

EFET updates standard documentation as a response to the changes in the UK gas day

Due to the change of the start of the United Kingdom natural gas day to 5.00 hours (GMT/British Summer Time) on 1 October 2015, the European Federation of Energy Traders (EFET)¹ had to update its standard documentation. On 7 September 2015, EFET published version 2.0 of the EFET NBP (National Balancing Point) Appendix and version 1.0 of a new UK 5:5 Beach Appendix to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas, now accessible on the EFET website (<http://www.efet.org/Standardisation/Legal-EFET-Standard-Contracts-and-Documentation/GasAndGasAnnexes>).

The change in the UK gas day was triggered by EU Regulation 715/2009 incorporating the Network Codes on Capacity Allocation Mechanisms (CAM) and Balancing, establishing a harmonised 6.00 to 6.00 hours CET gas day across European downstream systems as of 1 October 2015.

This change in the gas day has however not been completed for all operators for technical reasons and cost implications. Certain natural gas processing sub terminals in the UK will operate on a 6.00 hours to 6.00 hours CET day (being 5.00 hours to 5.00 hours GMT/British Summer Time) whilst others will continue to operate on a 7.00 hours to 7.00 hours CET day (being 6.00 hours to 6.00 hours GMT/British Summer Time). For this reason the EFET standard documentation distinguishes between the deliveries of natural gas into the National Transmission System from UK 5:5 Beach sub terminals, for which the new UK 5:5 Beach Appendix is to be used, and deliveries from UK 6:6 Beach sub terminals that continue to operate on a 6.00 to 6.00 hours GMT basis.

Both new Appendices are supported by standard Change Letters to be used by companies who have the NBP Appendix version 1.0 or the UK Beach Appendix version 1.0 in place. Companies can upgrade from version 1.0 to version 2.0 of the EFET NBP Appendix online via the EFET Document Ratification System (EDRS) (<http://edrs.efet.org/users/>).

“The current upgrade of the NBP standard templates underlines the importance of allowing protocol based execution of standard trading documentation. The EDRS system offered by EFET for free to anyone in the market is a clear progress towards a more time-efficient contractual management in commodity trading”, says Jan Haizmann, Chairman of the EFET Legal Committee.

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¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent, sustainable and liquid wholesale markets, unhindered by national borders or other undue obstacles. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information, visit our website at www.efet.org.