

Premier Transmission & BGE(NI)

Northern Ireland

Capacity Booking Optimisation Methodology

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1. Document Requirement

This document is jointly published by Premier Transmission Limited (PTL), Belfast Gas Transmission Limited (BGTL) and Bord Gais Eireann (Northern Ireland) (BGE (NI)).

The requirement to publish this Capacity Booking Optimisation Methodology (“CBOM”) is specified in each of the Designated Pipeline Operators network codes.

The Capacity Booking Optimisation Methodology describes how PTL, BGTL and BGE (NI) (‘the TSOs’) jointly co-ordinate the arrangements for booking and allocating Daily Capacity on their respective networks to ensure that available capacity is allocated to applicant Shippers in a fair and optimal way, taking into account the physical constraints within the networks of the TSOs. The TSOs have worked together to develop this Methodology and have agreed between themselves to implement it jointly. The Northern Ireland Network Operators Agreement (NINOA) details the information flows required between the TSOs to ensure the efficient operation of the CBOM.

This Methodology Statement was originally developed based on PTL Code Modification 19 and BGE (NI) Code Modification 9 to deal with the equitable allocation of the available technical capacity at an Exit Point between the NI transmission networks and to co-ordinate the process of allocating Daily Capacity across the networks to ensure consistency in the allocation process for Shippers. Since then, rules (BGE(NI) Code Modification 10) have been introduced into the BGE (NI) Network Code which mean that Shippers are entitled to book a quantity of capacity, on each contract path associated with an Exit Point such that the aggregate of all Shipper’s capacity bookings on that contract path is less than or equal to the Technical Capacity of that Exit Point. Aggregate nominations in excess of the Maximum Offtake Rate at the Exit Point will not be accepted. Consequently, it will be necessary to amend this Methodology to reflect the above requirements.

Therefore, on an interim basis from 20th July, the TSOs will use and apply this Methodology Statement to address Shippers’ Daily Capacity Applications up to the level of the technical capacity of the relevant Exit Point. In the event that Shippers apply for Daily Capacity in excess of this level the TSOs will use an additional process to ensure that the additional capacity requested is allocated equitably in accordance with Shippers entitlements under the BGE (NI) Code.

The TSOs are working on incorporating the steps contained in this Methodology and the additional allocation of capacity in excess of the Exit Point Technical Capacity into a single process, and will publish a revised Methodology Statement as soon as possible which will reflect the process in its entirety.

2. Governance

This document was first published on 20th July 2012 and can only be amended by agreement of the TSOs, and the approval of the Northern Ireland Authority for Utility Regulation.

3. Exit Points and Contract Paths in a Point to Point Regime

BGE (NI) and Premier Transmission operate point to point contractual regimes under which Shippers make Applications for Capacity in respect of Exit Points, with an associated contract path. The contract path relates the Exit Point to an associated Entry Point into the NI Network (either Moffat or South/North). An Exit Point can therefore have two possible contract paths associated with it. Shippers do not apply for or hold separate entry capacity under the NI contractual regimes.

Shippers may be registered to make Firm and/or Interruptible and/or where applicable Interruptible VRF Nominations on each contract path. Where a Shipper is so registered, a separate contract on the IT system will be set up for each type of Nomination.

Shippers may not make Firm Nominations unless they have first been allocated Firm Capacity, through the long term booking processes in the codes, and/or through the Daily Capacity Application process.

4. The nature of Available Daily Capacity

Due to the point to point nature of the NI regime, it is impossible to derive a single figure for available Daily Capacity at each Exit Point, because it also depends on the overall capacity available in the NI Network.

The available capacity at an Exit Point is equal to the Exit Point Technical Capacity less the long term booked Firm Capacity at the Exit Point. Similarly, the available capacity at an Entry Point is equal to the Entry Point Technical Capacity less the long term booked Firm Capacity on all contract paths relating to the Entry Point. The available capacity on a contract path varies from day to day and is constrained by the relevant entry and exit technical capacities and the other demands on those points.

When determining how to allocate capacity to Applications made by Shippers the TSOs must consider all the Applications on both networks together, to maximise the allocation of the Available Capacity

5. Process Steps

The TSO's have prepared and will operate a co-ordinated booking and allocation process in accordance with their Codes as outlined below:

- Shippers may make Applications for Daily Capacity to the relevant TSOs during a pre-defined booking window.
- Shippers booking capacity on a contract path which utilises both the BGE (NI) and PTL/BGTL networks will be required to submit two separate and identical capacity applications to each TSO.
- PTL and BGE (NI) will co-ordinate the opening and closing times of their respective booking windows.
- PTL and BGE (NI) will take Applications received and share them with the other TSOs.
- Initial checks will be made by each TSO as described in 6 below.
- PTL and BGE (NI) will run the calculations using the same method/spreadsheet to implement the CBOM.
- PTL and BGE (NI) will ensure their results are consistent, and PTL and BGE(NI), through their own processes, will notify their Shippers of their capacity allocations

6. Capacity Booking Optimisation Methodology ('CBOM')

The CBOM is a 5 stage process designed to maximise the allocation of capacity to Shipper Applications. Whenever there is over subscription for capacity at any point in the NI Network the available capacity shall be allocated pro rata to Applications.

The following table shows the relevant TSO to which Shippers should apply for Daily Capacity for each contract path.

NI Forward Flow Contract Path	Shipper Applies to: <i>(relevant exit point shown in brackets)</i>		TSO performing Credit Check <i>(Shippers must hold credit with...)</i>
	PTL	BGENI	
Moffat to Ballylumford	Y	N	PTL
Moffat to Stranraer	Y	N	PTL
Moffat to Belfast	Y (BGEP 1)	N	BGTL
Moffat to Ten Towns	Y (BGEP 2)	Y (Ten Towns)	BGE (NI)
Moffat to Coolkeeragh	Y (BGEP 3)	Y (Coolkeeragh)	BGE (NI)
South North to Coolkeeragh	N	Y	BGE (NI)
South North to Ten Towns	N	Y	BGE (NI)

6.1. STAGE 1

The Applications submitted by Shippers shall be validated and, if necessary, adjusted as follows:

- i. If a Shipper makes more than one Application on the same contract path for the same day the lowest such request will be used and other Applications will be ignored.
- ii. If a Shipper makes Applications for different amounts of capacity on the same contract path for the same day to PTL and BGE (NI) then the lowest such Application is used and the other request is ignored. Where a Shipper is required to apply for daily capacity to both TSO's, but only applies to one, the Application is treated as an Application for zero capacity.
- iii. Each TSO carries out a credit check for each shipper based on the Applications accepted by the above process which relate to Exit Points which are billed by that TSO (as shown in the table above).
- iv. For the purposes of Applications to PTL for Daily Capacity at the BGEP1 Exit Point, the credit check will be performed by BGTL. If BGTL finds that there will be insufficient credit cover, then it will notify PTL in writing and PTL shall be entitled to treat the application as in (v) below.
- v. In the event that the Shipper has insufficient credit with the relevant TSO then Applications for the first n days of the month are accepted, where n is the number of Days for which there is sufficient credit for the value of those Applications.
- vi. Note that credit is required to submit a valid Application for capacity, regardless of whether that Application is later reduced as a result of network constraints

6.2. STAGE 2

The sum of the Applications for Daily Capacity on each contract path at each Exit Point is checked against the Available Capacity on each contract path at that Exit Point. If necessary the Applications are cut back pro-rata to the level of each Shipper's Application.

6.3. STAGE 3

The sum of the reduced Applications from Stage 2 which relate to an Entry Point is checked against the Available Capacity at that Entry Point. If necessary the Applications are cut back pro-rata to the level of each Shipper's Application.

6.4. STAGE 4

If cut backs are made at stage 3 in respect of one of the Entry Points, it is possible that this could release some capacity at one or more Exit Points which could be served by the other Entry Point. Stage 4 checks for this situation and where possible increases the relevant allocations to make maximum use of the released capacity at each Exit Point.

6.5. STAGE 5

Stage 5 is a final check that any allocations which were increased in Stage 4 can, in fact be met by the capacity available at the correlating Entry Point. If necessary the Applications are cut back pro-rata to the level of each Shipper's Application.

7. Document Control

Version	Summary of Changes	Date	Approved by:-
1.0	First Publication	20.7.12	

8. Appendix 1: Notes on Carrickfergus & the role of Belfast Gas Transmission Limited

Carrickfergus

Gas nominated from the Moffat Entry Point, as defined in the PTL Transportation Code must flow through Carrickfergus if it is being transported to one of the Exit Points on the BGE(NI) network. The Methodology may require revision in the event of a constraint at Carrickfergus.

The role of Belfast Gas Transmission Limited

BGTL owns and operates part of the NI pipeline network (primarily supplying the Belfast area).The BGTL Network Code operates such that Shippers (and the downstream Distribution Operator in Belfast, PNG) are deemed to hold capacity in the BGTL network as a result of being allocated corresponding capacity with PTL (with respect to the BGEP1 Exit Point in PTLs Code). Shippers may use that capacity by submitting nominations to PTL but Shippers do not apply to BGTL for capacity. However, contractually under the streamlined regime, Shippers pay BGTL for the use of its network and so must hold the appropriate credit cover with BGTL. BGTL therefore jointly provides and administers this CBOM process for the purposes of dealing with credit cover, but Shippers effectively book transmission capacity for Belfast by making applications to PTL under the PTL Network Code.