

Bord Gáis Energy Response to A083 19/05/17

With respect to A083: Interruptible Capacity at Non IP Entry Points (A078 'Overrun charges at domestic entry points'), Bord Gáis Energy (BGE) would like to make the following points.

First of all, there are well documented, regularly used and efficient methods already in place that allow the effective use and management of entry capacity via the secondary capacity transfer mechanism and BGE cannot understand the logic for this request in the first place.

After a long number of years which included judicial reviews, pressure limitation agreement, route changes etc., planning permission was finally granted under strict criteria. Also, the link-line agreements are in place for well over 10 years so why now are IOOA suddenly interested in bringing this proposal forward which is requesting the sale of capacity above the agreed safe levels provided for in the aforementioned agreements and particularly since there has been no evidence of hoarding of capacity at the Bellanaboy entry point and no evidence of on-going issues. Two minor shortages were sorted with a phone call so no Shipper has been left short capacity to flow gas.

The following is the reality for our 2 non IP domestic entry points 1) Inch field is no longer at peak production and so does not require this proposal, 2) the Corrib Field is in decline in the very near term and will have no requirement for this mod over the medium to longer term. There is also a Secondary Market to Title Trade Entry Capacity, which works and is the obvious solution if there is truly an issue, plus EU laws and rules provide suitable protection against hoarding. GNI have reviewed the code of operations and have stated that the current Code provisions reflect EU requirements and they have also stated that these provisions are proportionate and appropriate to the current market circumstances

Interruptible capacity will require major changes in GTMS systems and this is an unnecessary cost for all to burden when there is an open and available secondary market working for free.

The Corrib field will be in decline by the end of year one. At this stage, the production capacity will be lower than the technical capacity. Therefore, no shipper will purchase more than they require which will mean there will be spare capacity available for whichever shipper requires it.

In summary, Bord Gáis Energy does not see any validity in the A083 proposal in any form.

- It would appear that there may be other secondary reasons for the proposed Cod Modification as effective rules are already in place so why would one introduce new rules at the Corrib Entry point, which would need to apply for all Entry points equally, when the rules already in place have a long history of working fine.
- Interruptible capacity will require major changes in GTMS systems and this is an unnecessary cost for all to burden when there is an open and available secondary market working for free.
- GNI have reviewed the code of operations and have stated that the current Code provisions reflect EU requirements and they have also stated that these provisions are proportionate and appropriate to the current market circumstances.
- The cost of Corrib entry ensures that no shipper would opportunistically hold extra capacity with a view to holding others to ransom (a mere 5% of Corrib Entry capacity is 5GWh which would cost over €3M)
- There is no evidence since Corrib has gone into production that there has been any intentional capacity hoarding
- Post year one, the production capacity will be less than the technical capacity and therefore there will be excess capacity safely available for purchase

Regards
Kevin

Kevin Murray
Operations Manager

Bord Gáis Energy Ltd.