

Northern Ireland Daily Capacity Products: High Level Business Rules

Revision 1.0

BGE(NI) and MEL Joint Submission to NIAUR

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1 Introduction

This High Level Business Rules document has been jointly prepared by BGE(NI) and MEL with the intention of providing an overall context for the development of streamlined Short Term Capacity Products to the Northern Ireland market. Both TSOs request the Regulator's confirmation that the products as outlined meet NIAUR's requirements for regulatory compliance prior to the commencement of legal drafting.

A number of key points need to be considered in relation to the development of the High Level Business Rules. The development of products to address other aspects of Northern Ireland's Infringements has the potential to impact significantly on the nature of the Daily Products to be offered. Other areas of work which, if required, are likely to be progressed concurrently with the development of the Daily Products are as follows;

1. Declaration of a Relevant Point of interconnection on the South North Pipeline.
 - a. Forward Flow Capacity on the South North Pipeline at the Relevant Point.
 - b. Virtual Reverse Flow on the South North Pipeline at the Relevant Point.
2. Virtual Reverse Flow at Moffat.
3. Virtual Reverse Flow at Carrickfergus.

It is therefore not sufficient to develop the Daily Capacity High Level Business Rules in isolation. The introduction of capacity on the South North Pipeline introduces a second Entry Point to the Northern Ireland network, resulting in an increase in the options available to Shippers with respect to contract paths. It will therefore be necessary to review the Daily Capacity High Level Business Rules in light of all relevant infringement developments.

2 Capacity

2.1 Definition of Service

- 2.1.1** Daily Capacity will be offered on a firm basis in the forward flow direction.
- 2.1.2** 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 (section 1.1.2 in both codes).
- 2.1.3** The quantity of available Daily Capacity will be published in advance of the Application Window.
- 2.1.4** A Shipper will be required to be registered appropriately with respect to a contract path (i.e. a specific Entry Point to Exit Point path), in order to be eligible to apply for Daily Capacity in respect of that contract path.
- 2.1.5** Shippers may apply for Daily Capacity for each day within the month, during a booking window which will be opened ahead of the month. See Section 2.2.3 for details of the Application Window.
- 2.1.6** 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 contract path for a day.
- 2.1.7** A Shipper may make nominations (with respect to a contract path) against their Aggregate Firm Capacity.
- 2.1.8** Daily Capacity will not be transferable to another Shipper.
- 2.1.9** Daily Capacity will not be transferable from one contract path to another.

2.2 Capacity Application

- 2.2.1** Where a Shipper wishes to apply for Daily Capacity on a contract path where the Entry point is not on the same network as the Exit Point, the Shipper will be required to register with both PTL and BGE(NI), and must apply for the same quantity of capacity on both networks.
- 2.2.2** Shippers may not make Indicative Applications for Daily Capacity.
- 2.2.3** 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.
- 2.2.4** During the Application Window, Daily Capacity may be requested for each day within the relevant month.

- 2.2.5** A separate application is required in respect of each contract path, and in respect of each day.
- 2.2.6** The TSOs' Systems will facilitate Shippers making a single application for Daily Capacity in respect of a series of consecutive days on a contract path, where the requested quantity of Daily Capacity for each individual day is the same.
- 2.2.7** An application submitted in accordance with 2.2.6 will constitute an individual and independent application for each Day.
- 2.2.8** Following the closure of the Application Window, each TSO will share the details of their capacity requests with each other, in the interest of optimising the booking process in accordance with the **"Capacity Booking Optimisation Methodology (CBOM)"**.
- 2.2.9** The Codes will be amended [if necessary] such that Shippers permit the TSOs to share this data without breaching confidentiality or data protection requirements.

Capacity Booking Optimisation Methodology

- a)** Each TSO will, using all the capacity requests on both networks, apply the CBOM independently, thus determining a provisional Daily Capacity quantity to be assigned to each Shipper in respect of each Gas Day and each contract path.
 - b)** The TSOs will then perform a check to ensure that the Daily Capacity quantity to be apportioned to each Shipper in respect of each Gas Day, as calculated independently by each TSO, corresponds with that calculated by the other.
 - c)** Any discrepancies in multiple capacity requests (on one or both networks) will be resolved by taking the lowest value requested. A missing request will be treated as a request for zero capacity.
 - d)** Where there is insufficient capacity in the network to meet all requests then a [Pro Rata] policy will be applied.
 - e)** Where there is sufficient capacity to meet all Shipper requests, the Shippers will be apportioned the quantity of capacity they have requested.
- 2.2.10** The TSOs will advise their Shippers of their apportionment of Daily Capacity in respect of each Gas Day no later than [2] business days after the closure of the Application Window.

3 Nominations and Allocations

- 3.1 Separate nominations and allocations will be required in respect of each contract path and in respect of each day.
- 3.2 Nominations against Firm Capacity will be in line with the existing rules and timescales in BGE(NI) and MEL codes.
- 3.3 Allocations will be made in line with the existing timescales in BGE(NI) and MEL codes.
- 3.4 Allocations for each Shipper will be made against their aggregate Firm Capacity first. Where a Shippers Final Allocation exceeds its Firm Nominated Quantity at the Exit Point, it will be allocated an Interruptible Allocated Quantity (as per section 3.3.2 in BGE(NI) and MEL codes)

4 Financial Security

- 4.1 Financial Security arrangements for Daily Capacity Products will be in line with existing arrangements in BGE(NI) and MEL codes.
- 4.2 Applications for Daily Capacity from Shippers who do not have sufficient credit cover in place will be rejected.

5 Billing / Tariffs

- 5.4 A Shipper will be billed for their Daily Capacity in respect of each Exit Point by the relevant TSO in line with the current postalised arrangements for charging for Firm Capacity.
- 5.5 Tariffs will be determined by NIAUR.