



An Coimisiún
um Rialáil Fóntas
Commission for
Regulation of Utilities

CODE OF OPERATIONS

NOTICE TO SHIPPERS

PURSUANT TO THE CODE OF OPERATIONS

PROPOSED MODIFICATION

CODE MODIFICATION A078 'OVERRUN CHARGES AT DOMESTIC ENTRY POINTS'.

COMMISSION RATIONALE

Pursuant to Section 13 (1) of the Gas (Interim) (Regulation) Act, 2002, the Commission hereby rejects Code Modification A078 'Overrun Charges at Domestic Entry Points'.

A brief outline of the proposed Code Modification and the reasons for the rejection are outlined below.

BRIEF OUTLINE OF THE PROPOSED CODE MODIFICATION

This Code Modification proposal was submitted by the Irish Offshore Operators Association (IOOA) and proposed the following:

"One of the key requirements for competition between shippers is to ensure that all capacity is made available to the market on non-discriminatory terms as well as ensuring the existence of robust rules to stop any subsequent anti-capacity hoarding by system users. Following implementation of the EU Congestion Management Procedures, both short and long term 'UIOLI' rules are therefore in place at the Moffat Interconnection Point.

Part C, paragraphs 1.2 and 1.3 of the Code of Operations also describe short and long-term UIOLI rules for domestic entry points. However, the Code does not specify how any unutilised capacity is brought back to the market. Until such time as the transporter is able to clarify how this would be done, it is important to ensure that the Code arrangements in this respect are given effect such that they deter any potential incentive for capacity hoarding.

As an immediate step, in the event that at a domestic system entry point no primary capacity is available on the day, any booked capacity but unutilised capacity shall be available to shippers via an overrun charge set at 1/365th of the annual entry capacity charge.”

Subsequently IOOA presented Code Modification A083 as an alternative to A078. A083 proposed introducing an interruptible product at domestic entry points, which IOOA view as a method to deal with underutilised capacity at domestic entry points.

(Note: Parties interested in reading the full text of the proposed Code Modification should refer to the [TSO website](#).)

REASONS FOR REJECTION OF THE PROPOSED CODE MODIFICATION

A078 has been discussed over the course of a number of Code Modification Forums. Mixed views were expressed by industry participants concerning the perceived need or lack thereof of Code Modification A078. It was agreed that the A078 would be parked until further monitoring of capacity at the entry points was undertaken by GNI.

The Commission has decided to reject Code Modification A078 on the basis that A083 is now a proposed alternative to Code Modification A078 which the Commission is currently reviewing.