

CODE OF OPERATIONS MODIFICATION PROPOSAL



MODIFICATION DETAILS

Modification Number:A073

Modification Title: SPC Charges/Exit Charges at new LDM Sites

Modification Proposer:	Modification Representative:	Modification Representative Contact Details (email address):	Date Submitted:	Proposed Implementation Date:
Gas Networks Ireland	Andrew Kelly	andrew.kelly@gasnetworks.ie	24 May 2016	July 1 2016

Proposal (including rationale):

1. Modify the effective Supply Point Capacity (SPC) charging date in respect of Primary SPC held for an LDM supply Point from the date on which the SPC is booked to the date on which the meter fit is completed. This modification will align SPC charge dates at LDM and DM supply points.
2. Modify the effective Exit Capacity charging date in respect of Primary Exit Capacity reserved for an LDM offtake. The proposal is to amend the effective date from the LDM Capacity Booking Effective date to the date on which the meter fit is complete. This will align the Exit Capacity charging date at LDM and DM offtakes.

Proposed Implementation Date:

July 1 2016

Proposed section of the Code to be modified:

Section 8.7.2(a) (1) and Section 7.15.2(a) of Code of Operations, Part C

MODIFICATION MOTIVATION

Intended Outcome of the Proposed Modification:

To align the SPC charge dates in respect of Primary Supply Capacity held in respect of a LDM Capacity Booking with that of a DM Capacity Booking and to align Exit Capacity charge dates in respect of Primary Exit Capacity reserved in respect of a LDM Capacity Booking with that of a DM Capacity Booking

Benefits of implementing this Modification

This anomaly regarding two different effective charge dates for SPC Charges was considered by the CER on foot of a Submission made to it by a Shipper and the CER requested amendment by early June 2016. This code modification will address this anomaly

Consequences of not making this Modification:

If no modification is made the charging anomaly will persist with LDM customers being liable for SPC charges from the date of booking with DM customers not liable until the meter fit is complete, and, similarly, LDM customers will be liable for Exit Capacity charges from the effective booking date with DM customers not liable until the meter fit is complete

Illustrative Example (Please enter a scenario where the issue and solution are illustrated):

In the case of a new LDM with an SPC/Exit Capacity of 400,000 KWh per day with a meter fitted on 22nd of June.

- Under the present charging regime, the site would be charged for the full month of June the amount of €27,257 (Exit Charges of €14,166 and SPC Charges of €13,091).
- Under the proposed amended charging dates the charges would only apply from the date of meter fit and would amount to €11,045 (Exit Charges of €3,777 and SPC Charges of €7,268).