



Introduction of South North Entry Point to BGE(NI) Network:

Physical Forward Flow

Business Rules:

For consultation

Version 1.0

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1. INTRODUCTION

This Business Rules document has been prepared by BGE (NI) with the intention of providing an overall context for the introduction of an Entry Point to the NI Network at the Relevant Point on the South North Pipeline (SNP).

Parallel Development

A number of key points need to be considered in relation to the development of the Business Rules. The development of products to address other aspects of Northern Ireland's Infringements has the potential to impact significantly on the introduction of the new Entry Point and the Point to Point Capacity Products to be offered and vice versa. Other areas of work which are being progressed concurrently with the development of the SNP Entry Products are as follows;

- Virtual Reverse Flow at the Relevant Point on the South North Pipeline;
- Virtual Reverse Flow at Moffat;
- Virtual Reverse Flow at Carrickfergus;
- Short Term Capacity Products.

It is therefore important to be cognisant of the parallel developments and the potential impact they may have on the Entry Capacity Product. The introduction of capacity on the South North Pipeline introduces a second Entry Point to the Northern Ireland network, resulting in an increase in the options available to Shippers with respect to contract paths. As there are significant implications for each of the other infringement workstreams, it will be necessary to develop each individual product with an awareness of the characteristics of the others.

In addition to the considerations detailed above, it should also be recognised that the following items are also required to ensure that comprehensive arrangements are in place for the introduction of the South North Entry Point;

- Technical Capacity at the Relevant Point to be determined and published.
- Connected Systems Agreement at the Relevant Point to be developed.
- NINOA to be reviewed in light of all infringement developments, including to facilitate the continued operation of the current NI balancing arrangements.
- Licences to be reviewed in light of all infringement developments.

In order for the SNP Entry Point and associated capacity products in the BGE (NI) Code to be effective in Northern Ireland (NI), it is necessary for a corresponding Exit Point and the associated exit capacity products to be established in the Republic of Ireland (RoI) Code. This will require close co-ordination and co-operation between TSOs and Regulatory Authorities (RAs) in both jurisdictions.

Key Assumptions

The RAs issued separate consultation papers on 8th March 2012 seeking views from industry on the most appropriate treatment of the Relevant Point of Interconnection on the SNP. Responses to the consultation were requested by close of business on 22nd March 2012, and NIAUR published a Decision Paper on 6th April which indicated that

the Relevant Point is to be located at Gormanston. These business rules will work with this decision

The Business Rules do not make any provision for offtakes from the portion of the SNP within RoI, and should any such connections subsequently be required, the relevant codes may need to be amended.

A Connected Systems Agreement (CSA) is required at the Relevant Point and is referred to within these Business Rules. While the CSA is not yet finalised, the requirements of the CSA will be applied to the BGE(NI) Code as appropriate.

Tariff

The introduction of the new entry point will not affect the existing postalised tariff arrangements.

Structure of the Paper

Section 2 highlights the key principles on which it is proposed to base the product. The introduction of the SNP Entry Point has the effect of allowing a Shipper wishing to offtake gas at an Exit Point off the BGE (NI) Network to transport that gas from either or both of the Entry Points to the System. The introduction of a second Entry Point to the BGE (NI) System accordingly requires certain changes to ensure, in a point to point regime, that both the TSOs and Shippers can in all circumstances identify the Entry Points linked with the particular Exit Point i.e. the Entry Point at which gas made available for offtake at the Exit Point will be delivered (i.e. the Contract Path).

This requires alterations to the treatment of “Exit Points” within the BGE(NI) Code and likewise the associated processes for registration, capacity application, nomination, allocation etc. In general, the processes which exist in the BGE(NI) Code will be retained and will only be modified insofar as it is necessary to accommodate the introduction of multiple contract paths.

While Section 2 refers to Virtual Contract Paths in order to provide a broader context for the full suite of products associated with the Entry Point, Sections 3 – 7 deal exclusively with the introduction of the South North Entry Point as it relates to Physical Entry to the NI Network at the South-North Entry Point. A separate Business Rules document deals with the specific requirements for Virtual Reverse Flow Products.

2. DEFINITION OF SERVICE

- 2.1 Shippers will be required, as part of the Exit Point registration process, to specify each Contract Path on which they intend to transport gas. The existing Exit Point registration process will be amended to accommodate this requirement.
- 2.2 These Business Rules will be applied to the existing Exit Points at Coolkeeragh Exit and TenTowns Exit which have the following existing physical Contract Paths of;
- (a) Carrickfergus Entry – Coolkeeragh Exit; and
 - (b) Carrickfergus Entry – TenTowns Exit;
- 2.3 Coolkeeragh Exit and TenTowns Exit shall have the following proposed Contract Paths:
- (a) SNP Entry – Coolkeeragh Exit;
 - (b) SNP Entry – TenTowns Exit;

Note: The Transporter will assess the appropriateness of establishing contract paths for the purpose of conducting balancing actions.

- 2.4 The following proposed Virtual Contract Paths¹ are not the subject of these Business Rules and are dealt with separately under the Virtual Reverse Flow Business Rules²;
- (a) SNP Entry – Carrickfergus Virtual Exit Point 1 (“Ballylumford Physical Exit”);
 - (b) SNP Entry – Carrickfergus Virtual Exit Point 2 (“Greater Belfast Physical Exit”);
 - (c) SNP Entry – Carrickfergus Virtual Exit Point 3 (“Stranraer Physical Exit”);
 - (d) SNP Entry – Carrickfergus Virtual Exit Point 4 (“Moffat Virtual Exit”).
 - (e) Carrickfergus Entry – SNP Virtual Exit.

¹ A Virtual Contract Path is a Contract Path where at least one element of the service is based on backhaul or virtual service.

² Terms enclosed in brackets refer to the final Exit Point from the PTL system in terms of overall NI network contract paths.

- 2.5 Shippers registered in respect of a Contract Path will be entitled to apply for Firm Capacity (annual and short term) on that Contract Path. They will also be entitled to make Interruptible Nominations, assuming there is sufficient Interruptible Capacity available.
- 2.6 Applications for Firm Capacity shall be made in respect of individual Contract Paths and subject to standard Financial Security procedures.
- 2.7 Nominations shall be made in respect of individual Contract Paths.
- 2.8 Separate Entry Allocations to be issued in respect of each Contract Path.
- 2.9 Separate Exit Point Allocations to be issued in respect of each Contract Path.

Note:

- **All references to Contract Paths in the remainder of the document refer to physical Contract Paths, unless otherwise stated.**
- **Each physical Contract Path listed above will include a separate Firm and Interruptible contract with respect to GTMS(NI) for the purposes of nominations and allocations.**

3. **REGISTRATION PROCESS**

- 3.1 Shippers will be required, as part of the Exit Point registration process, to specify each Contract Path on which they intend to transport gas. The existing Exit Point registration process will be amended to accommodate this requirement.
- 3.2 Shippers registered on a Contract Path will be entitled to make applications for Firm Capacity with respect to that Contract Path.
- 3.3 Shippers registered on a Contract Path will be entitled to submit an Interruptible Nomination/Renomination in respect of that Contract Path as per existing code arrangements.

4. **FIRM CAPACITY**

- 4.1 Shippers registered on a Contract Path will be entitled to apply for Firm Capacity (annual and short term) with respect to that Contract Path.
- 4.2 As per existing arrangements, Interruptible Capacity will have a deemed booking process through submission of Nominations.
- 4.3 A separate Indicative Application for Firm Capacity (annual only) will be required in respect of each Contract Path.
- 4.4 A separate Application for Firm Capacity will be required in respect of each Contract Path.
- 4.5 “**Firm Capacity**” will be defined as the (annual and firm) capacity which has been booked and allocated to a Shipper in respect of a particular Contract Path.
- 4.6 A “**Firm Capacity Notice**” will be issued by the Transporter notifying the Shipper of its Firm Capacity as it relates to a particular Contract Path.
- 4.7 “**Available Firm Capacity**” will be determined and published by the Transporter with respect to each Relevant Point, taking account of all relevant factors in line with the existing arrangements in the BGE(NI) Code.
- 4.8 The allocation of Firm Capacity to Shippers at an Exit Point will be in line with existing arrangements in the BGE(NI) Code, while also taking account of additional factors relating to the existence of multiple Contract Paths associated with that Exit Point.
- 4.9 Any Nomination which would result in the aggregate of all Shippers’ Firm and Interruptible Nominations at an Exit Point exceeding the physical daily capacity of the Exit Point would be rejected.

5. NOMINATIONS

- 5.1 A separate Firm Nomination/Renomination will be required in respect of each Contract Path.
- 5.2 A separate Interruptible Nomination/Renomination will be required in respect of each Contract Path.
- 5.3 Firm Nominations may be made against a Shipper's Firm Capacity in respect of a Contract Path.
- 5.4 Shippers holding Contract Path Registration will be entitled to submit Interruptible Nominations/Renominations in respect of that Contract Path.
- 5.5 The submission of an Interruptible Nomination shall be deemed an application for an equivalent amount of Available Interruptible Capacity on that Contract Path.
- 5.6 The “**Available Interruptible Capacity**” will be determined by the Transporter, taking into account all relevant factors in line with the existing arrangements in the BGE(NI) Code.
- 5.7 The Transporter may require Shippers, as part of a Nomination or Renomination to specify a corresponding Upstream Shipper(s) on the RoI network.
- 5.8 The Transporter may liaise with the Upstream System Operator at the Entry Point in line with the terms of the Gaslink/BGE(UK) Connected Systems Agreement.

6. ALLOCATION

- 6.1 Separate Firm and Interruptible Entry Allocations will be issued to Shippers in respect of each Contract Path on which Nominations/Renominations have been accepted by the Transporter.
- 6.2 Separate Firm and Interruptible Exit Allocations will be issued to Shippers in respect of each Contract Path on which Nominations/Renominations have been accepted by the Transporter.
- 6.3 The BGE (UK)/Gaslink CSA will facilitate the provision by the Upstream Operator of meter data at the Entry Point to the Transporter for the purpose of making Entry Allocations at the South North Entry Point.
- 6.4 Entry Allocations at the South North Entry Point to be made pro rata to Nominations, based on metered quantities at the South North Entry Point.³
- 6.5 Exit Allocations with respect to a particular Contract Path will be made pro rata to Nominations, based on metered quantities at that Exit Point.

³ Note that in the case where gas is allocated to a virtual contract path at the South North Virtual Exit Point, the Entry allocations would be the sum of the metered quantity and the aggregate VRF Nominations at the Point.

7. **CAPACITY REDUCTION AND EMERGENCIES**

- 7.1 In line with the current rules in the code, Reduced Capacity Days and Reduced Profile days will be declared, as necessary, with respect to each individual Contract Path.