

# CODE OF OPERATIONS MODIFICATION PROPOSAL



## MODIFICATION DETAILS

**Modification Number:** A 088

**Modification Title:** Implementing a Capacity Conversion Service for Shippers holding mismatched Unbundled Capacity on one side of an IP

<b>Modification Proposer:</b>	<b>Modification Representative:</b>	<b>Modification Representative Contact Details (email address):</b>	<b>Date Submitted:</b>	<b>Proposed Implementation Date:</b>
Gas Networks Ireland	Andrew Kelly	Andrew.Kelly@gasnetworks.ie	12/01/2018	ASAP

### **Proposal (including rationale):**

GNI have introduced a Capacity Conversion Service offering Shippers holding mismatched Unbundled Capacity at one side of an IP a free-of-charge capacity conversion for annual, quarterly or monthly capacity products in compliance with Art.21(3) Of Commission Regulation (EU) 2017/459. The process would be manual, with communications being made by email and manual adjustment of capacity holdings on GTMS to enact the conversion.

### **Proposed Implementation Date:**

The Capacity Conversion Service has been available to affected Shippers since 1 January, 2018

**Proposed section of the Code to be modified:** Insertion of new Capacity Conversion provision at 2.16 of Part C (Capacity)

## MODIFICATION MOTIVATION

**Intended Outcome of the Proposed Modification:** The intention is to address a situation where a Shipper who holds unbundled capacity on one side of an IP has to buy bundled capacity in order to obtain capacity on the other side of the IP and would be essentially paying twice for capacity on the side where it already holds the unbundled capacity. The Capacity Conversion Service will allow the Shipper in this situation convert the unbundled capacity to bundled capacity free-of-charge

**Benefits of implementing this Modification:** This Service remedies a situation for Shippers holding unmatched unbundled capacity at one side of an IP who can now avoid having to buy equivalent bundled capacity at that side of the IP by availing of the Capacity Conversion Service where their unbundled capacity is converted, free of charge, to bundled capacity.

**Consequences of not making this Modification:** Shippers who hold mismatched Unbundled Capacity on one side of an interconnection point would be liable to bundle capacity outside of the PRISMA Platform (since 1/11/2015 the rules only allow the trading of bundled capacity with bundled capacity and unbundled capacity with unbundled capacity) and would result in them being charged twice for the same capacity. Further if GNI do not offer this Capacity Conversion Service it is in breach of Art. 21(3) of Commission Regulation (EU) 2017/459

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

A Shipper has 5Gwh of unbundled capacity under an unbundled capacity contract which has one year remaining runtime (Yearly capacity product). The Shipper therefore requires to acquire 5Gwh of bundled capacity at the Moffat IP on the PRISMA Auction Platform (where it would again pay for the capacity) and it therefor then applies to GNI to cancel its existing 5Gwh unbundled Yearly capacity. GNI agrees to this application which is affected by reducing the Shipper's unbundled Yearly capacity by 5Gwh and not invoicing the Shipper for that capacity