

Part E 'Balancing & Shrinkage' Legal Drafting Consultation

Summary Document

24 August 2015

The CER approved the business rules document in relation to [Code Modification A068 'Balancing'](#) on 21 August 2015 and directed the Transporter to develop legal drafting on the basis of the approved business rules. This document summarises the key features of the legal drafting consultation and highlights any additions to or deviations from the approved business rules.

CONSULTATION PERIOD

Comments are requested on or before 4th September 2015

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The legal drafting has been prepared in accordance with the provisions of the approved business rules, with one notable exception:

- The CER, in its business rules approval notice of 21 August 15, directed an amendment to the business rules as follows:

'to mitigate the impact of imbalances in the immediate period after the implementation of the various market changes, the CER directs GNI to set the multiplier for first tier imbalances to 1, from October 1st, 2015 until April 1st, 2016'

The legal drafting has therefore been developed in accordance with the CER's direction.

A second point to note is the means by which the drafting implements the provision of the business rules which stipulated that an imbalance tolerance would apply at an Interconnection Point only on days where the OBA is not applied:

- Whereas previously a Shipper could expect to be attributed an Entry Point Tolerance (e.g. 1.5% at Moffat) to contribute to its overall Shipper Portfolio Tolerance and an additional Entry Point Variance Tolerance to allow for variations between Allocations and the scheduled End of Day Quantity (EODQ). The proposed drafting attempts to simplify the process by eliminating the concept of Entry Point Variance Tolerances at IPs and setting the IP Tolerance to zero (see 1.7.2 and deletion at 1.7.4). To complement this change, a new clause 1.8.4 has been added which provides that a Shipper will receive a tolerance in respect of the IP Entry Point equal to the difference between the Shipper's Allocation and its Confirmed Quantity on a day where the OBA is not applied.

The final point to note relates to the Virtual Inventory Product:

- The provisions of Part D which relate to the virtual inventory product (VIP) have been highlighted. VIP has not yet been reviewed in the context of the code modifications to take account of the requirements of EU codes. While all VIP drafting has been retained the availability of the VIP product is suspended with effect from 1 October 2015.