

28<sup>th</sup> May 2012

## **Proposed Modification 9 to BGE(NI) Transportation Network Code**

### **Final Modification Report**

Please find attached details of a Proposed Modification to the BGE(NI) Transportation Network Code as required under Section 9 of the Modification Rules.

#### **A Description of the nature and purpose of the modification**

##### **Modification Proposal**

This proposed modification is required to change certain aspects of the BGE(NI) Transportation Network Code to facilitate the introduction of Daily Capacity products to the Northern Ireland market. The modification aims to set out the processes associated with these products and the resulting interactions between the Transporter and Shippers.

##### **Background**

This product has been developed in order to satisfy infringement proceedings against the UK, which alleged that the Transmission System Operators (TSOs) in Northern Ireland do not provide third party access services down to a minimum period of one day under Regulation (EC) 1775/2005.

BGE(NI) has engaged with the Utility Regulator and Premier Transmission Ltd. (PTL) in order to progress the Code Modification process. The process to date can be summarised as follows:

- An outline of the proposed Daily Capacity products was presented to industry at a workshop on the 14<sup>th</sup> February 2012.
- Business Rules were prepared jointly by BGE(NI) and Premier Transmission Ltd. and issued for consultation by the Utility Regulator on 8<sup>th</sup> March 2012.
- The Utility Regulator published a conclusion paper on 6<sup>th</sup> April 2012, requesting both BGE(NI) and PTL to progress Code Modifications to their respective Codes based on the principles contained within the Business Rules.
- BGE(NI) published an Initial Modification Report including the proposed mark-up of the BGE(NI) Code on 4<sup>th</sup> May 2012. PTL also published a similar document with respect to the PTL Code.
- The consultation period ended on 21<sup>st</sup> May 2012. The Transporter did not receive any representations from Consultees.

The Utility Regulator also issued consultations on 18<sup>th</sup> May 2012 in terms of tariffing arrangements and licence changes relating to all current infringement compliance modifications. As these areas are the subject of ongoing consultation, the Transporter has not yet proposed modifications to related sections of the BGE(NI) Code. The Transporter intends to await the outcome of the aforementioned consultations in advance of modifying the relevant sections of the Code. It is therefore anticipated that the proposed drafting to accommodate these changes as they relate to Short Term Capacity Products be incorporated into the BGE(NI) Code subsequent to the publication of the Regulator's decisions regarding tariffing and licence changes.

### **Representations or Objections made by any Consultee**

No responses were received by the Transporter in relation to the Initial Modification Report consultation.

Three responses were received by the Utility Regulator in relation to the previous Business Rules Consultation in March/April 2012. The Utility Regulator addressed those responses in their conclusions paper and advised the TSO's to progress Code Modifications based on the principles contained within the Business Rules document.

### **Transporter's Opinion of the Code Modification**

The modification as proposed is designed to satisfy the requirements of the infringement, while being mindful of the need to do so in a timely, cost-effective and pragmatic manner. The Transporter believes that the above stated objective has been achieved, while being aware that there are certain limitations to the product as a result of the timelines involved in its development and implementation. The Transporter acknowledges that such limitations were identified by respondents to the Business Rules consultation and would support the Utility Regulator's view that the product as proposed should be further developed and improved over time.

#### **B How the modification better facilitates the relevant objective**

The implementation of this modification allows Shippers to apply for Capacity on the Transportation System down to a minimum period of one day. Previously Shippers were required to make Capacity bookings on an annual or multi-annual basis.

#### **C The clauses of the Transportation Code that require amendment**

See attached Code Mark-up which outlines the proposed changes to the BGE (NI) Transportation Network Code. The changes shown are primarily in relation to *Section 1 Firm Capacity*, with further changes relating to charging, credit procedures to follow pending the conclusion of the Utility Regulator's tariffing and licence consultation process.

**D The date proposed for implementation**

The Transporter proposes that the modification be implemented on 1<sup>st</sup> July 2012, pending approval of the charging and credit related changes to the BGE(NI) Code. This will mean that the first booking window will open during July to allow Shippers to book Daily Capacity during August.

**E Impact on other Designated Pipeline Operator's Network Codes:**

The above proposal will impact on the PTL code. BGE(NI) has corresponded on the above proposal with PTL.