

# CODE OF OPERATIONS MODIFICATION PROPOSAL



## MODIFICATION DETAILS

**Modification Number:** A070

**Modification Title:** Implementation of the Inch Storage Entry Point

<b>Modification Proposer:</b>	<b>Modification Representative:</b>	<b>Modification Representative Contact Details (email address):</b>	<b>Date Submitted:</b>	<b>Proposed Implementation Date:</b>
Gas Networks Ireland	Avian Egan/Denis Twomey	<a href="mailto:Avian.Egan@GasNetworks.ie">Avian.Egan@GasNetworks.ie</a> <a href="mailto:Denis.Twomey@GasNetworks.ie">/Denis.Twomey@GasNetworks.ie</a>	2 September 2015	1 October 2015

### **Proposal (including rationale):**

The Inch Entry Point is to be divided into two logical Entry Points, one for Production and one for Storage, thus facilitating two different capacity tariffs to be applied. The basis for this proposal is the CER Decision Paper 15/140 of the 23<sup>rd</sup> July entitled Gas Entry/Exit Tariff Methodology which sets out the methodology to be used to set gas transmission network tariffs from 1<sup>st</sup> October 2015. Decision 11 of this paper outlines the CER direction to apply a storage tariff where storage gas enters the Gas Networks Ireland system from the Inch Entry Point.

### **Proposed Implementation Date:**

#### **1 October 2015.**

As directed in the CER Decision Paper 15/140, storage changes at the Inch Entry Point should occur on 1<sup>st</sup> October 2015 or as soon as possible thereafter.

### **Proposed section of the Code to be modified:**

Part A: Definitions & Interpretations  
Part C: Capacity  
Part D: Nominations Allocations & Supply Point Reconciliation  
Part E: Balancing & Shrinkage  
Part F: Administration  
Part G: Technical  
Part H: Operations  
Part I: Legal and General

Some of these parts will only have consequential changes but this will be determined as the proposal progresses.

## MODIFICATION MOTIVATION

### **Intended Outcome of the Proposed Modification:**

The intended outcome of this proposal is to enable Gas Networks Ireland to meet the requirements of the CER Decision Paper 15/140 with respect to the Inch Entry Point. Under this proposal there will be two Entry Points at Inch for the purposes of capacity booking, nominations, allocations and capacity tariffs. This is required for the implementation of a tariffing regime at the Inch Entry Point which has separate charges for Storage and Production.

### **Benefits of implementing this Modification:**

Separate Storage and Productions Tariffs can be applied at Inch in a transparent and clear manner.  
Current issues around the identification of the Production/storage gas split for the calculation of shrinkage charges are resolved.

**Consequences of not making this Modification:**

Gas Networks Ireland will not have a facility in place to distinguish between Storage and Production capacity therefore will not be in a position to meet the requirements of the CER Decision Paper 15/140, Decision 11.

**Illustrative Example (Please enter a scenario where the issue and solution are illustrated):**

Different tariffs will apply to storage and production and with this modification there will be clarity and transparency in their application. This means that Gas Networks Ireland will be in a position to make an accurate determination of a shipper's tariff charges for the Inch Entry Point with a clear distinction being made between the Production and Storage gas.