

Nominations, Imbalance Charges & Allocations: EU Network Code Implementation Business Rules V2.0

Vayu welcomes the opportunity to comment on the Business Rules (V2.0) for implementing the EU network code on Nominations, Imbalance Charges & Allocations.

We would like to make comment on a number of items in this version of the business rules:

Part 4.3.2 of Nomination / Renomination Submission & Rejection notes that the Transporter **may** reject a nomination or renomination, or determine a processed quantity, which is lower than the nominated quantity if it exceeds a shipper's active capacity.

Although this is a "may" scenario, we believe it should still be possible for a shipper to make a decision to make the nomination or renomination in excess of the active capacity, having received notification that it may incur overrun charges if the daily allocation exceeds the active capacity on the day.

Part 5.1.6: We agree with the proposal that the requirement for a shipper to hold an amount of entry or exit capacity as a pre-requisite to submitting an IBP nomination should be discontinued. We further believe that this should be accelerated to apply to the current environment.

Part 5.2 Tolerances notes that tolerances may be applied in certain circumstances. We believe that the Daily Metered sector should be classified as one such case. Unlike LDM and NDM sectors, shippers with a DM portfolio do not receive any real information regarding the usage profile of their portfolio. Tolerances should still be possible in this sector.

Part 5.3.5 System Balance Portfolio: We would like confirmation if virtual reverse flow amounts at Moffat are captured in the calculation of the **Moffat (net)** figure.

Part 5.4 Applicable Price: We strongly disagree with the proposed multipliers of **0.9** being applied to the system marginal sell price and **1.1** being applied to the system marginal buy price. No rational explanation has been provided by the Transporter to support these figures other than to say these are the allowed figures according to the Regulation. These are far more than penal incentives; they are draconian measures to ensure the Transporter revenues are kept intact.

Part 5.6 Daily Imbalance Charge: We disagree with the proposed **Neutrality Charge**. Certain shippers may be disadvantaged on a monthly basis depending on their profile.