

NI Daily Capacity Products High Level Business Rules



JOINT BGE(NI) AND MEL PRESENTATION

14-02-12

Background

- Northern Ireland has been infringed by the EU Commission with regards to Regulation EC 1775/2005
 - Article 4(1) obliges TSOs to:
“offer to network users both long and short terms services”.
- TSOs keen to implement the requirements of the gas regulation since 2006
 - Gas regulation EC1775 was replaced by EC715 in March 2011
- TSOs have been directed by NIAUR to introduce short term products before 1st Oct 2012.
- BRs have been developed jointly between BGE(NI) and MEL to ensure a streamlined product offering.
- Minimalist approach taken to product design in order to minimise development costs.

Context - Parallel Development

- Parallel infringement projects may impact on Daily Capacity Products;
 - Introduction of Capacity Products at the Relevant point on the SNP;
 - In the Physical Flow Direction (to NI).
 - Virtual Reverse Flow (from NI).
 - Virtual Reverse Flow
 - Virtual Reverse Flow at Moffat.
 - Virtual reverse Flow at Carrickfergus.
 - Business Rules development has commenced
 - Consultation with industry to follow.

Business Rules - Proposed Key Principles

Daily Capacity Products would be offered as follows:

- Firm Capacity only.
- Daily Capacity would be booked with respect to a particular P2P contract path.
- Booking window would be during the month ahead for each day within the month.
- Daily Capacity would not be transferable between Shippers.
- Daily Capacity would not be transferable between contract paths.
- Apportionment of capacity would be on a pro rata basis.
- Semi-manual booking system in order to minimise costs.

Application for Daily Capacity

Booking Window:

- Window would open 12 Business Days prior to the start of the month.
- Duration: 2 Business Days.
- Shippers would be notified of their booked capacity no later than 2 Business Days after the closure of the booking window.

Application Process:

- Each individual day would require a separate application.
- However, where the requested capacity quantity is the same for a number of consecutive days, a single application would suffice.
- Each day within a “multiple-day“ application (as above) would be treated as an independent application for capacity.

Contract Paths incorporating both MEL & BGE(NI) Networks

Shippers applying for capacity on a contract path which utilises both the MEL and BGE(NI) networks are required to:

- Be a registered Shipper on both networks.
- Be a registered Shipper on the relevant contract path.
- Submit separate applications to each TSO.
- Request an equal quantity of capacity on each network with respect to that contract path.

Capacity Apportionment Process

In order to apportion the capacity between Shippers across the two networks, it is proposed that the Capacity Apportionment Process would be applied as follows;

- Upon closure of the booking window, the TSOs would share their booking applications (data protection considerations to be confirmed).
- Where there is insufficient capacity in the network to meet the requested quantity, capacity would be apportioned to Shippers on a pro rata basis.

Other Business Rules Items

Nominations and Allocations

- Separate Nominations and Allocations would be required in respect of each contract path and in respect of each day.
- Nominations and Allocations would be made in accordance with the existing codes.

Financial Security

- Sufficient financial security cover will be required to be held by Shippers wishing to book daily capacity.

Billing/Tariffs

- NIAUR to determine the appropriate tariffs.