

CODE OF OPERATIONS MODIFICATION PROPOSAL



MODIFICATION DETAILS				
Modification Number: A080		Modification Title: Option to Provide Monthly Settlement from Disbursements Account		
Modification Proposer:	Modification Representative:	Modification Representative Contact Details (email address):	Date Submitted:	Proposed Implementation Date:
IOOA	Brian McGlinchey	BMcGlinchey@kinsale-energy.ie	07/02/2017	ASAP
Proposal (including rationale):				
<p>Currently all shippers active in Ireland are settled on an annual basis, meanwhile GNI invoice all shippers monthly for transportation and capacity charges. IOOA feels the current system penalises all Irish Shippers by withholding settlement for up to 22 months. This is not common practice in other European markets and we propose that a monthly settlement process is made available to any Irish Shipper who wishes to benefit from a prompter settlement process. A monthly settlement would furthermore be aligned with current GNI practice to invoice shippers who are short on a monthly basis for the imbalances.</p>				
Proposed Implementation Date:				
ASAP				
Proposed section of the Code to be modified:				
1.4 Disbursements Account				
MODIFICATION MOTIVATION				
Intended Outcome of the Proposed Modification:				
<p>The intended outcome is to provide all Irish Shippers the option to be settled monthly from the disbursements account rather than the current annual process which we feel is sub optimal and reduces the significant time lag from gas day to settlement period.</p>				
Benefits of implementing this Modification:				
<p>Parties taking up monthly settlement would benefit from improved cash flow and aren't left waiting up to 22 months for settlement. Implementation of this proposal would also work with the commencement of a new Trading Platform in Ireland in ensuring all parties are settled promptly.</p>				
Consequences of not making this Modification:				
<p>The current sub-standard process continues.</p>				
Illustrative Example (Please enter a scenario where the issue and solution are illustrated):				
<p>The annual settlement process currently takes place in July of each year for previous gas year. This means gas days from October 2016 being settled by transporter in July 2018. Moving to a monthly settlement approximately 15 days after end of month would be a much fairer process.</p>				