

Stage 02: Workgroup Report

AQ Review Workgroup Report January 2016

At what stage is this document in the process?

- | | |
|----|---------------------------|
| 01 | Modification Proposal |
| 02 | Workgroup Report |
| 03 | Draft Modification Report |
| 04 | Final Modification Report |



A proposal to update the AQ values within the CSEP NExA Table in line with the process set out within the iGT AQ Review Procedures Ancillary Document



Workgroup recommends that the Proposed CSEP NExA Table is implemented



High Impact:



Medium Impact:



Low Impact:
Pipeline Operators; Pipeline Users

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About this document:

The purpose of this report is make a recommendation to the Panel, to be held on 20th January 2016, on whether the Proposed CSEP NExA Table should be implemented in line with the process set out in the iGT AQ Review Procedures Ancillary Document.



Any questions?

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1. Plain English Summary

Is this a Self-Governance Modification?

In line with the iGT AQ Review Procedures Ancillary Document and subject to Modification Panel approval, implementation of the Proposed CSEP NExA Table does not require an Authority Decision. Modification Rules for this proposal are distinct and are set out in full in the iGT AQ Review Procedures Ancillary Document.

Rationale for Change

IGTs are required to adopt the AQ values present within the CSEP NExA AQ Table for the purpose of calculating domestic transportation charges through the Relative Price Control (RPC) Charging Methodology. The AQ values represent an estimate of the value of gas consumed in accordance with geographic location and house type.

Changes to the AQ values are necessary to take account of revised Seasonal Normal Demand data (produced by the UNC Demand Estimation Sub-Committee) and the impacts of demand destruction resulting from climate change, energy efficiency measures and increased energy prices.

The Proposed CSEP NExA Table seeks to introduce the most up to date AQ values into the iGT UNC, providing reassurance to all parties that ongoing pricing reflects the current average consumption levels, and is as accurate as possible.

Solution

The iGTs have calculated a revised table based on the latest information and in line with the iGT AQ Review Procedures Ancillary Document. Subject to Modification Panel approval, the Current Table within Section 2 of the CSEP NExA Tables Ancillary Document will be amended to reflect the Proposed CSEP NExA Table. The existing table will be transposed to Section 3 Previous Tables.

Implementation

In line with the iGT AQ Review Procedures Ancillary Document and subject to Modification Panel agreement, the Proposed CSEP NExA Table will be implemented in the release scheduled for 24th June 2016.

2. Rationale for Change?

IGTs are required to adopt the AQ values present within the CSEP NExA AQ Table for the purpose of calculating domestic transportation charges through the Relative Price Control (RPC) Charging Methodology. The AQ values represent an estimate of the value of gas consumed in accordance with geographic location and house type.

Changes to the AQ values are necessary to take account of revised Seasonal Normal Demand data (produced by the UNC Demand Estimation Sub-Committee) and the impacts of demand destruction resulting from climate change, energy efficiency measures and increased energy prices.

The Proposed CSEP NExA Table seeks to introduce the most up to date AQ values into the iGT UNC.

3. Solution

The iGTs have calculated a revised table based on the latest information and in line with the iGT AQ Review Procedures Ancillary Document. Subject to Modification Panel approval, the Current Table within Section 2 of the CSEP NExA Tables Ancillary Document will be amended to reflect the Proposed CSEP NExA Table. The existing table will be transposed to Section 3 Previous Tables.

The Proposed CSEP NExA Table was presented to the Workgroup held on 5th January 2016.

The Proposed CSEP NExA Table presented to the Workgroup can be found in Section 8 Legal Text. No objections or challenges were submitted to the Proposed CSEP NExA Table at the Workgroup. The Workgroup was therefore of the view that the existing CSEP NExA Table should be automatically updated with the values contained in the Proposed CSEP NExA Table.

4. Impacts and Costs

There may be some impacts on Pipeline Operators in terms of applying new CSEP values to contracts. It is anticipated that there will be no/limited impact for Pipeline Users.

5. Likely Impact on Consumers

No expected impacts.

6. Likely Impact on Environment

No expected impacts.

7. Implementation

In line with the iGT AQ Review Procedures Ancillary Document and subject to Modification Panel agreement, the Proposed CSEP NExA Table will be implemented in the release scheduled for 24th June 2016.

8. Legal Text

The existing CSEP NExA AQ Table as follows will be moved to Section 3 Previous Tables of the CSEP NExA Tables Ancillary Document:

| Band | House Type | South SW, NT, WS, SO (92%) | | Average WN, SE, NW, EA, EM, WM, NE (0%) | | North NO, SC (108%) | |
|------|--------------------|----------------------------------|--------|--|--------|---------------------------|--------|
| | | AQ (kWh) | Number | AQ (kWh) | Number | AQ (kWh) | Number |
| A | 1 Bed | 5,458 | | 5,985 | | 6,885 | |
| B | 2BF, 2BT | 6,837 | | 7,199 | | 7,926 | |
| C | 2BS, 2BD, 3BT, 3BF | 9,601 | | 10,030 | | 10,390 | |
| D | 3BS, 2BB | 10,719 | | 10,927 | | 11,005 | |
| E | 3BD, 3BB | 12,412 | | 13,240 | | 15,381 | |
| F | 4BD, 4BT, 4BS | 14,871 | | 16,008 | | 18,112 | |
| G | 5BD, 5BS, 6BD | 21,801 | | 22,748 | | 24,243 | |

The Proposed CSEP NExA AQ Table as follows will form Section 2 Current Table of the CSEP NExA Tables Ancillary Document:

| Band | House Type | South SW, NT, WS, SO (92%) | | Average WN, SE, NW, EA, EM, WM, NE (0%) | | North NO, SC (108%) | |
|------|--------------------|----------------------------------|--------|--|--------|---------------------------|--------|
| | | AQ (kWh) | Number | AQ (kWh) | Number | AQ (kWh) | Number |
| A | 1 Bed | 5,638 | | 5,923 | | 7,050 | |
| B | 2BF, 2BT | 7,030 | | 7,094 | | 7,955 | |
| C | 2BS, 2BD, 3BT, 3BF | 9,555 | | 9,714 | | 10,226 | |
| D | 3BS, 2BB | 10,418 | | 10,595 | | 11,259 | |
| E | 3BD, 3BB | 12,295 | | 12,799 | | 15,183 | |
| F | 4BD, 4BT, 4BS | 14,643 | | 15,560 | | 17,754 | |
| G | 5BD, 5BS, 6BD | 21,445 | | 22,035 | | 23,542 | |

9. Recommendation

The Workgroup invites the Panel to:

- **AGREE** that the Proposed CSEP NExA Table be automatically implemented in the release scheduled for 24th June 2016.

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