

16/09/2016 Energia Response to A078

All,

Comments were requested on the new Code Mod Proposals (A075-078) by CoB tomorrow (16 Sept) but I understood that Mods A075-077 would potentially be suspended pending the circulation of timelines by GNI on the implementation of a balancing/trading platform. Based on this understanding, the outstanding action to circulate the timelines for implementation and with the GNI balancing consultation ongoing, brief comments have been provided on Mod A078 only.

Mod A078 – Overrun Charges at Domestic Entry Points

- The requirement for this proposed modification is unclear. The rationale for the proposed modification appears to be the need for a mechanism to return unused capacity to the market but the proposed modification does not address this issue, instead it merely proposes an alternative price for this capacity.
- The Modification Proposal cites Part C, paragraphs 1.2 and 1.3 of the Code of Operations as the UIOLI provisions pertaining to domestic entry points, however this section applies to all capacity. All available capacity is offered to the market by the Transporter, capacity that is recovered by way of UIOLI provisions become part of the available primary capacity from the Transporter.
- All available primary capacity can be booked from the transporter (see Part B, paragraph 1.4 of the Code of Operations). In the event that there is no available capacity on a normal gas day, or over a longer period, shippers can seek to buy/sell entry capacity on the secondary market.
- In instances where there is no available primary capacity and there is no basis upon which GNI can act to exercise UIOLI powers on any one or more shippers, it would be absurd for a shipper that did not hold any entry capacity to seek to flow gas and merely pay 1/365 for the capacity.
- There is no justifiable reason for applying a 1/365 price unbooked/overrun entry capacity. I can see no reason why multipliers and overrun charges should not, in all instances, be applied.

ENDS

Kind regards,

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