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Emergency Curtailment Quantity

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Agenda

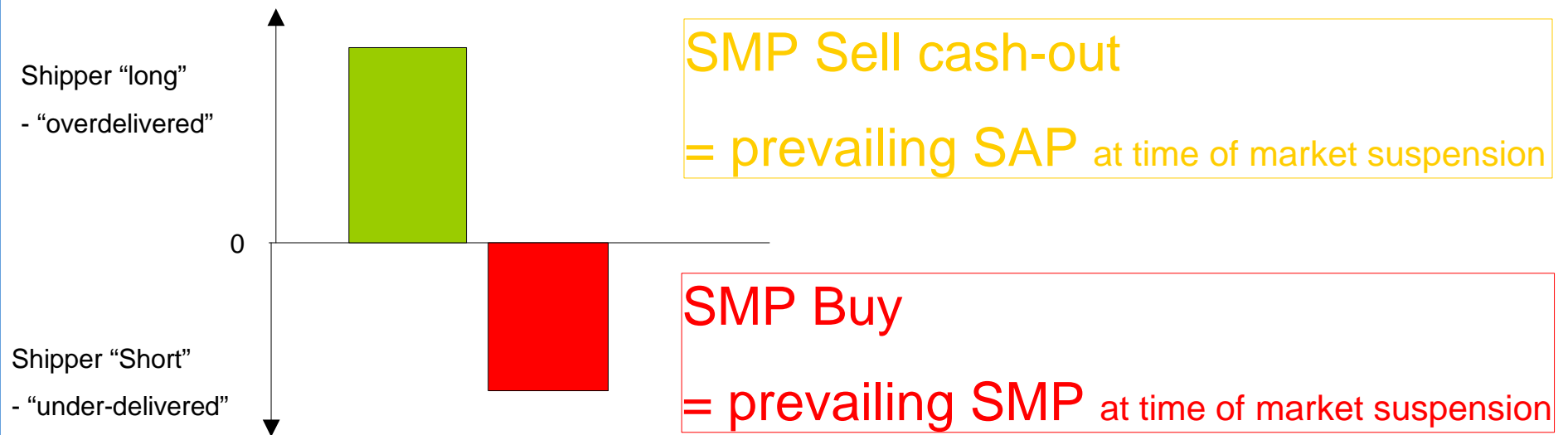
- ◆ Objectives
- ◆ Cash out
- ◆ Methodology
- ◆ P70 and P71 Notices

Mod 0044 – Objectives

- ◆ Provide incentive on Shippers to contract for sufficient gas / demand side response to meet demand for severe conditions
 - ◆ Alters emergency cash out arrangements
 - ◆ From – Single Cashout Price i.e. 30 Day Rolling SAP for Over and Under Delivery
 - ◆ To – Dual Cashout Price i.e. SMPBuy for Under delivery
SMPSell for Over delivery
- ◆ ECQ calculated to ensure that no shipper benefits from the emergency curtailment of demand.
- ◆ Transporters calculate ECQ
- ◆ Disputes process

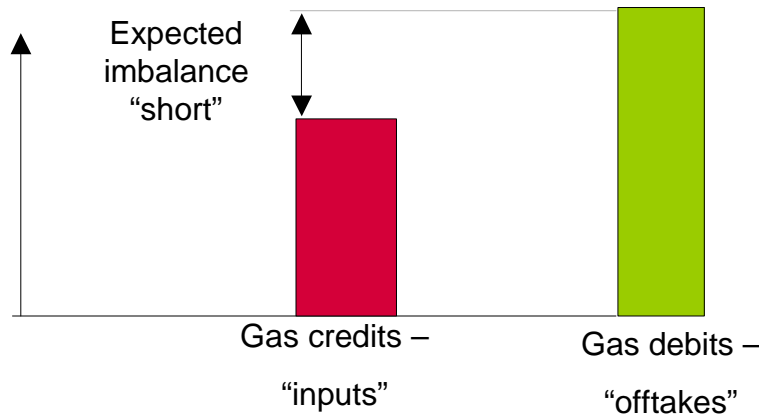
Post Modification Proposal 0044 - Emergency Cashout Arrangements

After market suspension single priced cash-out replaced with dual priced cash-out



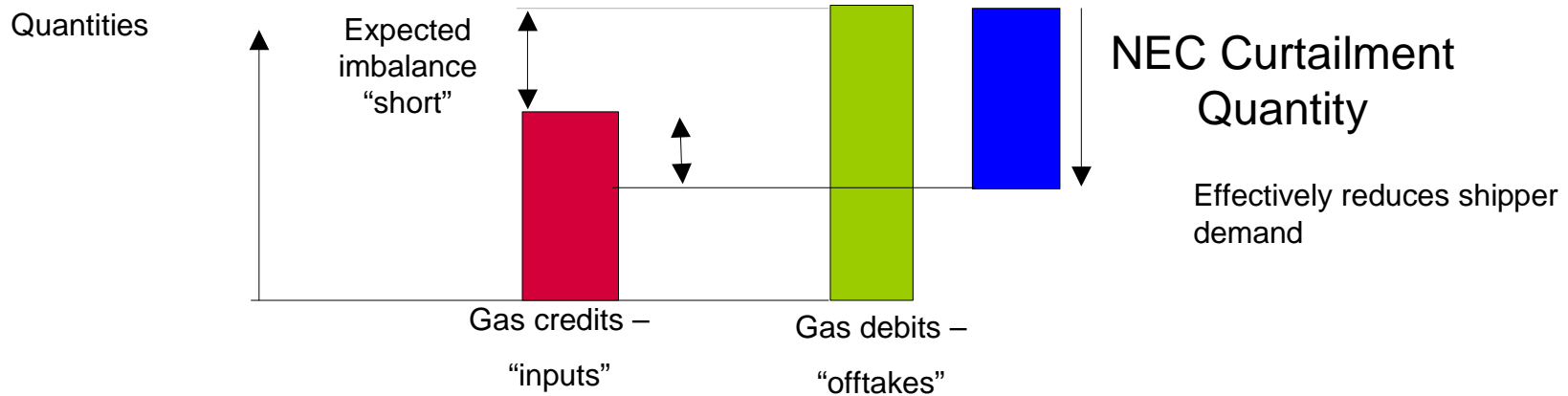
Post Modification Proposal 0044 - Emergency Curtailment Quantity (ECQ)

Quantities



Position prior to
NEC Curtailment

Post Modification Proposal 0044 - Emergency Curtailment Quantity (ECQ)

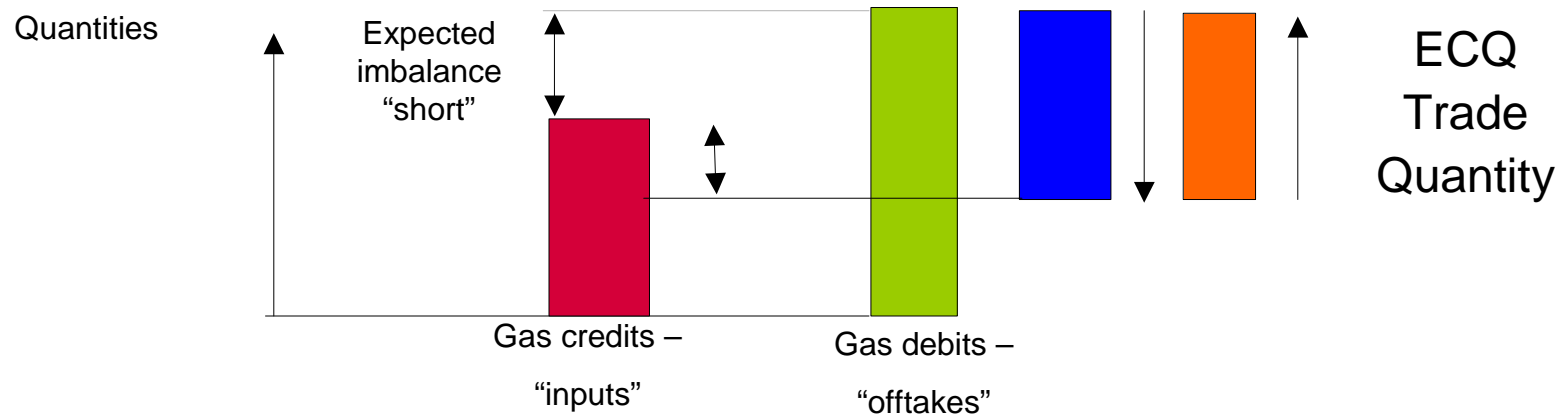


Without 0044 Shippers "short position" would be translated into a long position

The NEC would effectively remove exposure from the shipper; reducing incentives to balance

... therefore 0044 introduces the concept of an ECQ Trade , where the shippers offtakes are increased

Post Modification Proposal 0044 - Emergency Curtailment Quantity (ECQ)



Application of ECQ Trade Quantity effectively increases demand

Shipper is paid 30 day SAP for this Trade Quantity

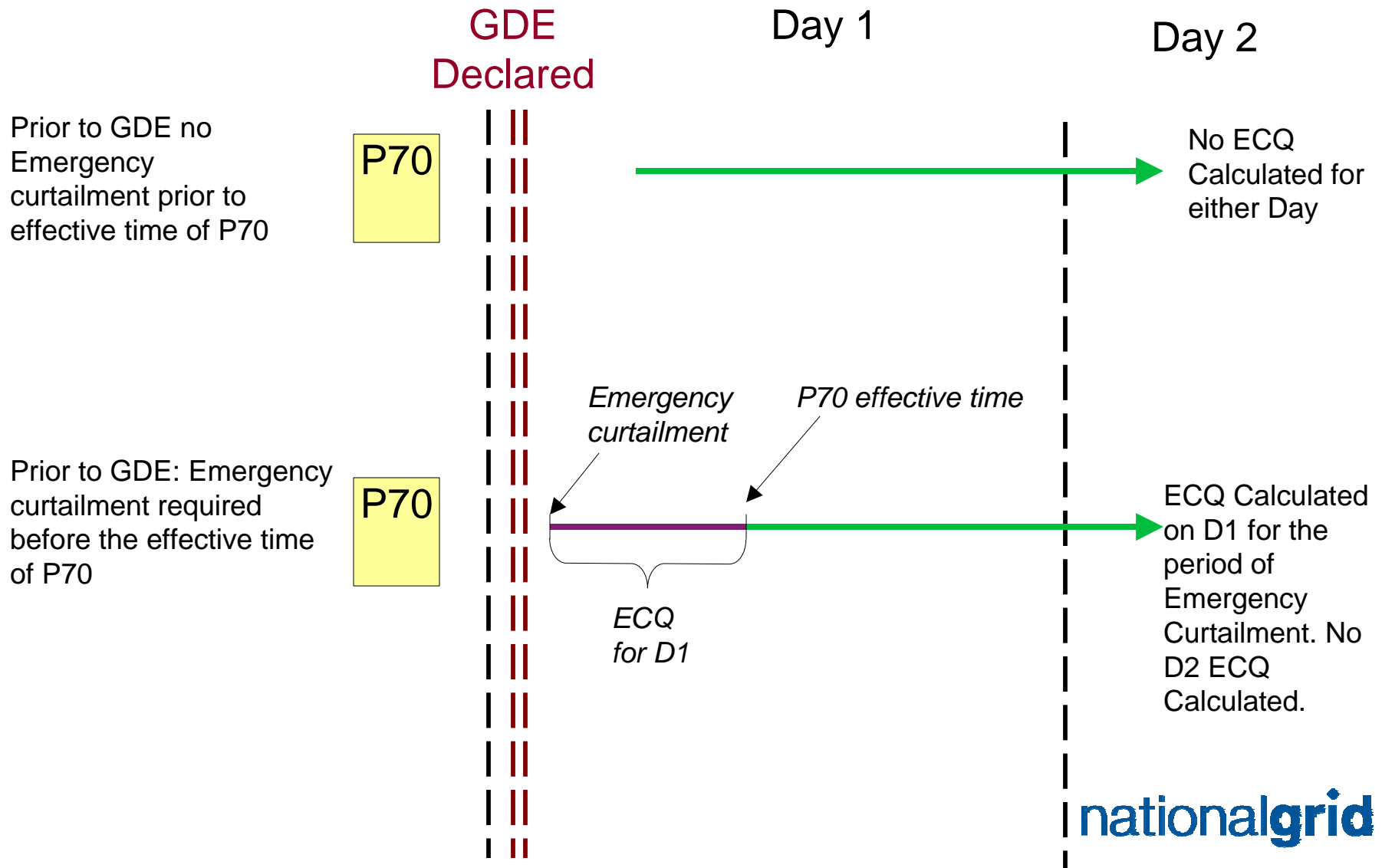
Mod 0044 – Methodology

- ◆ Calculation of the ECQ will be based on one of the following methods
 - ◆ OPNs where available
 - ◆ Nominations
 - ◆ Allocations starting with D-7 and rolling back if no data is available
 - ◆ Flexi SOQ / SOQ
- ◆ Approach chosen will depend upon data availability
- ◆ All transporters have common and tested processes in place to derive ECQ contributions and to pass to National Grid NTS as “aggregator” for NBP Trade Nomination purposes

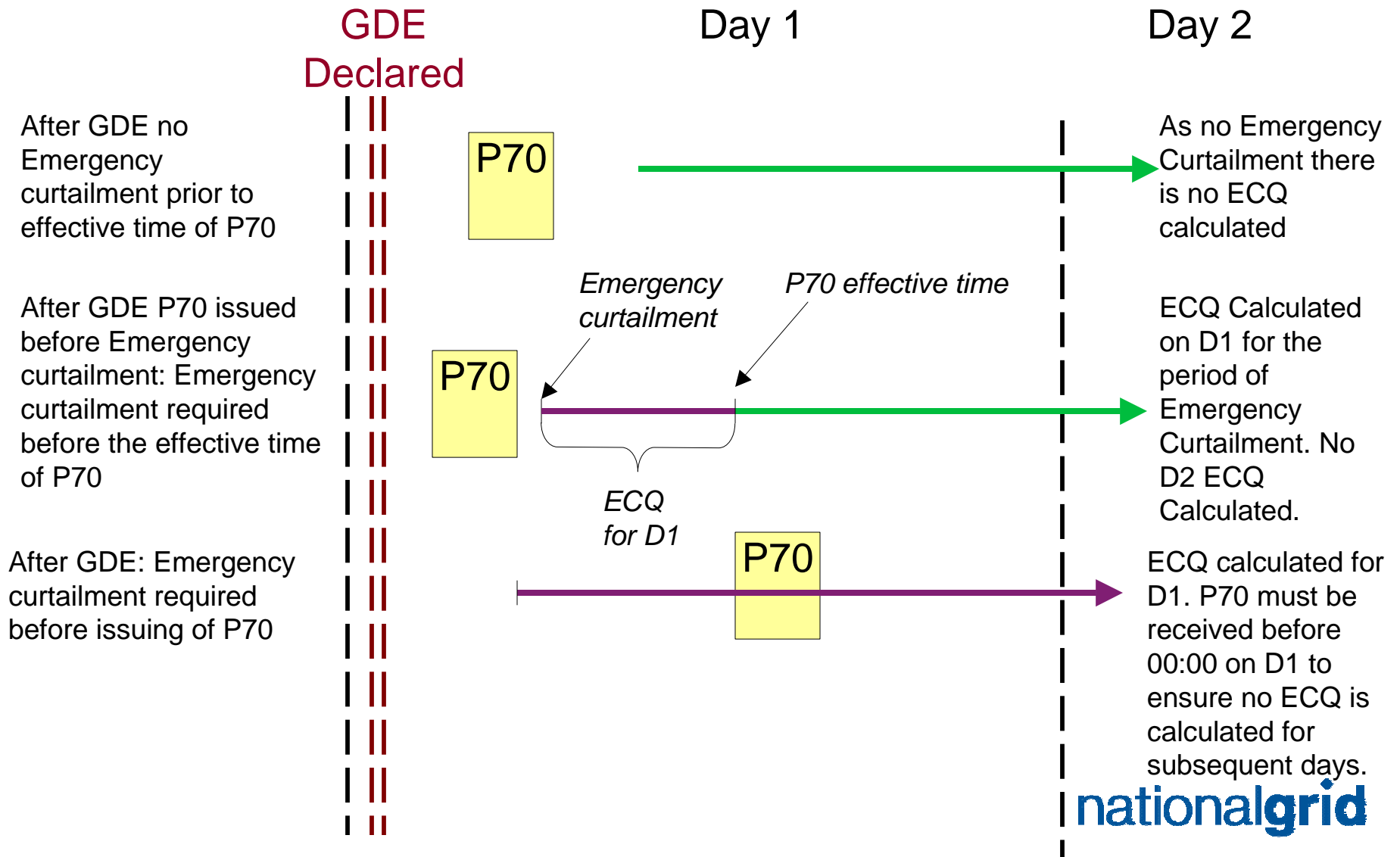
P70 and P71 process and ECQ Calculation

- ◆ Accounting for Shipper Commercial Interruption
 - ◆ Interruptible – P70I
 - ◆ Firm – P70F
- ◆ Ensures that ECQ calculation takes account of shipper Interruption
- ◆ Interruptible P70s and P71s are recorded on SC2004
- ◆ Firm P70s and P71s recorded on ECQ Manager Database
- ◆ P70 / P71 forms on Xoserve Xtranet site – Requires password

P70 process and ECQ Calculation



P70 process and ECQ Calculation



P71

- ◆ P71s cannot be issued whilst Emergency Curtailment remains enforced.
- ◆ After Emergency Curtailment has been restored P70s will remain in force.
- ◆ After Emergency Curtailment has been restored P71s must be issued to indicate that Shipper Interruption has ceased.
- ◆ P70s for the NTS should be sent to the GNCC
- ◆ P70s for the LDZs should be sent to the DNCC