

Post-Emergency Claims User Guidelines

Version 1.0

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Post-Emergency Claims - User Guidelines

1. Introduction

These Guidelines have been developed as a result of the implementation of Modification Proposal 0260 - 'Revision to the Post Emergency Claim Arrangements'.

The intent of this document is to provide User Guidelines that detail the processes and procedures Users are required to undertake when seeking to submit an eligible Post-Emergency Claim (PEC) relating to additional gas supplied to the UK Gas System during a Gas Deficit Emergency (GDE).

As well as providing comprehensive Guidelines associated with the PEC process this document also includes reference material which facilitates the registration of Physical Market Offers (and trades) onto the OCM Physical Market and the reciprocal Physical Renomination processes required to be registered on the UK link System (Gemini).

These Guidelines will provide interface and communication details associated with the PEC process including:

- i. Proformas
- ii. File Formats
- iii. Contact Details
- iv. Forms of Communication
- v. Process Flows

2. What constitutes an eligible Claim?

In respect of the additional gas supplied during the GDE, the User is entitled to apply for recompense of financial losses suffered and may achieve this by submitting a Post-Emergency Claim (PEC) to National Grid NTS.

In accordance with UNC section Q 4.2.6 a User may submit a PEC:

“Where a User (the “Claimant”) believes that it will suffer a financial loss by reason of being paid only the relevant price in respect of any gas delivered to the Total System on a Day during a Gas deficit Emergency (at stage 2 and higher) (but not in respect of a quantity of gas which exceeds the amount of the Claimant’s Daily Imbalance if any under paragraph Q4.2.2 (a)).”

A User may submit a PEC to National Grid NTS where the Network Emergency Co-ordinator (NEC) has declared a Gas Deficit Emergency Stage 2+ for the period that the claim relates to.

In relation to each relevant Gas Day for which a Claimant wishes to submit a PEC; the Claimant must have posted a Market Offer (in relation to a Gas Deficit Emergency on the OCM Trading System *prior* to a Stage 5 (Restoration) being declared by the NEC.

The Claimant must:

- i. have been able to source additional gas supplies above their relevant demand for example, through emergency instructions from the NEC to maximise supplies (Stage 1+).

- ii. have effected demand-side interruption of interruptible or firm DM loads prior to receiving instruction from the relevant transporter upon direction from the NEC to enact Emergency Curtailment at that Offtake and the initiation of the ECQ process (prior to Stage 3)

An eligible Post Emergency Claim will relate to a single Physical Market Offer which:

- i. relates to a Gas Day within a Gas Deficit Emergency Stage 2+
- ii. was registered on (but not taken or, withdrawn from) the OCM Physical Market
- iii. was offered on the OCM Physical Market before the end of duration of the relevant Gas Day
- iv. was offered on the OCM Physical Market prior to the NEC declaring a Stage 5 emergency (restoration).

3. OCM Physical Market Offer - Posting

For the purposes of initiating an eligible Post Emergency Claim the Claimant is required to;

a Posting an OCM Physical Market Offer

To place an offer (or offers), equal to the quantity of the PEC, onto the Physical Market of the 'On the day Commodity Market' (OCM), on the day of the GDE Stage 2+.

The physical offer(s) will be placed on the OCM Physical Market in accordance with the provisions prescribed within the OCM Market Rules.

b Register a nominated EOD Quantity that reflects the Physical Market Offer

At the time that the Claimant places the offer onto the OCM Physical Market, the Claimant is required to register a nominated End of Day (EOD) quantity at the Eligible Trading System Point(s) that would have been associated to the Market Offer(s), had the Offer become a Physical Market Transaction.

c Submit a P70/71 Interruption Notice to National Grid NTS

Where a User instructs an End Consumer to turn off or turn down its demand the User is required to notify National Grid NTS. The P70/P71 interruption notice is required to have been effected where the User wishes to submit a PEC which, relates to a Demand-side Physical OCM Offer. For the avoidance of doubt, a Post-Emergency Claim will be rejected where the System Exit Point had been previously subject to Emergency Curtailment for the relevant GDE Day.

For the avoidance of doubt, in the event that a Physical Market Offer is accepted by a counter-party as a trade, then that Physical Market Offer cannot be submitted by a User as a Post Emergency Claim.

4. OCM Physical Market Offer accepted as a Trade

In the event that the Physical Market Offer is accepted by a counter party on the OCM the offer becomes a Physical market transaction and is processed in accordance with the UNC TPD section D2.2 – ‘Market Transaction and Trading Arrangements’ and D2.3 – ‘Contracted Renominations’.

a Register a Physical Trade Re-nomination

The User will be required to register a Physical Trade Re-nomination onto the UK Link Gemini system. The User must register the Physical Trade re-nomination(s) at the relevant Location(s) with an End of Day quantity that is equal (in aggregate where multiple locations have been used) to the corresponding OCM Physical Offer quantity.

b Modify the nominated EOD quantity set in Section 3.b

In the event that the Physical Market Offer is accepted as a trade, the User will be required to consider whether to ‘reverse’ the action undertaken in accordance with Section 3.b . The rationale for this is to prevent ‘double accounting’ of the nomination and Physical Trade Re-nomination quantities.

Note. Within Gemini, OCM Physical Trade re-nominations i.e. forward and opposite flows, are registered (Special Function ‘OC’) separately from ‘normal’ nominations and renominations (Special Function is blank).

For further Guidelines associated with the registration of a reciprocal OCM Physical Re-nomination into UK Link (Gemini) following the acceptance of an OCM Physical Market Offer as a trade, please refer to the following Link on the National Grid Website:

<http://www.nationalgrid.com/NR/rdonlyres/4191B913-6FEB-4EAE-A66C-142DF0EE9C75/38317/OCMPHysicalRenominationsonGemini.pdf>

This is also available on the National Grid Website (Gas>Operational information>Post Emergency Claims)

National Grid will undertake to provide an annual refresher presentation as part of the Operational Forum.

5. Submitting a Post Emergency Claim

This section seeks to provide details of the information, the processes and procedures required to submit a PEC to National Grid NTS and should be read in conjunction with the UNC TPD Section Q4.2.6.

a When is a Claim submitted?

A User may submit a PEC to National Grid NTS up to 6 Business Days after the relevant GDE Day. Where the GDE has run over several days a separate PEC must be submitted for each day during the GDE.

b Who does the Claimant submit the Claim to?

The PEC will be submitted to National Grid NTS not later than GDE day + 6 business days (the PEC Closeout Date).

Any PEC received after the PEC Closeout Date will be rejected.

PEC Submission contact details are:

gasoperations.shipperliaison@uk.ngrid.com

c Claims submission – Claimant to National Grid NTS interface

As part of the PEC submission, the User will provide the following mandatory details;

- i. Shipper Name/User-ID; Market Transaction ID; Gas Day; claimed quantity (kWh); offer price (p/kWh), time posted on the OCM.
- ii. The Eligible Trading System Point(s) that would have been associated to the Market Offer(s) had it become a Physical Market Transaction.
- iii. For each Eligible Trading System Point provided, the nominated end-of-day quantity for that Gas Day (at the time the offer was placed).
- iv. For each Eligible Trading System Point that would have been associated to a System Exit Point, a copy of the notification pertaining to either; the reduction of offtake at Firm Supply Points or Interruption Notice (P70/P71 notifications). The User is required to submit a P70/71 Interruption Notice to National Grid NTS. Where a User instructs an end consumer to turn off or turn down its demand it is required to notify National Grid NTS. The P70/71 interruption Notice is required to have been effected where the User wishes to submit a PEC which relates to a Demand-side OCM Physical Market Offer.
- v. Justification for the level of the Market Offer Price.

For each PEC the Claimant will submit a CSV file detailing the following information:

Shipper Post Emergency Claim Submission File

RECORD/FIELD NAME	OPT	DOM	LNG	DEC	DESCRIPTION
File header Information					
CREATION_DATE	M	D	8	0	The date on which the file was generated. FORMATT: YYYYMMDD

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CREATION_TIME	M	M	6	0	The time at which the file was generated (within the creation date) FORMAT: HHMMSS	
GENERATION_NUMBER	M	N	6	0	A sequence number which represents an issue of a file from the User.	
File Data						
TRANSACTION_TYPE	M	T	3	0	A code identifying the type of request that this record represents. VALUE : SPS	
SHIPPER_NAME	M	T	20	0	Gemini: Short name	
SHIPPER_SHORT_CODE	M	T	3	0	Gemini: Short code	
ABBREVIATED_NAME	M	T	12	0	The unique Shipper name found within the Gemini OBO_Party_Lookup screen	
GAS_FLOW_DAY	M	D	8	0	The relevant gas day for Post Emergency Claim	
MARKET_TRANSACTION_ID	M	N	10	0	OCM_OFFER_ID	
MARKET_OFFER_DATE	M	D	8	0	OCM Offer date. The date for which the 'Offer ID' was posted. FORMAT: DDMMYYYY	
QUANTITY_CLAIMED	M	N	9	0	Market_Transaction_Quantity (kWh)	
PRICE_CLAIMED	M	N	8	4	Validated against Market_Offer_Price	
TOTAL_NOMINATED_EOD_QUANTITY	M	N	9	0	Nominated quantity (kWh) at the time the OCM Physical Market Offer was posted.	
P70-P71-submitted	M	T	1	0	<u>Y</u> es or <u>N</u> o	
Additional locations (up to 9 entries)						
	LOCATION	M	T	10	0	Gemini Meter-IDs to which the OCM Physical Offers
	NOMINATED_EOD_QUANTITY	M	T	9	0	Nominated quantity (kWh) at the time the OCM Physical Market Offer was posted.
	P70-P71-SUBMITTED	M	T	1	0	<u>Y</u> es or <u>N</u> o
USER_CONTACT_NAME	M	T	30	0	Contact name of user submitting the claim.	
USER_CONTACT_NUMBER (1)	M	N	11	0	Contact number(s) of user submitting the claim.	
USER_CONTACT_NUMBER (2)	O	N	11	0		
PRICE_CLAIMED_JUSTIFICATION	M	T	300	0	Free text box for description of justification.	

Note 1:
OPT - Optional, Mandatory

DOM - Domain i.e. Text.
Numeric
Date
M Timestamp
DEC - Number of decimal places

Note 2:

All the text fields will be enclosed in double quotes

d Claimant to National Grid NTS Interface (spreadsheet)

Provided below is a template of the spreadsheet which is required to be populated and submitted to National Grid NTS by Users in order to initiate a Post Emergency Claim; This is also available on the National Grid Website (Gas>Operational information>Post Emergency Claims)



UNC Post Emergency
Claims v1_01122009.

e PEC - Price Justification

Users are required to provide National Grid with a justification of the offer price claimed as part of the PEC. To this end the 'Shipper Post Emergency Claim Submission File' includes 300 free text field, in which the User will provide details that it considers support the offer price value. The offer price justification details will generally only be considered should the PEC require further evaluation by Ofgem as part of its Economic Price Assessment process e.g. those PECs above the 80% trigger. Users should therefore not feel constrained by the free text field and may wish to send additional supporting justification direct to Ofgem.

Ofgem contact details:

TradingArrangements@ofgem.gov.uk

6. Post-Emergency Claims validation processes

a National Grid NTS 'sense check' validation process

National Grid NTS will validate the PEC to ensure that the correct details have been submitted and cross check details with information provided by the Market Operator. This preliminary validation will be completed by M+16 Business days following the GDE day. At M+16 following the GDE day National Grid NTS will inform the Claimant of the progress of its PEC submitted, both rejected and approved. Please note that National Grid will use best endeavours to highlight any data error in the PEC submission prior to the PEC Closeout Day.

National Grid NTS will undertake the following 'sense check' validation rules on all submitted claims:

- i. The PEC relates to a single Physical Market Offer registered on the relevant the GDE Gas Day, before the end of duration of the relevant GDE Gas Day, and prior to the NEC declaring a Stage 5 emergency (restoration).
- ii. The Claimant has submitted a PEC to National Grid NTS within six (6) Days following the relevant GDE Gas Day, the '**Post-Emergency Claims Closeout Date**'.
- iii. The PEC relates to a Physical Market Offer that remained on the trading system at the end of the relevant GDE gas day.
- iv. The PEC will be rejected where a Claimant registered a Physical Market Offer (based on timestamp) on the Trading System;
 - 1) and the Eligible Trading System Point related to a System Exit Point after the time at which the NEC declared the GDE Stage 4 (Allocation and Isolation) and/or;
 - 2) after the time at which the NEC had declared a GDE Stage 5 (Restoration); and/or
 - 3) The Claimant is not a Registered User at the relevant System Point.
- v. The PEC data submitted by the claimant correspond with data received from the Market Operator.

b xoserve PEC Validation – Scale-back and the Economic Price Assessment Trigger Processes

Following completion of the 'sense check' validation by National Grid NTS, between M+16 and M+26 xoserve will undertake the validation of the PEC against the Claimants imbalance position and will apply the Economic Price Assessment Trigger. (Note: the PEC validation takes place post M+15 Allocation Closeout).

i. Scale-back taking account of Claimant's Daily Imbalance Position

Where the PEC is greater than the Users imbalance (long position) for the relevant GDE day, xoserve will scale-back the claim to the imbalance position. xoserve will apply the submitted offer price to the scale-back volume where there is more than one price for the GDE day, the price will be applied to the volume in ascending order, up to the imbalance quantity.

The following validation assessments will be undertaken:

- 1) The Claimant must have a surplus Daily Imbalance quantity for the relevant GDE Gas Day(s) for the Claim to be valid.
- 2) Where a Claimant submits a single PEC for the relevant GDE Gas Day, and the Market Offer Specified Quantity exceeds the User's Daily Imbalance quantity surplus for that Day then;
 - (a) The Market Offer Specified Quantity will be scaled-back to the User's surplus Daily Imbalance quantity for that Day.

- (b) For the avoidance of doubt, the Claimant will receive payment based on the scaled-back Market Offer Specified Quantity in the event the PEC is valid.
- (c) Where a Claimants submits multiple PECs for the relevant GDE Gas Day and the aggregate Market Offer Specified quantities exceed the User's Daily Imbalance surplus then;
 - (i) The aggregate Market Offer Specified quantities will be scaled-back to the User's surplus Daily Imbalance quantity for that GDE Day.
 - (ii) The order in which the Market Offer Specified quantities will be scaled back is based on descending Market Offer Price order (highest priced quantities excluded first).
 - (iii) For the avoidance of doubt, the Claimant will receive payment based on the remaining Market Offer Specified quantities / prices after the scale back has taken place.
- (d) National Grid NTS notify Users of any scale back that have been applied to a Claim by M+26.

ii. Economic Price Assessment Trigger

The purpose of the Economic Assessment Trigger is to establish a price level at which the majority of PECs will be considered valid (thus deemed approved) with those claims above the trigger requiring further economic assessment by Ofgem.

xoserve will apply the Economic Assessment Trigger including all valid PECs submitted for the relevant GDE Gas Day. This process will take place once the scale back process is complete.

The Economic Assessment Trigger will determined as follows:

- 1) All 'valid' PECs will be stacked in descending price and Market Offer Timestamp order.
- 2) Sum the claimed quantities of all PECs in the stack.
- 3) Multiply the aggregated claimed quantities by 80% to obtain the trigger (volume): the "**Economic Price Assessment Trigger**".
- 4) Aggregation of each claimed quantity (lowest priced within timestamp first) within the stack:
 - (a) All stacked Post-Emergency Claims whose volume in aggregate is priced below the Economic Price Assessment Trigger e.g. within the 80%, will be assigned a status of '*deemed approved*' (for payment).
 - (b) Remaining claims will be assigned a status of requiring '*subject to economic price assessment*' (prior to payment).
 - (c) A claimed quantity might be split by the trigger in which case the whole claim will be assigned a status of '*subject to economic price assessment*'.
- 5) At M+26 National Grid NTS will publish a report on to the National Grid NTS Website detailing the result of the validation process.

c Ofgem Economic Price Assessment Process

Following the application of the Economic Price Assessment Trigger (at M+26), National Grid NTS will submit **all** validated PECs (below and above the Economic Price Assessment Trigger) together with their status, to the Ofgem for its oversight. This data will be submitted in a single batch on a given date: the '**Post-Emergency Claims Review Date**'.

Ofgem will undertake to carry out the follow Economic Price Assessment on all PECs which are above the Economic Assessment Trigger:

- i. The Post-Emergency Claims Review Date will be 10 Business Days after the M+15 allocation close out.
- ii. For the avoidance of doubt, where a single Gas Deficit Emergency occurs over multiple Billing Periods, National Grid NTS will progress and submit validated PECs to Ofgem in batches that are specific to each of the Billing Periods.
- iii. PECs submitted for review and/or requiring an Economic Price Assessment will be carried out under the instruction of Ofgem.
- iv. For each relevant Gas Day and under Licence Condition A11(18) Ofgem may approve each PEC following which National Grid NTS will arrange payment to the Claimant(s) of the amount approved by Ofgem.
- v. In the event National Grid NTS does not receive notification to the contrary within 28 days, it will assume that all those submitted PECs have passed the Economic Price Assessment review and, are deemed valid for payment.
- vi. Where a PEC has passed the Economic Price Assessment review, the Claimant will receive the claimed price (less the applicable SAP on the Gas Day relevant to the claim).
- vii. Where a PEC has 'failed' the Economic Price Assessment review, National Grid NTS will inform the Claimant of the reason and dependent on the direction from the Authority;
 - 1) The User may receive payment (less the applicable SAP) of the claim based on the next available (approved) PEC that is priced immediately below that of the 'failed' PEC.
Or;
 - 2) In the event that it is the only valid PEC that had been submitted to National Grid NTS, the Claimant would receive a scaled-back claim price (less the applicable SAP) based on a Physical Market Transaction (trade) that had been accepted on the OCM for the relevant Gas Day; and whose Market Offer Price was immediately below that of the 'failed' Post-Emergency Claim price.
Or;
 - 3) The Claimant would receive no further payment.
- viii. Under the UNC General Terms Section A – Dispute Resolution, a User may appeal the decision provided under rule 3.1

d Settlement of PECs

29 days following the PEC Review Date the '**Post-Emergency Claims Approval Date**', All valid PECs will be cleared through the 'Emergency Claims Neutrality' process and invoiced through the Balancing Neutrality processes.

xoserve will batch all valid PECs for relevant GDE days that fall within a billing period. Payments will then be settled in accordance with existing invoicing arrangements.

7. PEC Process Flow

Attached is the PEC process flow diagram, providing details of the timeline of events and User notification: This is also available on the National Grid Website (Gas>Operational information>Post Emergency Claims)



PEC_091126.JPG
(469 KB)

8. Publication, Notification Arrangements and Contact Details

a Publication of PEC information

1) Publication 1

Not later than 10 Business Days after the Post Emergency Claim Closeout Date (in accordance with UNC TPD Q4.5.19 (a)) all Claims submitted to National Grid NTS) will be published on the National Grid Website.

2) Publication 2

1 Business Day after the Post Emergency Claims Review Date (in accordance with UNC TPD Q4.5.19 (b)) National Grid NTS will publish details of all Claims which have been rejected, submitted to and evaluated by the Authority. These will be available on the National Grid Website.

3) Publication 3

15 Business Days after the Post Emergency Claim Approval Date (in accordance with UNC TPD Q4.5.19 (c)) National Grid will publish all valid Claims on the National Grid Website.

b Contact Details

i. Contact Details: for queries associated with the preliminary submission of a PEC and the 'sense check'

Upon receipt of a PEC, National Grid NTS will carryout a 'sense check' validation of the data provided by the User and ensure that each claim conforms to the requirements set out in UNC section Q4.5.8 and Q4.5.10. National Grid NTS will reject any Claims which do not conform to the prescribed requirements. At this stage all correspondence must be directed to National Grid NTS:

gasoperations.shipperliaison@uk.ngrid.com

ii. Contact Details: for queries associated with the PEC Validation process - Scale back and Economic Assessment Processes

Once the PEC has been 'sense checked', the Claim will be passed to xoserve for validation and processing. At this stage all correspondence relating to the PEC must be directed to:

Ebi.billing@xoserve.com

iii. Contact Details; for queries associated with Ofgems Economic Price Assessment Process.

For queries relating to Claims which are undergoing an Economic Price Assessment by Ofgem. Correspondence must be directed to:

TradingArrangements@ofgem.gov.uk

9. Version History

Version	Status	Author	Date	Comment
V1.0	Final	Claire Thorneywork	01/12/09	