

Dear Michael,

Tynagh Energy welcomes the opportunity to respond to the Industry Consultation on the Business Rules for Transitional Arrangements (A066).

In keeping with the numbered headings in the Business Rules document, please find below Tynagh's comments on each section.

### **1. Transitional Capacity Arrangements at Interconnection Points**

Tynagh recognises the requirement for the transitional arrangements at IPs. However, as raised at Gas Code Modification Forum meetings in the recent past, the misalignment of Entry & Exit annual capacity bookings that arises as a result of the implementation of the CAM NC, is a cause of concern for Tynagh. In addition to the many regulatory changes that will take effect this autumn, the misalignment of annual bookings will add further complexity and significant cost to Tynagh's forecasting, budgetary and financial security arrangements. Tynagh are of the opinion that, to mitigate this burden, shippers should be afforded the opportunity to realign their annual exit capacity bookings (at non-IPs) to the regular gas year i.e. effective 1st Oct.

The CER stated the decision will be 'reviewed periodically' and in light of this, please find attached a proposed solution (one of a few possible solutions) which we believe would be a low-cost, low-impact resolution to this issue for both shippers and the TSO. The solution is similar in nature to that applied following the reversal on the CER's decision (20th February 2014) to withdraw within-day Exit capacity, whereby shippers (Tynagh included) effectively surrendered a portion of their annual capacity bookings.

### **2. Voluntary Bundling**

Tynagh acknowledges the start date for Bundling Requests of 1<sup>st</sup> August 2015.

Before making a decision re. bundling, Tynagh ask that to clarification on the following at the upcoming EU NC Workshops:

- The benefits/drawbacks to a Shipper of availing of the option to bundle IP capacity;
- Will single-sided nominations will still be facilitated for unbundled capacity, or only for bundled capacity?
- What complications arise (if any) from having a mix of bundled and unbundled capacity at an IP from a nominations standpoint?

### **3. PRISMA Registration**

Tynagh are satisfied with the registration process for PRISMA and await confirmation that GNI have been set up as a TSO on the platform.

### **4. Moffat Agent transitional arrangements**

Tynagh acknowledge the arrangements as set out in the documents and look forward to further clarifications and details at the upcoming Moffat Arrangements Workshop.

#### **5. Entry Point Transfers**

No comment.

#### **6. IBP Nominations**

No comment.

#### **Agency Arrangements**

In addition to the comments above Tynagh wish to formalise its request to rectify the ambiguity in the Code of Operations with regard to agency arrangements.

Whilst Tynagh have received assurances that it's use of an agent to perform shipping activities on its behalf, modification of the Code to clarify the issue would be welcomed.

Specifically:

- Per section 8 of Part I of the Code, a Shipper must generally interact with Gaslink Independent System Operator Limited ("Gaslink") (as Transporter) by way of "BGT Systems", including for the purpose of making "Entry Capacity Trades" and "Entry Point Transfers".
- Shippers are licensed by Gaslink to have access to and use of the "BGT Systems" for these purposes (see 12.4.2(a)(i) of Part I). However, Shippers are not permitted to sub-licence the use of the software, the hardware and any manual or other materials provided by the Transporter in respect of the BGT Systems (see 12.4.7(c)(iii)1.2(b) of Part I).
- This restriction would appear to frustrate the ability of a Counterparty to act as an agent in relation to transactions involving Moffat entry capacity – although it may not prevent a Counterparty, that is already a Shipper under the GCO in its own right, from acting as an agent.

GNI have indicated that Tynagh's modis operandi is not in breach of the code (or the spirit of the code). However, to ensure the Code accurately reflects the intention to allow the use of an agent who does not hold a Shipping license, TEL would ask for this discrepancy to be addressed as part of the upcoming legal drafting changes or as part of the 'mop up' modification scheduled for August 2015. The removal or rewording of 12.4.7(c)(iii) of Part I should achieve this.

If you have any questions, please let me know.

Kind Regards,

**Tracy O'Donoghue**

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