MEMORANDUM

TO: Pipeline Users

FROM: First Gas

DATE: 2 December 2017

RE: Agenda Item E – D + 1 Allocations

At the GTAC workshop on 17 November 2017, First Gas agreed to review provisions giving effect to D+1 allocations and providing for default allocation if shippers no longer use D+1 allocations or daily information is not available. (Agenda Item E).

A mark-up of the proposed changes is attached. Only parts of the code that give effect to these changes have been included in this document. The intent of the changes is listed below along with the action item being responded to.

*Reference to D+1 arrangements (item 41)*

* A reference to current D+1 arrangements with the GIC and successor arrangements has been inserted into section 6.11(a)
* Wash-ups pursuant to current D+1 arrangements with the GIC and successor arrangements have been incorporated into the definition of Wash-ups

*Fallback procedure for allocations (item 42)*

* In the case where the GIC no longer provides D+1 values under an industry arrangement, the fallback procedure will be to allocated based on DNC for that day (as specified in section 6.11(b)).

*Allocation at dedicated delivery points*

* We have inserted a new provision (sections 6.12) to require an Allocation Agreement at all Dedicated Delivery Points, even those used by only one Shipper. As most if not all Dedicated Delivery Points will be part of a Delivery Zone this is so First Gas will know who the Shipper is (since NQs are for the zone, not each point). At a Dedicated Delivery Point used by just one Shipper the rule for allocating deliveries will be very simple, as set out in section 6.13(a).

*Provision of Information*

* It is intended that information will be provided every Day.

We welcome comment on these mark-ups by **5pm Wednesday 6th of December 2017.**

## Marked Up Sections Relevant to D+1 Allocations

# definitions and construction

## Defined Terms

* 1. In this Code:

*Wash-up* means, as the context requires:

* + 1. any adjustments to previously determined Daily Delivery Quantities:
       1. determined by an Allocation Agent, including adjustments arising from “interim allocations” and “final allocations” (as those terms are defined in the DRR); and
       2. to correct for Metering errors or the miscalculation of energy quantities; or
    2. any adjustment to a previously determined Receipt Quantity,

where the effect of such adjustments shall be as set out in the Wash-up Agreement or, in the absence of such an agreement, in the manner reasonably determined by First Gas;

*Wash-up Agreement* means the agreement at any time between all Shippers, OBA Parties and First Gas setting out how Wash-ups will affect those parties, including their Running Mismatches;

# energy allocations

## Delivery Quantities under an Operational Balancing Arrangement

* 1. Subject to *section 6.12*, where an OBA applies at a Delivery Point, a Shipper’s Daily Delivery Quantity will be its Approved NQ.

## Delivery Quantities under the Downstream Reconciliation Rules

* 1. Subject to *section 6.11*, at each Delivery Point where the DRR apply, each Shipper’s Daily Delivery Quantity will be determined by the Allocation Agent under the DRR.
  2. Each Shipper agrees that at each Delivery Point where the DRR apply its “initial” (as that term is defined in the DRR) Daily Delivery Quantity for each Day will be determined:
     1. in accordance with an industry agreement (approved by all Shippers, First Gas and the GIC) and provided to First Gas each Day in arrears; or
     2. if Daily Delivery Quantities are not provided pursuant to *section 6.11(a)* for any reason, or in the absence of the industry agreement referred to in *section 6.11(a)*, by First Gas as soon as practicable after each Day as the quantity of Gas equal to:

MQ × DNCSHIPPER ÷ DNCTOTAL

where, for that Day and Delivery Point:

MQ is the metered quantity;

DNCSHIPPER is the Shipper’s DNC; and

DNCTOTAL is the aggregate DNC of all Shippers.

## Delivery Quantities at a Dedicated Delivery Point

* 1. At each Dedicated Delivery Point, irrespective of the number of Shippers using it, there shall be an Allocation Agreement.
  2. Where the Delivery Point is used by:
     1. only one Shipper, First Gas will be the Allocation Agent and that Shipper’s Daily and Hourly Quantities will be the respective metered quantities; and
     2. more than one Shipper, each Shipper’s Daily and Hourly Quantities will be the respective quantities determined by the Allocation Agent appointed under the Allocation Agreement.

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# schedule two: information to be published

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| --- | --- | --- |
| ***Section*** | **Item** | **Frequency of Publication** |
| *5.5* | Daily Delivery Reports;  Hourly Delivery Reports | For Metering that First Gas monitors by telemetry (including SCADA), as soon as practicable and not later than (on the next Day after a Day):  Unvalidated data by 1000; and Validated data by 1200 |