

## Transportation Network Code Proposed Modification No. 9

### Initial Modification Report

#### 1. Introduction

BGE(NI) (“The Transporter”) has prepared this report in accordance with Section 4 of the BGE(Northern Ireland) Transportation Network Code Modification Rules.

#### 2. Proposed Modification

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 firm and interruptible third party access services down to a minimum period of one day under Regulation (EC) 1775/2005.

The attached mark-up of the Code is based on the High Level Business Rules which were prepared jointly by BGE(NI) and Premier Transmission Ltd. and issued for consultation by the Utility Regulator on March 8<sup>th</sup> 2012. The Utility Regulator published a conclusion paper in relation to the aforementioned consultation on 6<sup>th</sup> April 2012, requesting both BGE(NI) and Premier Transmission Ltd. (PTL) to progress Code Modifications to their respective Codes. The paper recommended that the modifications be based on the principles contained within the High Level Business Rules consultation document.

It should therefore be noted that PTL are independently publishing the proposed drafting to the PTL Code as part of PTL Code Modification No. 19. Both TSO’s have co-ordinated the drafting process in a manner designed to ensure, insofar as is practicable, that the modifications to both Codes will result in a streamlined product offering to Shippers on both transmission networks.

##### Parallel Developments

Changes to the BGE(UK) licence and the charging methodologies are currently under review in light of the wider IME2 compliance project and it is intended that these items will be consulted on separately. Consequently, this BGE(NI) Code Modification No. 9 has omitted any reference to such changes.

It should also be noted that a number of Code modifications are being developed contemporaneously in order to address alleged infringements of EU Regulations;

- Modifications to introduce a new Entry Point to the NI Network (the South-North Entry Point) and associated products;
- Modifications to accommodate Virtual Reverse Flow on the NI Network.

The attached drafting with respect to Daily Capacity does not attempt to anticipate those additional modifications. The modifications with respect to both these products will impact on the now proposed modification with respect to Daily Capacity and this will be noted in the proposed text for each of these modifications. Ultimately, where all of the proposed modifications are introduced simultaneously a consolidated version of the Code will be published with the last such modification incorporating all relevant updated drafting.

### **Consultation Period**

The Utility Regulator has suggested in its conclusion paper that the consultation period for this Initial Modification Report be shortened in light of the obligation to implement the modification by 1<sup>st</sup> July 2012. To this end, BGE(NI) proposes that a consultation period of 10 business days be applied.

### **General Principles**

While the key principles of the Daily products have already been outlined in the Business Rules consultation, the following is a concise summary of the nature of the proposed product;

- Daily Capacity will be offered on a firm basis in the forward flow direction.
- The quantity of available Daily Capacity will be calculated in line with the existing process for calculating the Available Firm Capacity in BGE(NI) and MEL codes .
- The quantity of available Daily Capacity will be published in advance of the Application Window.
- Shippers may apply for Daily Capacity for each day within the month, during a booking window which will be opened ahead of the month.
- Daily Capacity will be made available for day D, during an Application Window which will be open for a period of 2 consecutive business days, commencing 12 business days prior to the start of the month.
- Where relevant, a Shipper's Daily Capacity Quantity will be added to its long term Firm Capacity to determine their Aggregate Firm Capacity in respect of a day.
- A Shipper may make nominations against their Aggregate Firm Capacity in accordance with the existing processes and timescales in the Code.
- Daily Capacity will not be transferable to another Shipper.

**1. Modification Proposed by:**

The Transporter.

**2. Proposed Modification Submitted:**

4<sup>th</sup> May 2012

**3. Transporter's Opinion of Proposed Modification:**

The Transporter supports the proposal insofar as it serves the purpose of satisfying the terms of the infringement in a cost effective and timely manner. The Transporter acknowledges that the products as proposed are somewhat limited, however given the timeframes involved, believes that an appropriately pragmatic approach has been adopted. The Utility Regulator has indicated that the product in its proposed form will be used as the basis for further improvements in due course, particularly in terms of the change to an entry/exit system.

**4. Impact on other DPO's Codes**

Code Modifications are being raised concurrently to this BGE(NI) Code Modification No.9 by Premier Transmission Ltd. and Belfast Gas Transmission Limited to ensure that consistency is maintained across all relevant Codes governing the Northern Ireland Network.

**5. Proposed Implementation Date**

1<sup>st</sup> July 2012

**6. Consultation Period for Initial Modification Report**

Comments are requested on or before 21<sup>st</sup> May 2012.

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