pm, business days)	\$50,000 p.a.

Possible source(s) of funds

- In FY2015 GIC:
 - under-recovered on wholesale levy and under-spent on wholesale work-streams
 - was on-budget with retail levy revenues and under-spent on retail work-streams
- Board policy is generally to return over-recoveries/under-spend
- Downstream reconciliation is clearly a “retail” activity
- **Would Shippers forego a portion of the [retail] levy refund to contribute to the cost of obtaining daily BPP information?**

Previously discussed: D+1 processes and business rules (7 days a week)

Data	Check	Draft business rules
1. Refresh D+1 model parameters (Monthly)		<ul style="list-style-type: none"> Uses initial allocation results as soon as practicable after publication
2. Get registry data to determine responsible retailer for ToU customers	Notification of pending switches not yet in registry?	<ul style="list-style-type: none"> Retailers: must notify GIC of a pending switch no later than 5PM of the business day before the switch is to take effect. Email must show agreement of both gaining and losing retailer If registry data not available, use previous day
3. Receive delivery point injection data from Vector transmission via GIEP exchange	Complete list? Any zeroes?	<ul style="list-style-type: none"> D+1 model to estimate missing values Zeroes accepted as true <p>Note data only validated on weekdays; D+1 system uses best available data at time of running</p>
4. Receive telemetry ToU data <ul style="list-style-type: none"> a. From AMS (GIEP) b. From Contact (email) c. From Genesis (email) 	Complete list? Any zeroes?	<ul style="list-style-type: none"> D+1 model to estimate consumption for ToU ICPs without consumption data Zeroes accepted as true <p>Note data only validated on weekdays; D+1 system uses best available data at time of running</p>
Completed 1 hour prior to provision of D+1 results		

Previously discussed: D+1 processes and business rules (7 days a week) (part 2)

Data	Check	Draft business rules
5. Run D+1 model – allocation to pools	<ul style="list-style-type: none"> Do allocated volumes sum to total gate volumes in pool? 	<ul style="list-style-type: none"> If system unavailable, use D+1 allocation results from same day previous week, scaled to yesterday's gate injections
6. Subdivide pool allocations to gas gates	<ul style="list-style-type: none"> Do allocated volumes sum to gate volumes? 	
7. Provide results via GIEP process <ul style="list-style-type: none"> a. Vector b. Individual shippers c. GIC 		<ul style="list-style-type: none"> If GIEP exchange is unavailable, results can be emailed.

Notes:

- Gate injection and consumption data inputs cover the entire month. Calculation is re-done each day for entire month, using latest data
- D+1 allocation does not include direct connect gas gates or Nova gas gates

Business rules for BPP

Situations:

- GIC unable to produce D+1 allocations (similar to rule 5 above?)
- Vector unable to provide BPP results
Default rule for shippers to take certain % of pool cashout? Based on allocated volumes?
- BPP calculated 5 days/week, so Fri/Sat/Sun all calculated on Monday? Does that mean a change to the time shippers get information?
- How are gas gate metering corrections dealt with? Corrected during month?
- Welded point metering corrections

Business rules – next steps

1. GIC to write up draft business rules to circulate to DAWG to check completeness/accuracy
2. GIC to circulate to shippers, MDL, and Vector for comment

Next meeting

- Thursday, 22 October?