

DPM

Acquiring and terminating programme responsibility & financial consequences

Published by

EDSN

Author

WMWG

Version number

3.0

Version date

12 June 2013

Status

Final

Version management

Version	Name	Date	Status	Distribution
0.1	DPM programme responsible party	15-06-2009	DRAFT	Subgroup DPM The PRP process
0.2	DPM Acquiring and terminating programme responsibility & financial consequences	02-07-2009	DRAFT	Subgroup DPM Acquiring and terminating programme responsibility & financial consequences
0.3	DPM Acquiring and terminating programme responsibility & financial consequences	10-07-2009	DRAFT	WMWG
0.4	DPM Acquiring and terminating programme responsibility & financial consequences	04-09-2009	DRAFT	WMWG
0.5	DPM Acquiring and terminating programme responsibility & financial consequences	14-09-2009	DRAFT	WMWG
1.0	DPM Acquiring and terminating programme responsibility & financial consequences	22-09-2009	Submitted to ALV NEDU	WMWG
1.1	DPM Acquiring and terminating programme responsibility & financial consequences	13-11-2009	Submitted to ALV NEDU	WMWG
2.0	DPM Acquiring and terminating programme responsibility & financial consequences	08-01-2010	Submitted to ALV NEDU	WMWG
3.0	DPM Acquiring and terminating programme responsibility & financial consequences	12-06-2013	Final Vastgesteld door ALV-NEDU 12 June 2013	All

Source documents

Name	Owner	Date	Status
Market process model Market model Wholesale Gas	WMWG		Final
Current Transmission Code Gas - TSO	NMa	16/01/2009	
Security of electricity and gas supply	EBM	26/03/2009	draft
DPM Individual PRP/shipper switch small-scale users	EDSN	04/03/2009	Approved by ALV NEDU
DPM Individual PRP/shipper switch large-scale users	EDSN	04/03/2009	Approved by ALV NEDU
DPM Market processes bulk PRP/shipper switch small-scale users	EDSN	15/04/2009	Approved by ALV NEDU

1 Introduction	4
2 Principles and definitions	5
3 Summary of sub-processes.....	6
4 Description of sub-processes.....	7
4.1 <i>Licensing</i>	7
4.2 <i>Monitoring credit limits</i>	9
4.3 <i>The commercial programme responsible party.....</i>	11
4.4 <i>The exchange programme responsible party</i>	11
4.5 <i>Transfer of programme responsibility.....</i>	12
4.6 <i>Termination of licence.....</i>	15
4.7 <i>Settlement</i>	18
4.8 <i>Within-day balancing action price calculation and invoicing.....</i>	20
4.9 <i>Transitional provision.....</i>	22
Appendix 1. Example of licence application form for programme responsible party	23
Appendix 2. Example of list of licences issued to programme responsible parties	24
Appendix 3. Example of switch report	25

1 Introduction

A general description of the processes relating to the wholesale gas market model is given in the Market Process Model (MPM) Market Model Wholesale Gas.

This Detail Process Model (DPM) 'Acquiring and terminating programme responsibility and the financial consequences' contains further details on the process of licensing, transferring programme responsibility and terminating the licence of a programme responsible party (PRP). The within-day balancing action billing process and settlement process are also described.

Purpose and scope

The MPM Market Model Wholesale Gas version 3.1 is the basis for this DPM. The principles and definitions as described in the MPM also apply to the DPM, and are not repeated in the DPM. However, additional definitions and more detailed versions of principles set out in the MPM are included in the DPM.

This DPM covers the following processes:

- PRP licensing
- Monitoring PRP credit limits
- Transfer of programme responsibility
- Termination of licence
- Commercial PRP
- Exchange PRP
- The settlement process
- Within-day balancing action price calculation and invoicing
- Transitional provision

2 Principles and definitions

The MPM Wholesale Gas Market Model version 3.1 describes the principles and definitions for operating the wholesale gas market model. These principles are therefore also a starting point for the creation of the DPM.

Principles set out in the MPM version 3.1 that relate to this DPM:

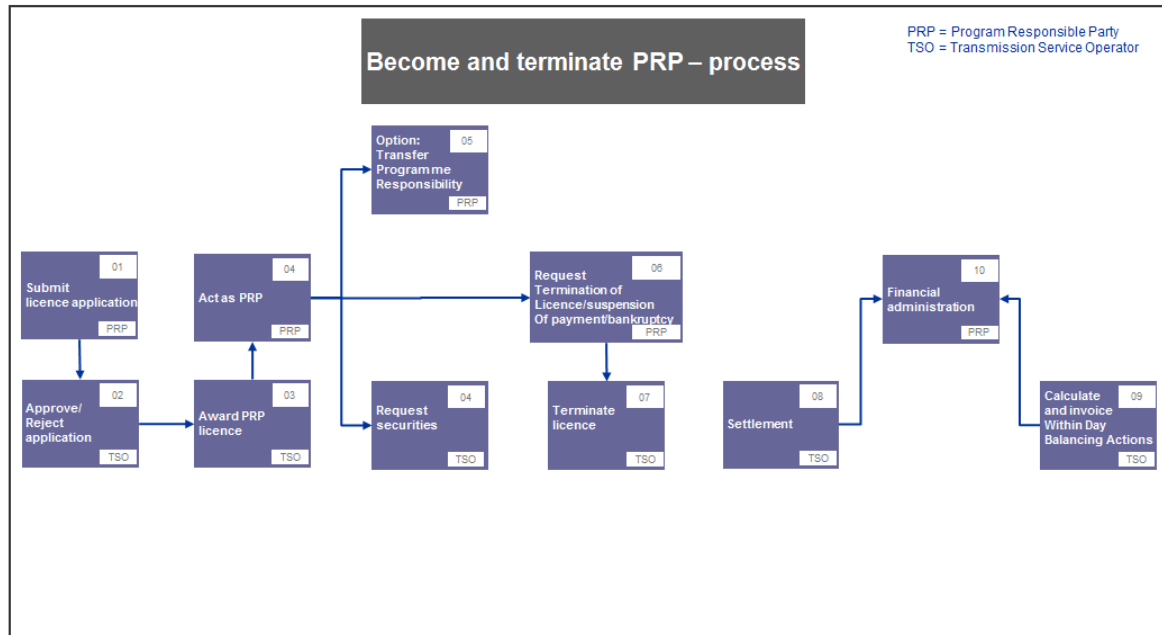
- Section 4.1 PRP process
- Section 4.2 Supplier/Vendor process
- Section 4.4.8 Within-day balancing action price calculation and invoicing
- Section 4.7 Settlement.

Additional principles relating to the DPM:

- In addition to the reasons for terminating a licence referred to in section 4.1.6, licences may also be terminated due to repeated demonstrable incorrect programme submission, and/or failure to submit a programme.
- The PRP licensing procedure will include a credit analysis. The financial exposure of a PRP will be actively monitored as soon as the PRP starts to operate. This monitoring of exposure will also be described as a process in this DPM.
- In some cases the PRP may not be a transport capacity holder. This DPM describes the processes for a shipper, not for a transport capacity holder without programme responsibility.

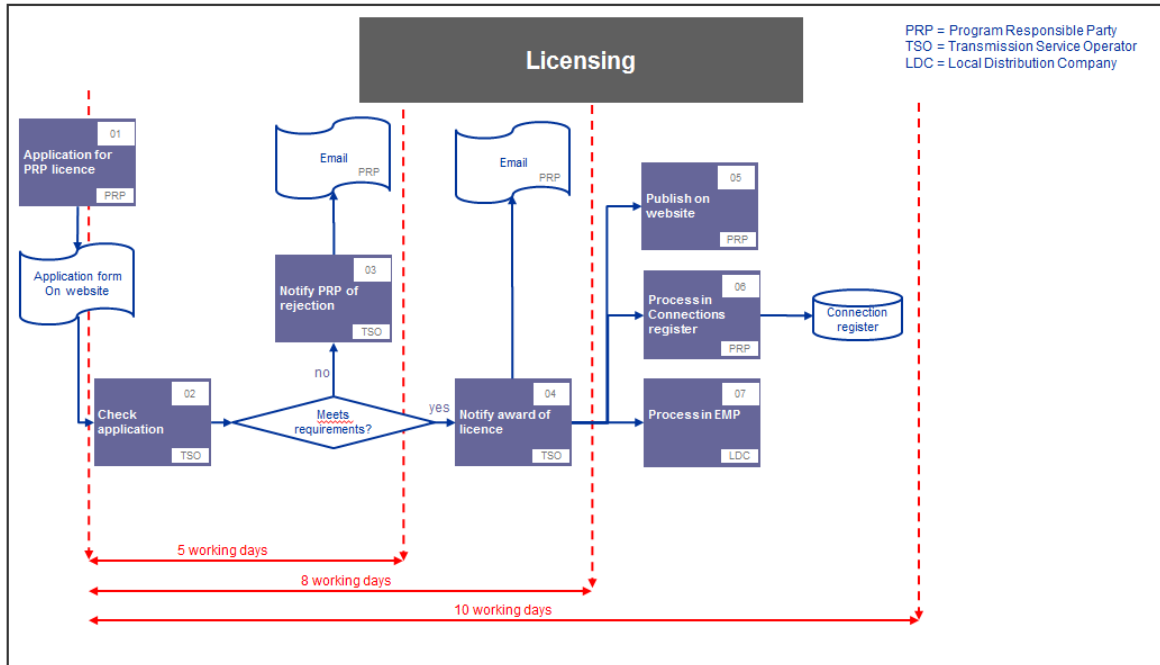
3 Summary of sub-processes

A summary of the sub-processes and the relationships between them is given below. The diagram is not intended to show a chronological order but rather to demonstrate the causal relationships between the sub-processes and the use of data obtained from a different sub-process.



4 Description of sub-processes

4.1 Licensing

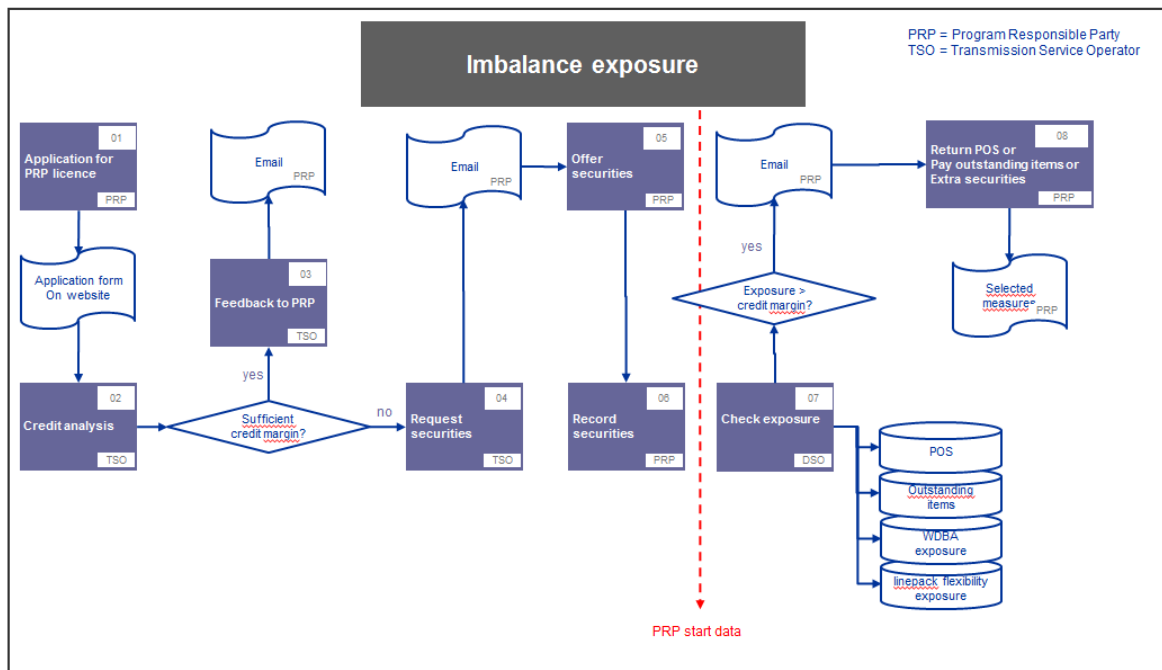


Name of sub-process	Shipper licensing
Description of sub-process	<p><u>Submission of application</u></p> <p>A party can apply for a Shipper Licence by completing an application form. This form is on the GTS website. A specimen form is to be found in Appendix 1 (specimen shipper licence application form). The form can be completed, signed and sent back to GTS.</p> <p>GTS issues two different types of shipper licences, A and B. They differ in respect of the ability of the licence-holder to contract exit capacity at an exit point between the national grid and a distribution network.</p> <p><i>A licence:</i> legal persons and natural persons holding this licence can use the services of GTS, with the exception of exit capacity at an exit point between the national grid and a distribution network. The party must have an EAN code if it bears programme responsibility at a domestic exit point.</p> <p><i>B licence:</i> legal persons and natural persons holding this licence can use the services of GTS, including exit capacity at an exit point between the national grid and a distribution network. The party must have an EAN code, take part in the message handling process with regard to allocation & reconciliation, and contract exit capacity according to the LDC exit capacity model.</p> <p>Consequently, parties submitting an application must choose between two options:</p> <ul style="list-style-type: none"> - A Licence shipper - B Licence shipper <p><u>Determining credit margin</u></p> <p>GTS will analyse the creditworthiness of a party from which it has received a</p>

	<p>shipper application form. GTS will issue a licence to a party which it has found to be sufficiently creditworthy in respect of its intended transport obligations (if the shipper is also a transport capacity holder) and its expected imbalance exposure. This means that the party must meet the financial security requirements that are appropriate to the credit risk. Rules governing the assessment of this credit risk are laid down in Appendix 1 Transmission Code Gas - TSO of the Dutch network code.</p> <p>If this assessment shows that a party is not sufficiently creditworthy, additional securities will have to be provided.</p> <p><u>Electronic message handling</u></p> <p>GTS publishes the conditions relating to electronic message handling for nominations on its website. The current requirements are described in appendix 5 of the latest version of the TSC.</p> <p>Programme responsible parties only need a B licence if they wish to make use the services of the network operator of the national grid, including exit capacity at an exit point between the national grid and a distribution network. If this is the case, an EAN code must be stated in the application. This PRP must also participate in the message handling process with regard to allocation and reconciliation.</p> <p>In the new market model, the communication check which GTS carries out following an application for a licence will be expanded to include:</p> <p><i>Electronic message handling for the within-day balancing actions</i></p> <p>The content of this message is described in the 'Within-day balancing action' DPM. The relevant structure, fields and examples are described in the DPM 'Information Exchange'.</p> <p><i>Submitting programmes.</i></p> <p>The content of this message is described in the 'Programmes' DPM. The relevant structure, fields and examples are described in the DPM 'Information Exchange'. The Edig@s working group also specifies the codes in detail.</p> <p><i>Ability to receive the System Balance Signal (SBS) and the Portfolio Imbalance Signal (POS)</i></p> <p>These signals will be made available via a certified environment on a pull basis. This means that GTS will make the signals available, but PRPs have to collect them from the system themselves.</p> <p>PRPs need certified access to do this. This access is obtained by installing a certificate. Requests for these certificates, their issue and installation will be incorporated into the licensing process.</p> <p>Shippers can also opt to have communications relating to electronic message handling be carried out by a third party on their behalf. In that case, GTS will carry out the communication check with that third party.</p> <p>If a party that has submitted an application does not meet the creditworthiness or electronic message handling requirements, GTS will notify it as soon as possible.</p> <p><u>Feedback and application processing</u></p> <p>Once the steps described above have been successfully completed, GTS will notify the applicant that it is now a shipper. GTS will also add shippers to the current list of shippers as published on its website. The list shows the licence issued (A or B), the Edigas code and, where applicable, the EAN code.</p> <p>The list is updated whenever a licence is issued or withdrawn. This means that former PRPs also appear on the list, with the start and end dates of their licences. PRPs' details will be published until they are no longer involved in the reconciliation process and all outstanding bills have been settled.</p>
Roles	<p>Party wishing to apply to become a shipper</p> <p>GTS</p> <p>Third party performing electronic message handling services for the applicant.</p>
Performance targets	<ul style="list-style-type: none"> - GTS has up to 10 working days to process the application. It should be noted that this also depends on how quickly the party wishing to become a PRP submits details relating to the electronic message handling process. - LDCs have 2 days to include a (new) shipper notified by GTS in the Energy Market Portal (EMP).
Preconditions	<ul style="list-style-type: none"> - Submission of EAN code if the supplier wishes to supply to an exit

	connection to the national grid or a distribution network.
Postconditions	None
Scenario	None
Alternative scenarios	None
Special requirements	None.

4.2 Monitoring credit limits



Name of sub-process	Monitoring shipper credit limits
Description of sub-process	<p>While processing applications from parties wishing to become shippers, GTS performs a creditworthiness test. Based on this test, a standard amount is assigned to the shipper for contracting services. If this standard amount is less than the services which the shipper wishes to contract, the shipper can provide additional securities in the form of a deposit, bank guarantee or surety.</p> <p><u>Monitoring daily imbalance exposure</u></p> <p>In addition to contracting services, the total credit margin is also used to monitor a shipper's imbalance exposure. The difference between a shipper's credit limit and the amount of credit that it has used is the credit available to it to cope with imbalance exposure.</p> <p>Balancing exposure is equal to the maximum exposure which has taken place with regard to balancing in the past twelve months.</p> <p>When a party applies to become a shipper <i>for the first time</i>, it must indicate in its application to the network operator of the national grid the maximum quantity of gas that it will supply over a three-day period and for which it will bear programme responsibility. Balancing exposure for this new shipper is, for the first twelve months after it has been licensed, equal to the volume stated multiplied by the annual average neutral gas price so long as the exposure which has taken place remains below this level. After the first 12 months, the maximum balancing exposure which has taken place in the past twelve months is the relevant parameter.</p> <p>The maximum exposure which has taken place can be worked out by adding up</p>

	<p>the following components:</p> <ol style="list-style-type: none"> 1) Balance of the cumulative portfolio imbalance signal (POS) 2) Within-day balancing action exposure (incl. emergency measure): <ol style="list-style-type: none"> i) cumulative balance of within-day balancing actions and emergency measures still to be invoiced (monthly). ii) within-day balancing action and emergency measure invoices that have been issued but not yet paid (both credit and debit) 3) Linepack flexibility service exposure: <ol style="list-style-type: none"> i) cumulative balance of the daily use of linepack flexibility still to be invoiced (monthly) and ii) linepack flexibility service invoices that have been issued but not yet paid 4) Outstanding settlement position (difference between the online steering signal and the offline signal both owed and receivable) as a consequence of the difference between the online steering signal and settlement <p>NB 1) Only if there is an <i>overall</i> debt position (<i>made up of 1,2,3,4</i>), this amount is regarded as exposure and consequently a factor limiting the credit margin.</p> <p>NB 2) Outstanding within-day balancing action invoices and the daily use of the linepack flexibility service are immediately taken into account in monitoring exposure. Outstanding settlement invoices are taken into account in monitoring exposure if they are still outstanding after the invoice due date.</p> <p>Usage exposure for the use of the TTF remains unchanged and is covered by the application of a charge of € 50,000 on the credit margin. If the credit margin is insufficient, this charge must be covered by securities.</p> <p><u>Balance of the cumulative portfolio imbalance signal (POS)</u></p> <p>The POS of a shipper can change every hour. If a within-day balancing action has not been taken, a POS can fluctuate over longer periods. As the entire balancing process is an online process, GTS will also monitor the imbalance position online. The POS will be worked out at the end of each gas day on the basis of the neutral gas price (e.g. ICE-ENDEX TTF times amount).</p> <p>If a shipper has several portfolios and so several POSs, the balance of the POSs that have been worked out will be taken into account in balancing exposure.</p> <p><u>Within-day balancing action exposure (incl. emergency measure)</u></p> <p>A within-day balancing action can be taken each hour. All the amounts received on the within-day market are shown on the within-day balancing action account during the month. The cumulative position of outstanding amounts is taken into account in balancing exposure during the month.</p> <p>Unpaid within-day balancing action invoices are also regarded as exposure in addition to the cumulative balance that may be built up over the month.</p> <p><u>Linepack flexibility service exposure</u></p> <p>The position of the PRP's portfolio at the end of the gasday will be considered as the extent to which a PRP makes use of the linepack flexibility service. The linepack flexibility service fee is a pre determined percentage of the neutral gas price of the respective day. The daily costs of the usage of the linepack flexibility service will be the absolute POS value, calculated at 06.00 hour, multiplied by the linepack flexibility service fee. The applicable linepack flexibility service fee is published on the GTS website.</p> <p><u>Settlement of outstanding invoices</u></p> <p>The difference between near-real-time allocations and offline allocations also needs to be reflected in addition to the online within-day balancing action process, the explanation of this process, and POS monitoring. This is done in the settlement process. The balance of unpaid settlement invoices still outstanding after the due date is taken into account in balancing exposure.</p> <p><u>Maintaining an adequate credit margin</u></p> <p>GTS will not take any further action so long as there is an adequate credit margin. However, GTS will contact the shipper if the latter's credit exposure is close to or over its credit limit. One or more of the following measures will then need to be taken:</p> <p>Credit exposure close to the credit limit:</p> <ul style="list-style-type: none"> - If the cumulative position of the POS is a charge on the credit margin, the shipper and GTS may agree that the shipper will reduce its POS. - If unpaid invoices are a charge on the credit margin, the shipper and GTS may agree that the shipper will pay the outstanding invoice(s).
--	--

	Credit exposure over the credit limit: - The shipper and GTS decide that the shipper will increase its credit margin within 1 working day by means of securities.
Roles	- Shipper - GTS - Trading Platform Operator
Performance targets	None
Preconditions	None
Postconditions	None
Scenario	None
Alternative scenarios	None
Special requirements	None.

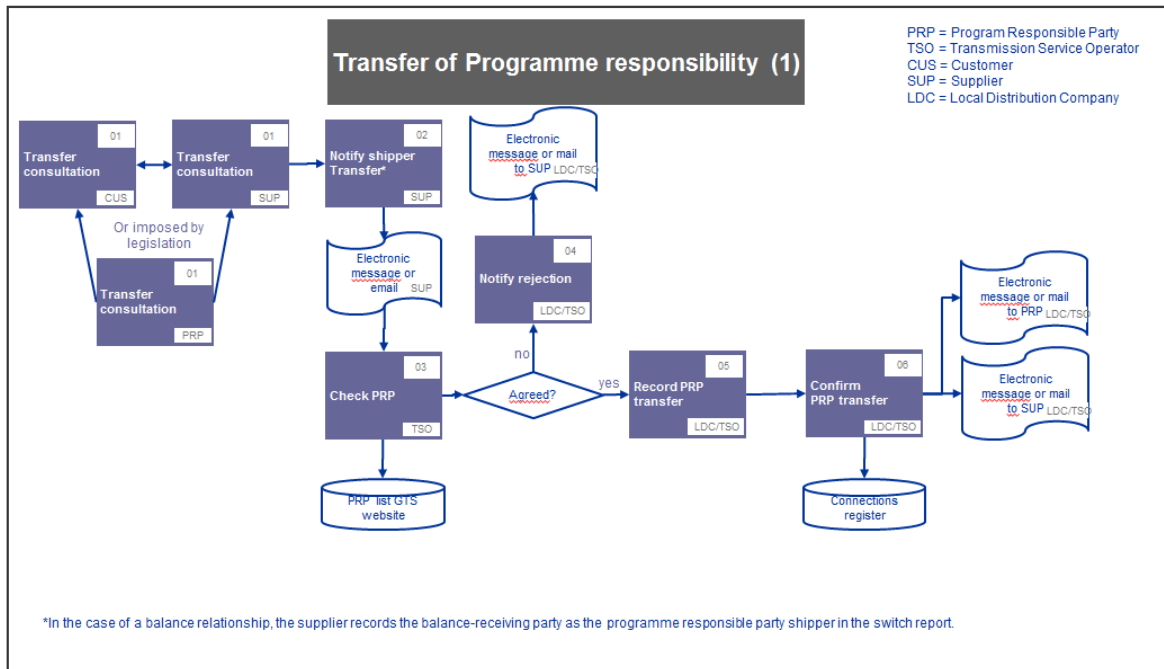
4.3 The commercial programme responsible party

Name of sub-process	The commercial programme responsible party
Description of sub-process	A trader that is active only on the TTF becomes a shipper, in the same way as a party with physical entry or exit points in its portfolio. There is no separate status or licence for traders as the same imbalance risks apply. The only difference relates to the submission of programmes: they submit a commercial programme rather than an entry and/or exit programme.
Roles	The role of Trader remains. This is a party which is active only on the TTF and is described as Trader in the GTS Transmission Service Conditions (TSC).
Performance targets	
Preconditions	
Postconditions	
Scenario	
Alternative scenarios	
Special requirements	

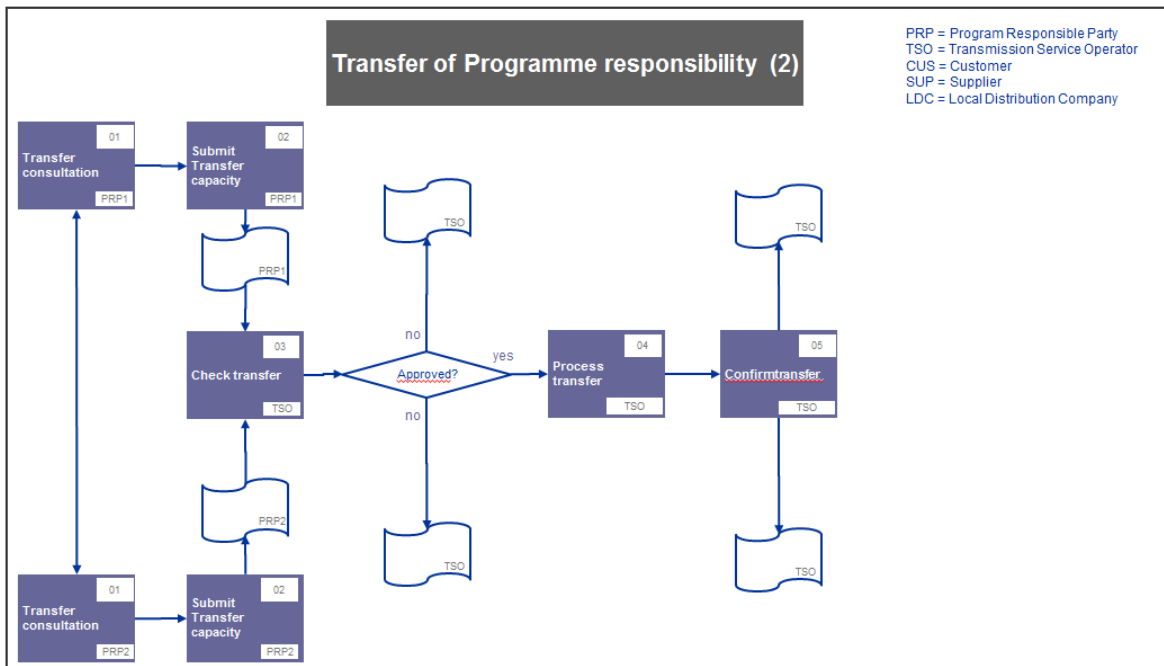
4.4 The exchange programme responsible party

Name of sub-process	The exchange programme responsible party
Description of sub-process	The rule that the exchange takes precedence in the event of a programme mismatch was introduced in article 4.1.1.5 of the Transmission Code Gas - TSO. The mechanism whereby the exchange takes precedence in the event of a mismatch between programmes that have been submitted minimises the exchange's risk in relation to its activities, and consequently the collateral to be provided by connected parties which are members of the exchange can be reduced. This lowers the threshold to participation in the exchange and should make the market operate more efficiently.
Roles	GTS Within-day market facilitator/exchange
Performance targets	
Preconditions	
Postconditions	
Scenario	
Alternative scenarios	
Special requirements	

4.5 Transfer of programme responsibility



- The diagram only shows the transfer of programme responsibility for LDC and industrial exit connections to the TSO network.



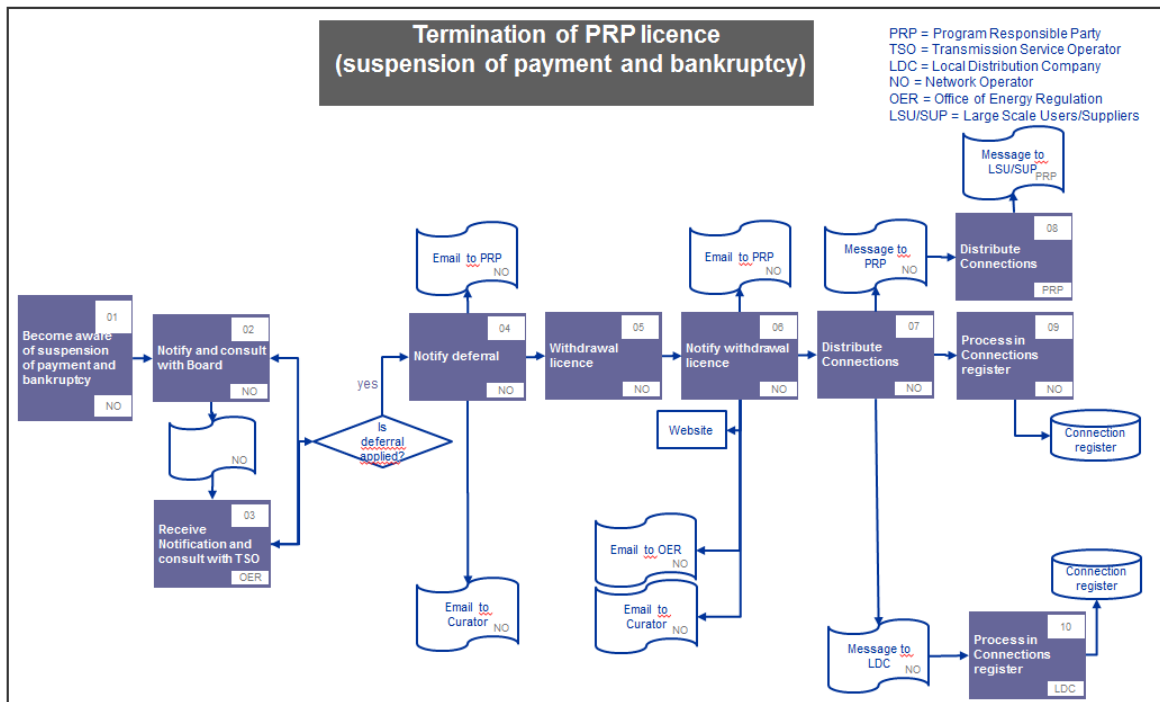
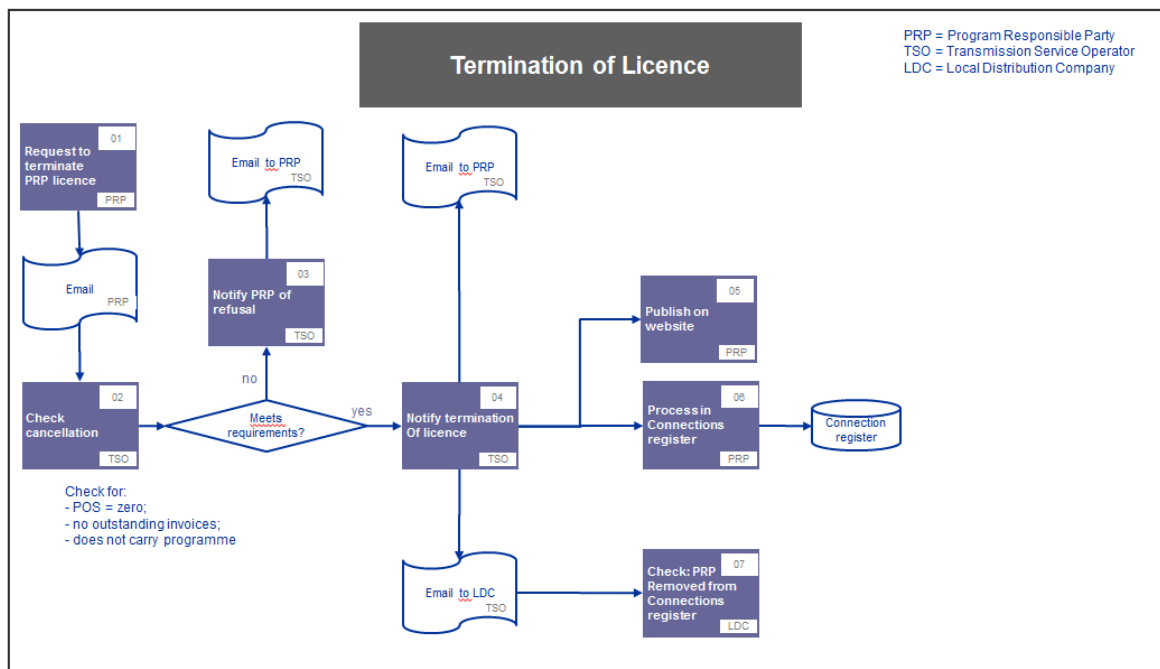
- The diagram shows the transfer of programme responsibility for network connections between the national grid with adjacent TSOs, producers and gas storage facilities.

Name of sub-process	Transfer of programme responsibility
Description of sub-process	<p>In the market model, programme responsibility can be transferred¹ to a licensed PRP (shipper). A distinction needs to be made between two situations with different consequences:</p> <ol style="list-style-type: none"> <u>A PRP transfers its entire programme responsibility to one or more other licensed PRP(s) (shipper(s)).</u> This form of transfer is possible only if the transferring party has reduced its POS to zero. If the transferring party also wishes to stop being a shipper, the additional conditions referred to in the 'Termination of licence' sub-process of this DPM apply. <u>A PRP transfers part of its programme responsibility to another PRP (shipper).</u> If one or more network points are transferred from one programme responsible party ('old' PRP) to a new programme responsible party ('new' PRP), then these network points remain in the 'old' PRP's portfolio until the moment of transfer. After transfer the network points are included in the 'new' PRP's portfolio. <p>Distribution network</p> <p>At present a PRP/shipper switch can only be submitted by the supplier responsible for the connection. The distribution network operator will reject PRP/shipper switch requests if the supplier submitting the PRP/shipper switch request is not the current supplier.</p> <p>The supplier specifies who is the PRP in the change report (move in or (PRP) switch). Reference is made here to the DPMs for the change processes ('Individual PRP/shipper switch - small-scale use', 'Individual PRP/shipper switch - large-scale use' and 'Bulk PRP/shipper switch - small-scale use') if the 'Upstream' market model is introduced before the new wholesale gas market model, or to the current Gas Code and Information Code if the upstream market model is introduced later.</p> <p>The PRP/shipper switch process for small-scale users is described in the "Individual PRP/shipper switch - small-scale use" DPM covering market processes in 2010. The detailed switch report processes are discussed in this DPM together with the 'Individual PRP/shipper switch - large-scale use' and 'Bulk PRP/shipper switch - small-scale use' DPMs.</p> <p>National grid</p> <p><u>Industrial exit connections</u></p> <p>It is intended that the transfer of programme responsibility to industrial exit connections on the national grid will be modelled as closely as possible on the current system for supplier switching. Suppliers must ensure that they have obtained a customer mandate from connected parties to carry out a PRP change, as the connected party is the PRP in legal terms.</p> <p>The following process stages and run times apply to the completion of this process.</p> <p><i>Notification of PRP change request</i></p> <p>Suppliers may submit their notification to GTS by email between 20 days and 5 working days prior to the date on which they wish the change to take effect.</p> <p><i>Assessment of the notification</i></p> <p>GTS will assess the notification within 3 working days of receiving it. GTS will check whether the new PRP mentioned has (fully) approved status.</p> <p><i>Switch recording and feedback</i></p> <p>If GTS approves a "PRP change request", the requested change is made immediately in the connection register on the date on which the change takes effect. After that, GTS sends emails confirming the change in the connection</p>

¹) The transition of programme responsibility from entry programme to exit programme is sometimes incorrectly referred to as 'transfer of programme responsibility'. This process is facilitated from the recording via the programmes. This process is dealt with as part of the programme process, and so is not within the scope of this section.

	<p>register to the supplier, the old PRP, the new PRP, and the PRP designated by law.</p> <p>NB) If it is established after the switch recording and feedback process that the PRP designated by law does not agree with the switch, GTS will ask the supplier for a customer mandate.</p> <p><u>Network connections with adjacent network operators and gas storage facilities</u></p> <p>In the case of transfer of programme responsibility to network connections with adjacent network operators and gas storage facilities, GTS will treat the sale of transport capacity and right of use as a transfer of programme responsibility. There is therefore no separate "PRP change request" in this case. Consequently, the transfer of transport capacity (TOC) and the transfer of right of use (TOU) will remain when the new market model is introduced. In the former case (TOC), both the capacity right and the right of use are transferred during the sale. The receiving party becomes the programme responsible party for the capacity that is transferred. When right of use is sold (TOU), the vendor remains the transport capacity holder. The receiving party acquires the rights of use, and will also become the programme responsible party for this capacity. Following a TOU, the transport capacity holder and the programme responsible party are not the same.</p> <p>The system used in the current market remains the same with regard to the submission of sale requests (TOC and TOU).</p> <p><u>Network connections between the national grid and a producer's upstream pipeline network</u></p> <p>On network connections between the national grid and a producer's upstream pipeline network, the producer, not the transport capacity holder, is the programme responsible party. The producer notifies GTS by email of the transfer of its programme responsibility. GTS keeps a register of these network connections (network points), specifying for each network connection which party is the programme responsible party for which capacity. The programme responsible party notifies GTS of its allocation role.</p>
Roles	<p>Programme responsible party, GTS, Producer, Suppliers, LDCs Customer</p>
Performance targets	
Preconditions	
Postconditions	
Scenario	<p>The principle governing connections between the national grid and a producer's upstream pipeline network is that the producer is the programme responsible party</p>
Alternative scenarios	<p><u>The transport capacity holder is the programme responsible party at these points.</u></p> <p>If the transport capacity holder is the programme responsible party at points between the national grid and a producer's upstream pipeline network, the same process details as described under 'Network connections with adjacent network operators and gas storage facilities' of this sub-process apply.</p>
Special requirements	

4.6 Termination of licence



Name of sub-process	Termination of licence
Description of sub-process	<p><u>Withdrawal of licence</u></p> <p>Licences are valid until they are withdrawn. GTS will only withdraw a licence:</p> <ul style="list-style-type: none"> - at the programme responsible party's request; - if the programme responsible party no longer meets the conditions listed under 'Programme responsible party licensing'; - If a programme responsible party repeatedly fails to meet the requirements laid down in the context of programme control, and

	<p>this can be demonstrated by GTS (see balancing regime final report, 3 June 2009).</p> <p>A licence may only be withdrawn at the programme responsible party's request if:</p> <ul style="list-style-type: none"> - the programme responsible party does not use or no longer uses the services of GTS; - the programme responsible party no longer bears programme responsibility; - The PRP's POS has been reduced to zero. <p>GTS notifies all regional network operators of the withdrawal of licensing B without delay.</p> <p>GTS publishes on its website a list of legal persons and natural persons whose licences have been withdrawn, giving the date on which the licence was withdrawn. The reason for withdrawal is not given. This is the same list as described in the last part of the 'programme responsible party licensing' sub-process. An example of this list is given in Appendix 2, example of list of licences issued to programme responsible parties.</p> <p><u>Provisions in the event of suspension of payment or bankruptcy</u></p> <p>The method used to deal with such emergency situations will be described in detail in the DPM "Dealing with sale and residual distribution security of supply E and G". The text below should be regarded as an early outline of that DPM.</p> <p>The network operator of the national grid will notify the Board as soon as it becomes aware that a licensed programme responsible party (shipper) has been granted a suspension of payment or has been declared bankrupt. Having consulted the board, the network operator of the national grid will decide whether, and if so under what conditions, it is willing to offer the licensed programme responsible party (shipper), or the official receiver and the licensed programme responsible party (shipper) together, or the trustee in bankruptcy, deferral of withdrawal of the programme responsible party's licence for up to 10 working days. If it is willing to do so, then the network operator of the national grid can offer to stand surety for the additional costs during this period of deferral if this is reasonably necessary.</p> <p>These additional costs consist of any extra costs for the purchase of gas that would not have been incurred if the purchase contracts of the licensed programme responsible party (shipper) in question had not been terminated.</p> <p>If the consultation leads to the withdrawal of the licence of the programme responsible party in question being deferred, all individual requests for the transfer of programme responsibility from or to the programme responsible party in question will be rejected during the deferral period. The network operator of the national grid will charge the additional costs to all licensed programme responsible parties (shippers) in proportion with the distribution of the connections.</p> <p><u>Distribution of the connections in the event of withdrawal of the licence.</u></p> <p>If the programme responsible party's licence is withdrawn, and this withdrawal cannot be attributed to the connected parties concerned, programme responsibility is distributed among the licensed programme responsible parties (shippers) as follows:</p> <ul style="list-style-type: none"> a) <i>connections of small-scale users for which the licence-holder has arranged programme responsibility:</i> to the licensed programme responsible party (shipper) which the licence holder immediately declares to the network operator of the national grid; b) <i>connections of small-scale users for which the licence-holder referred to in point a has not arranged programme responsibility in good time:</i> to licensed programme responsible parties (shippers) of small-scale users as a proportion of the number of small-scale users for which a licensed programme responsible party (shipper) bears programme responsibility;
--	--

	<p>c) <i>connections of large-scale users for which the supplier, having received conditional authorisation, has arranged programme responsibility:</i> to the licensed programme responsible party (shipper) which the supplier immediately declares to the network operator of the national grid;</p> <p>d) <i>connections of large-scale users for which the supplier referred to in point c has not arranged programme responsibility in good time:</i> to licensed programme responsible parties (shippers) of large-scale users as a proportion of the exit capacity of the connections of large-scale users for which a licensed programme responsible party (shipper) bears programme responsibility.</p> <p>Licensed programme responsible parties (shippers) which have been allocated connections on the basis of point b and/or point d will inform the large-scale users concerned, and the suppliers of the small-scale users concerned, of this allocation within three working days of the allocation, and will also inform them of the conditions in force and of their cancellation options.</p> <p>If the programme responsibility of connected parties is distributed in accordance with this article as a consequence of the withdrawal of a licence from a programme responsible party, the network operator of the national grid ensures that the allocation of programme responsibility is processed in its connection register within one working day, and asks the distribution network operators concerned to process this distribution in their connection register within one working day.</p> <p>Large-scale users that have been assigned a different licensed programme responsible party (shipper) for their connection as a result of the allocation referred to in this article have the right to change programme responsible party without giving notice for three months after allocation.</p> <p>Licence-holders of small-scale users that have been assigned a different licensed programme responsible party (shipper) for their connections as a result of the allocation referred to in this section have the right to change programme responsible party without giving notice for one week after allocation.</p> <p>The allocation will take account of requests from licensed programme responsible party (shipper)s for connections allocated to them to be assigned to a different licensed programme responsible party (shipper) if both of these licensed programme responsible parties (shippers) have submitted a joint request to this effect to the network operator of the national grid. The earliest date on which the request can be implemented is two weeks after its receipt.</p> <p><u>Provision for cases in which suppliers can no longer meet their supply obligations</u></p> <p>If a supplier has been granted suspension of payment or has been declared bankrupt, supplies from the supplier concerned that are not covered by the Gas Act Decree on the Security of Gas Supply shall continue, with the licensed programme responsible party (shipper) that has programme responsibility for the connected parties in question continuing to bear programme responsibility for a limited time. The parties concerned will notify each other without delay of the situation that has arisen, and will provide each other with the data needed for this process within one day if so requested. In the context of its continued programme responsibility, the licensed programme responsible party (shipper) will notify the connected parties concerned of the situation that has arisen without delay. The licensed programme responsible party (shipper) retains its programme responsibility for the connected parties in question until the connected party in question has entered into a new supply agreement or until supply to that connected party has been terminated. Under these circumstances, this retention of programme responsibility may not last for more than five working days from the date on which the licensed programme responsible party (shipper) has immediately informed the connected parties in question of the situation that has arisen.</p>
Roles	<p>Programme responsible party Official receiver GTS Board</p>

	Large-scale users/Suppliers LDCs
Performance targets	
Preconditions	
Postconditions	
Scenario	
Alternative scenarios	
Special requirements	

4.7 Settlement

Name of sub-process	Settlement
Description of sub-process	<p>The settlement sub-process describes the steps followed to reflect the difference in volume between near-real-time allocations and offline allocations in the books. It also describes the information provided in connection with this process.</p> <p>The settlement process is subdivided into the following process steps.</p> <ol style="list-style-type: none"> 1) Advance settlement; 2) Account settlement; 3) Settlement information provision. <p>General points.</p> <p>In general, the difference in volume that is reflected in the settlement is determined by taking the difference between the near-real-time portfolio imbalance and the offline portfolio imbalance.</p> <p>The difference in volume on a gas day basis is recorded in the accounts by multiplying it by a neutral day gas price (e.g. ICE-ENDEX day-ahead).</p> <p><u>1) Advance settlement.</u></p> <p>GTS launches the monthly advance billing as soon as the offline allocations for the licensed programme responsible parties (shippers) are complete. This means that this process is launched once GTS has processed version 3 (16th working day after the end of the month) of the allocation reports.</p> <p>The steps which need to be completed in order to produce an advance invoice are:</p> <ul style="list-style-type: none"> - Determination of the offline portfolio imbalance on an hourly basis on the basis of the offline allocations (version 3); - Determination of the portfolio volume difference on an hourly basis by taking the difference between the near-real-time portfolio imbalance and the offline portfolio imbalance; - Adding up all portfolio hour volume differences to work out a portfolio day volume difference; - Recording the portfolio day volume difference on the basis of the relevant neutral day gas price (e.g. ICE-ENDEX day-ahead of the gas day in question). <p>The advance invoice contains the total monthly amount reflected per portfolio. The electronic appendix shows the following data, used in the calculation, on an hourly basis:</p> <ul style="list-style-type: none"> - The relevant portfolio; - The portfolio imbalance on the basis of the near-real-time allocations; - The portfolio imbalance on the basis of the offline allocations (version 3); - The portfolio volume difference; - The neutral gas price; - The portfolio volume difference reflected in the accounts (V x P). <p>Debit and credit invoices must be made out and dispatched 4 working days after GTS has processed the version 3 allocation reports. The standard GTS payment</p>

	<p>date (14 days after invoice date) applies to debit invoices produced by this process. Credit invoices are paid by GTS 14 days after the invoice date.</p> <p><u>2) Account settlement.</u></p> <p>Once version 4 of the allocation reports has been processed (10th working day of the fourth month after the end of the month) the monthly account settlement process is carried out.</p> <p>The steps which need to be completed in order to produce a settlement account are:</p> <ul style="list-style-type: none"> - Determination of the offline portfolio imbalance on an hourly basis on the basis of the offline allocations (version 4); - Determination of the portfolio volume difference on an hourly basis by taking the difference between the near-real-time portfolio imbalance and the offline portfolio imbalance; - Adding up all portfolio hour volume differences to work out a portfolio day volume difference; - Recording the portfolio day volume difference on the basis of a neutral day gas price (e.g. ICE-ENDEX day-ahead of the gas day in question). - Calculating the residue by deducting the advance invoice sum from the account invoice sum. <p>The following items are mentioned for each portfolio on the account invoice:</p> <ul style="list-style-type: none"> - the invoice sum on the basis of version 4 of the allocation reports; - the advance sum already invoiced; - the invoice sum still to be charged. <p>The electronic appendix shows the following data, used in the calculation, on an hourly basis.</p> <ul style="list-style-type: none"> - The relevant portfolio; - The portfolio imbalance on the basis of the near-real-time allocations; - The portfolio imbalance on the basis of the offline allocations (version 4); - The portfolio volume difference; - The relevant neutral gas price; - The portfolio volume difference reflected in the accounts (V x P). <p>Debit and credit invoices must be made out and dispatched 4 working days after GTS has processed the version 4 allocation reports. The standard GTS payment date (14 days after invoice date) applies to debit invoices produced by this process. Credit invoices are paid by GTS 14 days after the invoice date.</p> <p><u>3) Settlement information provision.</u></p> <p>The purpose of settlement information provision is to enable PRPs to reproduce and check their invoices. All data used in drawing up the invoice are made available in the form of an electronic appendix to the invoice. GTS will also make the following PRP-related data available:</p> <ul style="list-style-type: none"> - The programmes approved by GTS on a daily basis. - The online hourly allocations. - The offline hourly allocations. - The Portfolio Imbalance Signal (POS) created on an hourly basis. - The settlement prices on a daily basis. <p>The near-real-time allocations and offline allocations can be downloaded directly from Gasport and B2B. The appendix to the settlement invoice should also show the background data for the settlement.</p>
Roles	LDC, Licensed programme responsible parties (shippers), GTS.
Performance targets
Preconditions	The settlement process is not started until the allocations for the licensed PRPs (shippers)' entire portfolios are known. It seems that the earliest point at which this can take place is after GTS has processed version 3 of the allocation reports (16 th working day).
Postconditions	The settlement process is completed for a month as soon as all the licensed PRPs (shippers) have complied with their financial obligations relating to settlement payments.
Scenario	
Alternative scenarios	GTS may send interim invoices to PRPs if it thinks that this is necessary in view

	of its credit limit monitoring.
Special requirements

4.8 Within-day balancing action price calculation and invoicing

Name of sub-process	Within-day balancing action price calculation and invoicing
Description of sub-process	<p>GTS will perform a within-day balancing action when the system balance signal (SBS) falls outside the dark green zone boundaries. This sub-process describes:</p> <ul style="list-style-type: none"> - Demonstration of the actual financial consequences of a within-day balancing action (within-day balancing action account summary); - The (monthly) invoicing process of within-day balancing actions; - Within-day balancing action in relation to the credit monitoring of PRPs; - Other information provided in the context of invoicing within-day balancing actions. <p>General points. GTS records a transaction for every within-day balancing action. This transaction includes, among other things:</p> <ul style="list-style-type: none"> - The within-day balancing action gas which is confirmed by the within-day market facilitator; - The within-day balancing action gas which is confirmed to PRPs which caused the system imbalance (causers); <p>If Remainder of the GasDay Products are ordered on the within-day market, a within-day balancing action will cover a period between one and twenty-four hours. In that case, deployment/supply in a transaction will also relate to a period of several hours.</p> <p>PRPs can also obtain all the relevant information about a particular within-day balancing action afterwards via the transaction number.</p> <p>There are three different stages in the financial processing of a transaction:</p> <ul style="list-style-type: none"> - <i>Current</i>: a transaction with the status 'current' falls within the present invoicing month and is not yet marked for invoicing; - <i>To be invoiced</i>: a transaction with this status falls in a period that is marked for invoicing but has not yet been invoiced; - <i>Invoiced</i>: a transaction with this status has been invoiced. <p><i>The description of the system given below assumes knowledge of the process relating to the within-day balancing actions. A detailed description of this is given in the Within-day balancing action DPM.</i></p> <p>1) Demonstration of the actual financial consequences of a within-day balancing action</p> <p>Once a within-day balancing action has taken place, the within-day balancing action accounts of the licensed PRPs (shippers) involved are updated to reflect the transaction to which the action related. The status of the transaction is recorded as 'actual' on the account, and the open balance of the account is also updated.</p> <p>The following aspects are shown for each transaction on the within-day balancing action account:</p> <ul style="list-style-type: none"> - The within-day balancing action transaction number; - The time of the within-day balancing action; - For each sub-transaction: <ul style="list-style-type: none"> - The type of sub-transaction (within-day balancing action gas or emergency gas); - direction of the sub-transaction: purchase or sale; - the ordered within-day market product (end-of-day, one-hour) - the volume;

	<ul style="list-style-type: none"> - the applicable price; - the financial value (volume x price); - the supply period. <p>Licensed PRPs (shippers) can access the within-day balancing action account online.</p> <p>2) Monthly invoicing of within-day balancing actions. At the end of each (gas) month, the within-day balancing actions of the past month are frozen and a new within-day balancing action summary is created for the coming month. This is done as follows:</p> <ul style="list-style-type: none"> - The status of all transactions whose delivery period falls completely within the month to be invoiced changes from 'current' to 'to be invoiced'; - A within-day balancing summary is created for all transactions whose status is 'still to be invoiced'. Licensed PRPs (shippers) can access this summary. <p>All account summaries are invoiced on the second working day after the end of the (gas) month. Each licensed PRP (shipper) is sent an invoice, showing the amounts to be paid per portfolio for within-day balancing action gas and emergency gas. A reference is also made to the relevant within-day balancing action summary. The electronic appendix to the invoice shows the data used to calculate the invoice on an hourly basis.</p> <p>Invoice numbers are assigned once the within-day balancing action summaries have been worked out. The status of all transactions changes from 'to be invoiced' to 'invoiced'.</p> <p>Debit and credit invoices are produced and sent out on the second working day after the end of the month. The standard GTS payment date (14 days after invoice date) applies to debit invoices produced by this process. Credit invoices are paid by GTS 14 days after the invoice date.</p> <p>3) Within-day balancing actions in relation to credit monitoring. A comprehensive description of the way in which credit monitoring of licensed PRPs (shippers) is carried out is beyond the scope of this section. It simply explains how the within-day balancing action position is determined for creditworthiness.</p> <p>The within-day balancing action position for creditworthiness is determined at the end of each gas day on the basis of:</p> <ol style="list-style-type: none"> 1. the sum of all transactions with 'current' status where delivery has taken place. 2. the sum of the financial value of all transactions with 'to be invoiced' status; 3. the sum of the financial value of all transactions with 'invoiced' status where no payment has yet been received. <p>4) Other information provision In addition to the information provision referred to above, licensed PRPs (shippers) will be able to access all relevant information relating to a within-day balancing action. The following information about the within-day balancing action in question can be accessed on the basis of the transaction number:</p> <ul style="list-style-type: none"> - The time of the call; - The type of product ordered (Remainder of the GasDay Product or Single Clock Hour Product) - The volume required; - The total ordered volume confirmed; - The within-day balancing action price; - The SBS (actual) at the time of the within-day balancing action in question; - The SBS (final hour forecast) at the time that the within-day balancing action was taken; - The buffer zones; - The total volume of causers; - The POS(s) of the licensed PRP (shipper) making the request at the time of the call.
Roles	PRPs, Trading Platform Operator offering within-day balancing action resources. GTS

Performance targets
Preconditions	All parties taking part must have at least licensed PRP (shipper) status.
Postconditions
Scenario
Alternative scenarios	In the light of credit limit monitoring, it is possible that transactions on a within-day balancing action account whose status is 'current' may be invoiced by GTS before the end of the month.
Special requirements	Within-day balancing actions are neutral for GTS in both volume and financial terms. GTS acts as a facilitator.

4.9 Transitional provision

Name of sub-process	Transitional provision
Description of sub-process	<p>Shippers which are listed for a connection in a connection register at the time when the new wholesale gas market model takes effect are regarded as bearing programme responsibility for that connection from that point on, unless the connected party notifies GTS in writing beforehand that it will exercise programme responsibility itself or transfer it to a licensed programme responsible party (shipper). In the case of connections to the LDC network, suppliers submit a switch via the normal PRP switch.</p> <p>In the case of network points that are not listed in the connection register, the capacity use right holder registered with GTS must also be the party bearing programme responsibility for that capacity, except in the case of network points between the national grid and the producers' upstream pipeline network. The connected parties of that upstream pipeline network bear programme responsibility at these points. GTS will manually update documents for these points, showing which party bears programme responsibility for which capacity.</p> <p>Shippers automatically become licensed programme responsible parties (licensed shippers) when the new market model takes effect.</p>
	PRP GTS Suppliers Connected party LDC
Performance targets	
Preconditions	
Postconditions	
Scenario	
Alternative scenarios	
Special requirements	

Appendix 1. Example of licence application form for programme responsible party

gastransportservices

Application form Licensing

Company information

Company name

Address

Postal code

Place of business

Country

Website

Financial information

Bank name

Bank account number

International Bank Administration Number (IBAN) code

Bank swift code

Credit Rating

Credit Rating Agency

VAT registration number in country of place of business

Chamber of Commerce number

Concerns application for

Program Responsible Party, with:

☐ License type A

☐ License type B

☐ Trading Program Responsible Party

EAN-code

Name

Position

Telephone number

E-mail address

Date

Place

Signature

Appendix 2. Example of list of licences issued to programme responsible parties

gastransportservices										
Licenselist Programme Responsible Parties										
Last update		17-06-09								
Programme Responsible Party	Address				License	Edigas-code	EAN-code	Startdate	Enddate	
PRP A	Esplanaden	20	1088 GR	Amsterdam	NL	LA	GSPRPA	8711110000002	01-04-2011	
PRP B	Nijverheidsstraat	24	1002	Brussel	BE	LA	GSPRPB		01-04-2011	
PRP C	London Wall	1	EC2Y 9HD	London	UK	LA	GSPRPC		01-04-2011	
PRP D	Hofplein	100	3001 AD	Rotterdam	NL	LB	GSPRPD	8711110000000	01-04-2011	
PRP E	Markgrafenstrasse	2	10116	Berlin	DE	LB	GSPRPE	8711110000001	01-04-2011	

Appendix 3. Example of switch report

Switch mutation form

EAN Code supplier

PRP name

8711110000000

E.ON Benelux B.V.

Add line

Change/Delete line

Send to GasTransport Services

EAN Code Exit point	EAN Code PRP	PRP name	Start date	End date	Sign On/Off	Remarks
871718518003000000	8712423000000	GSPRPA	01-07-2009	31-12-2009	Sign On	

gas transportservices