

## **1. INFORMATION FLOWS – NG KEY INDUSTRY DATA FLOWS**

### CVIA

Terminal Operators	Entry Point Statement
Producers	Daily Entitlement Statement

### CVSA

Shippers	Daily Activity Log
Trader-Principals	Trade Sales + Purchases
National Grid	DQ

October 2013 – Typical Month

7,388 Base Purchases

1,607 Trades

3,441 Revisions

12,436 Total Transactions

Billable transactions exclude producer/EPO revisions

## **2. PROCESSING OF INFORMATION**

Exact Match to DQ (nominations default)

D+1, M+1 & M+15 Deadlines

Aggregate DQ October 2013 – 63,141,447,857 kWh

Total Over-claimed for month          14,486 kWh

713 Sub Terminal Days                  Average over-claim 20kWh/Sub-terminal Day

Over-claimed error is 0.00002% - This is typical

## **3. SIGNIFICANCE OF CVIA**

Universal provision of data by Producers

Any over-claim will automatically be dealt with by first stage DES/DAL matching

All offshore trades clear

Comprehensive Producer Agreement and CVSA Designation by Ofgem

#### **4. PRE-CVIA**

Chaotic Validation with unacceptable losses

200,000 kWh materiality threshold for sub-terminal day

At worst individual sub-terminal day 20,000,000 kWh over-sold

#### **5. WHAT IF CVIA IS NOT UNIVERSAL ?**

October 2013 Aggregate DQ 65billion kWh

Some terminals can change to 05:00 without problem

Reduces DQ to 46 billion kWh (Inter-connectors/LNG etc.)

One third of percent oversold – 5.17m therms at 70p - £3.6million

Annualised £43million – recurring but may/should reduce over time

Is this a net cost to UK plc or just a mis-allocation?

Burden fall on producers not party to 05:00 CVA Arrangements

Disproportionate effect on older fields that can't change to 05:00 (see example)

Does cost fall on producers or shippers

Will this affect field life economics or price?

Does this impact upon beach transactions/liquidity/competition?

Cost of resolving disputes?

#### **6. DQ**

Sometimes establishing DQ is process rather than event

Generally a few sub-terminal days still being revised at close-out

Revisions are generally upwards and can be for millions of kWh

CVA query DQs with NG – CVS team generally correct

Unravelling CVIA may impinge upon CVA team's ability to successfully query DQs

## **7. Manifest errors**

Current UNC position – Ofgem “letter of comfort” on Post Close-out Correction

So far, M+15 submission is final, never needed to be re-opened

Errors after M+15 require UNC Mod to resolve

## **8. Shipper Cash Calls**

D+7, M+1 and M+15 Entry Allocation Statements to NG

M+1 run for EBCC to reduce unnecessary cash calls

Out of synch, days re-run to support cash call appeals, sometimes 20-30 per month

CVIA unravelling - detrimental impact on process

Incidence of Cash Calls

Shipper Credit Limits

## **9. Progress towards 05:00 Gas Flow Day ?**

**CVSL presentation to Ofgem Open Meeting on 12<sup>th</sup> February 2014**

Example 1

	DES	DAL		RBQ
Alpha Gas	4,029,052	4,029,052	4,029,052	4,029,052
Bravo Gas	0	134,799,777	134,799,777	134,799,756
Charlie Gas	4,029,111	4,029,111	4,029,111	4,029,111
Delta Gas	27,232,333	27,232,311	27,232,333	27,232,333
Echo Gas	32,748,361	32,748,300	32,748,361	32,748,361
	<u>68,038,857</u>	<u>202,838,551</u>	<u>202,838,634</u>	<u>202,838,613</u>
			BQ	202,838,634
			DQ	202,838,613
		overclaim	21	0

Example 2

	DES	DAL		RBQ
Alpha Gas	0	4,029,052	4,029,052	3,029,031
Bravo Gas	135,799,777	135,799,777	135,799,777	135,799,777
Charlie Gas	4,029,111	4,029,111	4,029,111	4,029,111
Delta Gas	27,232,333	27,232,311	27,232,333	27,232,333
Echo Gas	32,748,361	32,748,300	32,748,361	32,748,361
	<u>199,809,582</u>	<u>203,838,551</u>	<u>203,838,634</u>	<u>202,838,613</u>
			BQ	203,838,634
			DQ	202,838,613
		overclaim	1,000,021	0