



TRANSITIONAL ARRANGEMENTS FOR CAM:

ANNUAL CAPACITY BOOKINGS AT INTERCONNECTION POINTS

Transition to CAM Auctions

Annual Capacity Bookings at IPs



Background:

- First CAM auction (at Interconnection Points) for annual capacity will take place in March 2016 for capacity effective from 1 Oct 2016 to 30 Sep 2017 (monthly and daily auctions will commence in Nov 2015)
- The existing Entry Capacity product (under existing regime on GTMS) cannot be sold to Shippers after 1 Nov 2015 (implementation date of CAM)
- CAM annual product is a 'gas year' product (i.e. start date = 1 Oct; end date = 30 September - no other start/end dates possible)
- Existing Gaslink Entry product is a 'rolling 12 month' product (i.e. start date can be 1st day of any calendar month)

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Issue to be addressed:

- Not all existing Entry Capacity bookings have end dates which align with the gas year
- In absence of transitional arrangements, Shippers have two options to address the 1 – 11 month gap between expiry of existing booking and start of new CAM product on 1 Oct 2016:
 - Use short term products (potentially expensive); or
 - Book new annual product (potential overlap with other booking i.e. double payment)

Objective of Transitional Arrangements:

- Bring existing Entry Capacity bookings into alignment with gas year in such a way that:
 - Shippers are not unduly forced to pay capacity charges in the interim period which are in excess of that which they would ordinarily pay; and
 - Transporter revenues are not significantly reduced in the interim period

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Proposal (Note: applies to Entry Capacity at IPs only)

- Last time for submission of annual capacity booking requests on GTMS will be in September 2015
 - after this date, GTMS will not facilitate annual booking requests
- **Shippers offered one-off opportunity during Sep 2015 to bring their annual capacity bookings into alignment with the gas year before CAM auctions commence.**
- In Aug/Sep 2015 (date TBD), Transporter writes to any Shipper with annual capacity bookings at Moffat with end dates between 31 Oct 2015 & 30 Aug 2016, offering the opportunity to:
 - extend end date of existing booking to 30 Sep 2016, maintaining existing capacity amount; or
 - To request a new ‘annual’ capacity product which will apply for the entire period between the expiry of the existing booking and 30 Sep 2016 (e.g. existing booking of X kWh expires on 31 Jan 2016; Shipper can book Y kWh for the eight months from 1 Feb 2016 – 30 Sep 2016 at the annual tariff)
 - Do nothing i.e. existing booking expires and Shipper uses short term products
- Response from Shipper required within [2 / 3 weeks] of receipt of letter
- Transporter to manually update capacity bookings by no later than 1 November 2015