



# Capacity and Commodity Invoices

.

Invoicing Discovery Day

# LDZ Capacity and Commodity Validations

Daily validations include;

- Daily Validations to ensure UKLink & Gemini Class 1 and 2 energies are in line
- AQ Validations to ensure UK Link and Gemini are in line.
- Gemini Measurement Load Errors
- Ratchets (October – May inclusive)
- Seasonal Supply Points (all year round check)

Invoice validations are subject to thorough tolerance checks and include;

- SOQ comparisons
- Energy comparisons
- Trend analysis (month on month and year on year)
- Monetary value checks and comparisons
- Rate checks following price changes

# Ratchets

- If a DM SOQ breach occurs (i.e. daily consumption exceeds the SOQ) on any gas flow day between October and end of May, a Pre Ratchet Notification file (.PRN) will be issued on the following calendar day to advise you of this breach. Shippers have until D+5 to investigate the consumption for the day on which the breach occurred (any queries should be managed with the Daily Meter Service Provider). After D+5, if there has not been any change to the consumption on the gas day, a Ratchet notification file (.RAT) will be issued, indicating that the DM SOQ breach on the day has been closed out and as such Ratchet charges will be calculated and issued on the next invoice.
- If the site is not at its Provisional Maximum SOQ (PMSOQ), the DM SOQ will increase accordingly, in line with the SOQ breach, until the PMSOQ is reached. Future Capacity charges will use the higher DM SOQ for invoice calculation on the following, and subsequent months.
- Further details regarding the Ratchet process can be found in UNC section B4.7.
- Ratchet charges apply for both Class 1 and Class 2 sites. Ratchet charges are issued on the LDZ Capacity at M+2.

# Core Invoices – CAZ, CCA, ZCA, ECN, CFI Standard Charges (How it is calculated)

These are calculated using Supply Offtake Quantity x number of days in that billing period, x Rate as follows : -

(The below calculation is based on an SOQ of 313 with example rates taken from the published Transportation Charges Booklets for a 31 day month)

- ZCA Charge = 313 (SOQ) \* 0.1987 (Rate) \* 31 (No. of days) / 100 = **£19.28**
- CCA Charge = 313 (SOQ) \* 0.1061 (Rate) \* 31 (No. of days) / 100 = **£10.29**
- ECN Charge = 313 (SOQ) \* 0.0076 (Rate) \* 31 (No. of days) / 100 = **£0.74**

## CFI Charge

This charge is a fixed charge per day and only applies to supply meter points with an AQ between 73,200 and 732,000 kWh. Sometimes referred to as a Large Supply Point (LSP)

# The LDZ Entry Commodity Charges (LSEC)

The LDZ Entry Commodity charges (LSEC) are included on the Commodity Invoice and will appear in the COM supporting data and issued at M+2.

For example LSEC charges incurred in April will go on invoice issued in June for May billing period

## Class 2 Sites

- Shipper provides daily reads, which will be used for Allocation and energy balancing processes.
- LDZ Capacity and Commodity charges are calculated and invoiced by MPRN.
- Class 2 sites energy values are aggregated and stored in Gemini by the Aggregate Gemini Meter ID.
- To compare the energy on the Commodity invoice to the energy held in Gemini you would need to sum all the energy for the sites under the Gemini aggregate at Meter point level to compare to the Gemini aggregate energy value.

# Calculation of an NDM Commodity Charges – Class 4

This Calculation is based on deemed energy. To calculate the deemed energy the Energy factors are used.

- The Energy Factor for Gas Flow Day 31<sup>st</sup> July 2017 is 9.58262549913255
- The Energy Factor for Gas Flow Day 31<sup>st</sup> August 2017 is 9.84712881065109
- The rolling AQ for the period 01.08.2017 to 31.08.2017 is 2151.

The calculation is as follows : -

- Energy Factor Last day of Current Month **Minus** Energy Factor Last day of Previous Month **Multiplied By** AQ ROLL **Divided by** 10

$$(9.84712881065109 - 9.58262549913255) * 2151 / 10 = 58.89466231$$

Rates as per Transportation Charges Booklets

- NCO Rate : - 0.0339
- ZCO Rate : - 0.0287
- NCO Charge –  $58.89466231 * 0.0339 / 100 = 0.02$
- ZCO Charge –  $58.89466231 * 0.0287 / 100 = 0.02$

***Energy factors are available on the daily LPA file.***



# Core Invoices – COM – ZCO Charge for class 4 sites (How it is calculated)

Class 4 sites are calculated based on deemed energy. Energy factors\* are used to calculate this as follows:

$$\text{Billing Quantity} = \frac{\text{Energy Factor Last day of Current Month} - \text{Energy Factor Last day of Previous Month}}{\text{x AQ ROLL 10}}$$

## Therefore as an example

- If the Energy Factor for Gas Flow Day 30th June 2017 is 9.15088593297741
- And The Energy Factor for Gas Flow Day 31<sup>st</sup> July 2017 is 9.38953643703708
- The rolling AQ for the period 01.07.2017 to 31.07.2017 is 39589.

$$\frac{(9.38953643703708 - 9.15088593297741) * 39589}{10} = 944.79348052 \text{ kwh}$$

- You would then multiply this by the rates published in the appropriate Transportation Charges Booklet
- \*Energy factors are detailed in the daily LPA files you receive via the IX.



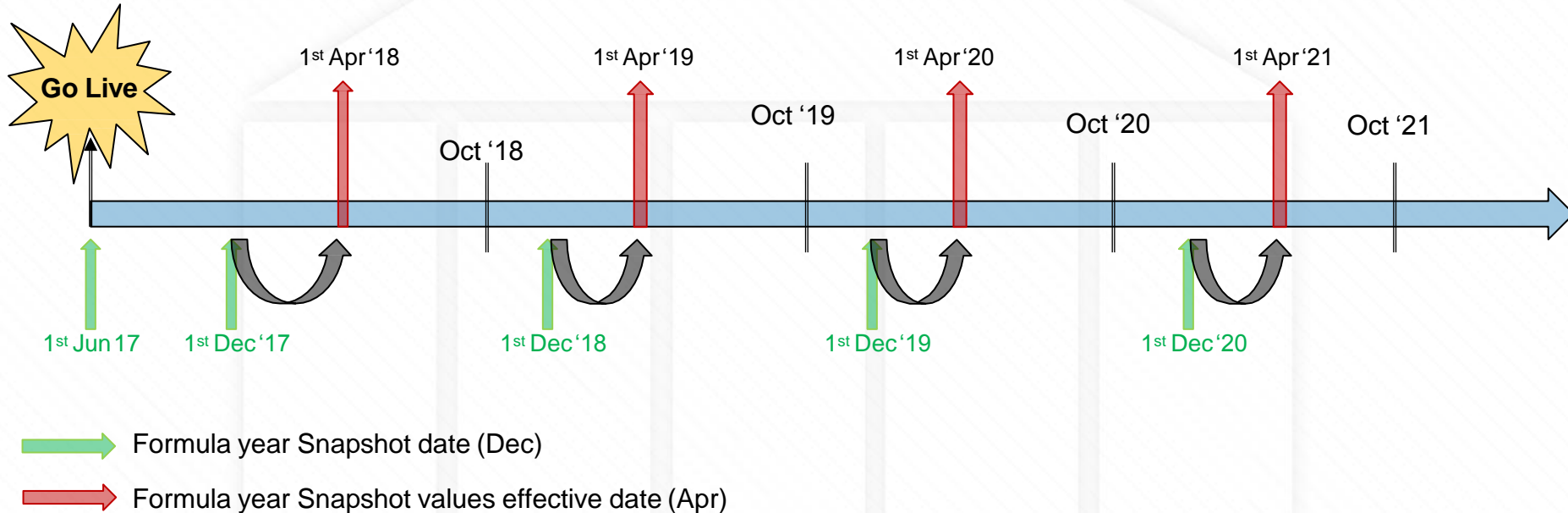


**Formula Year**

# Formula Year AQ & Charges

- There are two AQs and SOQs for Class 3 & 4 Supply Meter Points;
  - Rolling AQ for allocation processes
  - Fixed AQ and SOQ (Formula Year AQ) for transportation charges
- The Formula Year AQ and SOQ (FYAQ) will be the value set on 1st December each year and will be effective for transportation charges from 1st April the following year.
- **CSEP rate change – all linked MPRN with project**
  - Follow increase or decrease in project Max AQ/Max SOQ
  - Formula year MPRN billable SOQ rate is not changed
- **Capacity charges**
  - Class three and four all NDM – set for year. Formula year AQ and SOQ used for rate and billable SOQ to derive charges
  - Class one and two – use the nominated AQ and SOQ for rate and nominated SOQ to derive charges
- **Commodity**
  - Class three and four all NDM – use deeming against rolling AQ with formula year AQ for rate
  - Class one and two – use close out energy derived from reads or estimate with rate from nominated AQ and SOQ

# Formula year AQ/SOQ – timeline view



Changes to formula year AQ/SOQ:

1. AQ correction
2. Class change
3. Green field sites will have the formula year AQ/SOQ set from the first confirmation details