



Congestion Management Procedures (CMP) in Northern Ireland Business Rules

Version 1.0

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Consultation Draft for Industry Consultation

Table of Contents

Supporting Documentation	3
1. Introduction.....	4
1.1 Overview of CMP Mechanisms	6
1.2 General High Level Principles	10
1.3 CMP Implementation Timelines	10
2. CMP in the Point to Point System in Northern Ireland	12
2.1 High Level Principles	13
3. Activation of the Over Subscription and Buyback Mechanisms.....	14
3.1 CMP Activation Test	14
4. Surrender of Contracted Capacity	18
4.1 Overview	18
4.2 High Level Principles	18
4.3 Business Rules	19
5. Long Term Use It or Lose It Mechanism.....	21
5.1 Overview	21
5.2 High Level Principles	21
5.3 Business Rules	22
6. Over Subscription and Buy-Back Mechanism	24
6.1 Overview	24
6.2 High Level Principles	24
6.3 Business Rules	25
7. Firm Day Ahead Use It or Lose It Mechanism	30
7.1 Overview	30
7.2 High Level Principles	30
7.3 Business Rules	31
8. Transparency.....	32
8.1 Overview	32
8.2 Business Rules	32
Appendix 1 Glossary of Terms	34
Appendix 2 Section 2.2.3.3 of Annex 1 of the Regulation.....	37

Supporting Documentation:

Date	Source	Document
24 August 2012	European Commission	Regulation (EC) No 715/2009 updated with the Commission Decision 2012/490/EU of 24 August 2012.
24 August 2012	European Commission	Commission Decision of 24 August 2012 on amending Annex 1 to Regulation (EC) No 715/2009.
15 April 2013	European Commission	Capacity Allocation Mechanism Network Code (CAM NC) as approved at the Comitology meeting, 15 April 2013.

Table 1 - Supporting Documentation

1. INTRODUCTION

The terms used in this document are as defined in the Codes unless specified otherwise in Appendix 1.

Please note that the terms outlined in this paper serve as guidelines only and are not to be considered as legal definitions. This is not a legal document. It is without prejudice to whatever legal rules are developed with respect to the subject matter of this paper.

Background

This paper sets out the draft Congestion Management Procedures (CMP) Business Rules as required in the EC Regulation 715/2009 (the Regulation) and amended by the European Commission Decision of 24 August 2012. It explains the background and rationale which underpin the introduction of CMP in the European Union, and summarises the Transporters' proposed approach to CMP implementation in the context of Northern Ireland.

The aim of the CMP guidelines is to address the issue of contractual congestion at Interconnection Points between adjacent gas transmission systems, where Shippers cannot gain access to Capacity notwithstanding the physical availability of such Capacity. CMP mechanisms aim to maximise the Capacity which is available to Shippers and bring unused Capacity back to the market to be resold through regular Capacity booking procedures.

CMP involves a suite of four distinct mechanisms, with further detail in relation to each provided in the main body of this paper:

1. Surrender of Contracted Capacity;
2. Long Term Use It or Lose It;
3. Oversubscription and Buyback; and
4. Firm Day Ahead Use It or Lose It.

The first three mechanisms listed above are required to be in the BGE (NI) and PTL Codes (the Codes) by 1 October 2013, while the Firm Day Ahead Use It or Lose It mechanism is not required in the Codes until 1 July 2016. With respect to the transparency requirements of CMP, BGE (NI) and PTL (the Transporters) are required to routinely provide data to the European Transparency Platform in order to monitor the level of contractual congestion and the operation of CMP mechanisms.

Proposed Approach: CMP Implementation for 1 October 2013

The concepts of Surrender of Contracted Capacity and Long Term Use It or Lose It already exist in the Codes. These processes are to be amended in order to align with CMP requirements and shall be operational (but not systemised) from 1 October 2013. There is not, however, any concept of Oversubscription and Buyback in the Codes currently, thus requiring the introduction of an entirely new mechanism.

While the Transporters have been directed by the Utility Regulator (Ureg) to incorporate CMP mechanisms for the NI Network in the Codes by 1 October 2013, they do not anticipate that the Oversubscription and Buyback mechanism will be operational until contractual congestion arises. Analysis suggests that this will not arise in the short to medium term, therefore systemisation of the Oversubscription and Buyback mechanism

will not be developed by 1 October 2013. It is proposed that an annual review of Capacity booked in relation to the Moffat Entry Point¹ and the South North Entry Point will determine whether the Oversubscription and Buyback mechanism is to be activated. The Transporters propose that the first such annual review will be conducted in April 2014.

The introduction of CMP will also require changes to the regulatory regime with respect to incentivisation of the Transporters to provide Oversubscription Capacity via the Oversubscription and Buyback mechanism. The design of the incentivisation scheme and any associated arrangements are, however, outside the scope of this document and are subject to the approval of the relevant NRA(s)².

It should be noted that the CMP mechanisms as outlined in the Regulation have been designed specifically with reference to Entry/Exit systems and are intended to be applied only at Interconnection Points between adjacent gas transmission systems, and not at Exit Points. In this respect this Business Rules document addresses the additional complexity of applying these mechanisms in a Point to Point system with an explicit contractual link between Capacity at Entry and Capacity at Exit Points.

Proposed Approach: Ongoing Implementation of the European Gas Regulations

The introduction of the Capacity Allocation Mechanisms (CAM) Network Code (expected implementation date of 1 November 2015) will result in substantial changes to existing Capacity booking arrangements under the Codes. CAM will require a single ‘bundled’ Capacity product to be sold at Interconnection Points, such that NI Entry Capacity will be bundled with the Exit Capacity of the upstream transporter (e.g. South North bundled Capacity = Gaslink Exit Capacity + BGE NI Entry Capacity), with all such Capacity to be sold via an auction process on a ‘joint’ I.T. platform³.

The Transporters therefore propose a two phase approach to the introduction of CMP. Phase 1 involves the incorporation of CMP measures for the NI Network into the Codes by 1 October 2013, alongside existing Capacity booking processes. Phase 2 (post November 2015) will involve the alignment of CMP processes with CAM and other European Network Codes, and will involve joint projects with the adjacent TSO at each Interconnection Point. Phase 2 will also require CMP to be incorporated into an NI Entry/Exit Code as envisaged by Ureg’s conclusions paper of 5 June 2013 ‘*Implementing the European Gas Regulation (EC) 715/2009 in Northern Ireland*’. This Business Rules document deals directly and solely with the implementation of Phase 1 and is without prejudice to the arrangements which may be put in place subsequently as part of Phase 2 implementation, given that the move to an Entry/Exit regime and the introduction of the

¹ "Moffat Entry Point" is defined in the PTL Code as follows: "Moffat Entry Point" means the flange, weld or other agreed mark at the final outlet from the delivery facilities, owned and operated by National Grid at Moffat in Scotland, connecting with the facilities of BGE (UK) at the point at which gas enters the Transportation System; and

"The Transportation System" means the PTL System and the capacity held by Premier Transmission in the BGE(UK) Upstream System.

See page 13 for more detail.

² There are currently two Regulators who sign off on the BGE (NI) Code, Ureg and the CER for the section of the South-North Pipeline located in Ireland.

³ Joint Capacity Booking Platform shared between two adjacent TSOs.

European Network Codes are likely to have substantial implications for Capacity booking procedures in the NI gas market.

1.1. Overview of CMP Mechanisms

The requirements of the regulations with respect to the individual CMP mechanisms are described below. The mechanisms are described in more detail in Sections 4 to 7 in terms of the specific proposals for implementation in Northern Ireland.

1.1.1 Surrender of Contracted Capacity

A Shipper(s) may offer to surrender to its Transporter Capacity which it does not expect to use, and may specify the amount which is available for surrender. The Transporter may make this Capacity available to be booked by other Shippers (directly from the Transporter), on a contract path associated with the relevant Entry Point, through the usual Capacity booking procedures. Note that Capacity offered for surrender will only be sold after all Uncontracted Capacity⁴ is sold. A Shipper offering Capacity for surrender to its Transporter retains its rights and obligations, including the obligation to pay all Capacity related charges, with respect to the Capacity until the effective date of the purchasing Shipper's Capacity booking.

1.1.2 Long Term Use It or Lose It (LT UIOLI)

Shippers who systematically underutilise their Capacity either in relation to the Moffat Entry Point or the South North Entry Point may have Capacity (fully or partially) withdrawn if there is sufficient demand for Capacity from other Shippers on any contract path associated with the relevant Entry Point. The Shipper from which the Capacity is withdrawn shall lose its rights and obligations, including the obligation to pay all Capacity related charges, with respect to the Capacity in whole or in part for a specified period or for the remainder of the Contract term, such loss to commence on the effective date of the new Capacity booking.

1.1.3 Oversubscription and Buyback

A Transporter may elect to offer an amount of Oversubscription Capacity (additional Firm Capacity over and above Technical Capacity) for sale to the market. Should that Transporter subsequently become aware that it will be unable to deliver the required physical flows, it may initiate a market based buyback procedure. In such an instance, Shippers will be invited to sell Capacity back to the Transporter, specifying the price they wish to be paid. Where the Transporter buys back Capacity from a Shipper, the Shipper shall remain liable for payment of all Capacity related charges, but shall receive a credit (at the price specified by the Shipper) with respect to the amount of Capacity returned to the Transporter.

1.1.4 Firm day Ahead Use It or Lose It

⁴ Technical Capacity (other than Technical Capacity which is made available by the Transporter pursuant to CMP mechanisms) which, at a given point in time, is not contracted to a Shipper and is available to be booked directly from the Transporter.

The rules associated with this mechanism are required in the Codes by 1 July 2016 and are based on the CMP Monitoring Report⁵ of the Agency for the Cooperation of Energy Regulators (ACER). If on the basis of this report it is shown that the Capacity requested in relation to the Moffat Entry Point or the South North Entry Point exceeded the Capacity offered, then the relevant Transporter is required to restrict Renominations as outlined in Section 2.2.3(3) of Annex 1 of the Regulation. The additional transparency requirements associated with this mechanism need to be implemented by 1 October 2013 and are detailed in Section 8 of this document. It should be noted that where Capacity is removed from a Shipper pursuant to this mechanism, the Shipper retains its rights and obligations including the obligation to pay all Capacity related charges with respect to the Capacity until such time as the Capacity is resold to another Shipper.

1.1.5 Treatment of Capacity Sold Pursuant to CMP Mechanisms

The CMP mechanisms outlined in 1.1.1 to 1.1.4 should result in Capacity, which would otherwise be unavailable, becoming accessible to the market. The treatment of this Capacity is an important aspect for consideration. The following are some key principles to note in this regard:

1. Firm Status

Capacity which is made available to the market as a result of the application of any of the CMP mechanisms is made available on a firm basis.

⁵ It is a requirement of Section 2.2.1.2 of the Regulation that the Agency for the Cooperation of Energy Regulators (ACER) publish by 1 March every year, commencing in 2014, a monitoring report on congestion at IP's with respect to Firm Capacity products sold in the preceding year.

2. Publication of Bookable Capacity Amount

When publishing an amount of Capacity which is available to be booked at an Entry Point, the relevant Transporter shall make no distinction between Capacity which has originated from the various CMP mechanisms or otherwise. Effectively, this means that a *single aggregate figure* of Bookable Capacity, potentially comprising:

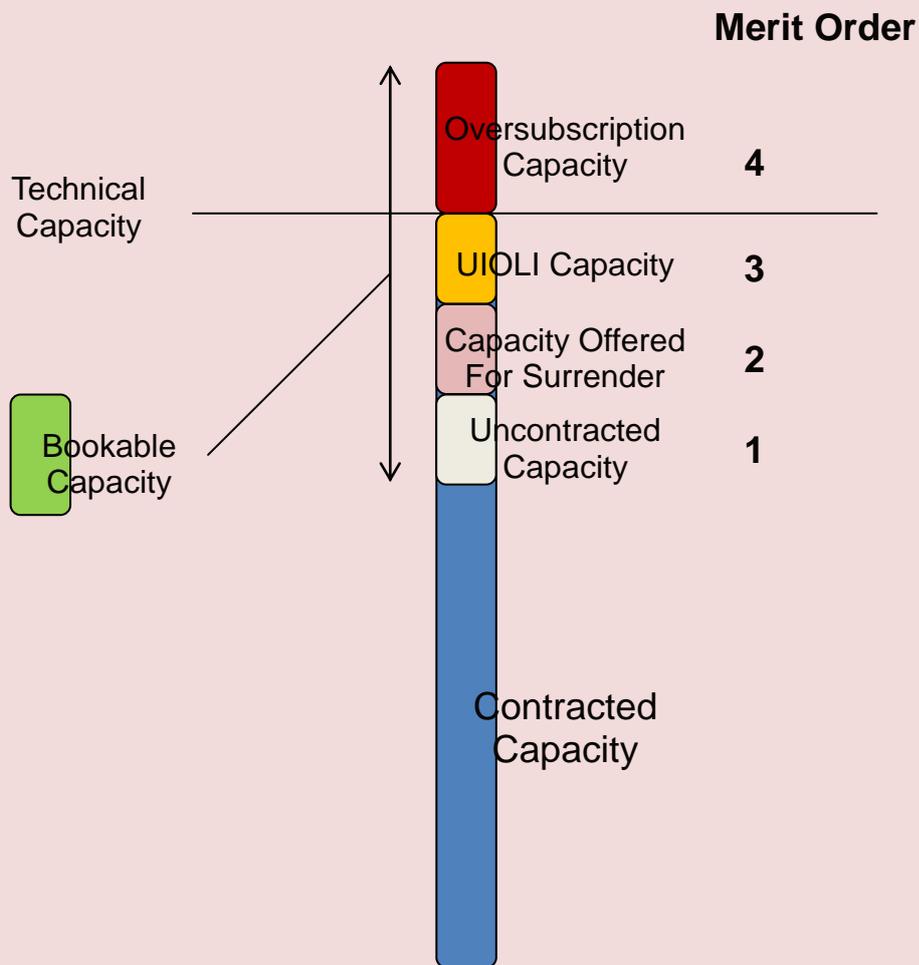
- a. Uncontracted Capacity;
- b. Capacity offered for surrender;
- c. UIOLI Capacity; and
- d. Oversubscription (OS) Capacity.

All and any Bookable Capacity will be priced according to the prevailing published Firm Capacity tariffs, irrespective of the origin of the Capacity.

Uncontracted Capacity:	Technical Capacity (other than Technical Capacity which is made available by the Transporter(s) pursuant to CMP mechanisms) which, at a given point in time, is not contracted to a Shipper and is available to be booked directly from a Transporter.
Capacity offered for surrender:	Capacity which a Shipper offers to the Transporter for surrender. <u>Note:</u> this Capacity remains contracted to the Surrendering Shipper until the Capacity is resold. Surrender may be for an amount or period which is less than the amount or period of the Surrendering Shipper's Capacity booking.
UIOLI Capacity:	Capacity which may be booked directly from a Transporter, and which the Transporter has previously withdrawn from Shippers pursuant to the Use It or Lose It Mechanisms. <u>Note:</u> this Capacity remains contracted to the Shipper until such time as the Capacity is resold by the Transporter.
Oversubscription Capacity:	Capacity in excess of Technical Capacity, made available pursuant to the oversubscription and buyback scheme, which may be booked directly from a Transporter.
Bookable Capacity	Capacity (either Technical or Oversubscription) which is available, at a given point in time, to be booked directly from the Transporter.

3. Merit Order

Where a Transporter sells Capacity which has become available as a result of CMP mechanisms, it shall follow a defined merit order. While this merit order is irrelevant to the Shipper who is booking the Capacity, it is critical to any Shipper who loses rights with respect to the Capacity either by way of surrender or UIOLI, in so far as that Shipper is no longer liable for Capacity related charges (for the periods to which the surrender or UIOLI applies) and no longer has rights to utilise the relevant Capacity for that period. Capacity is considered to be sold in accordance with the following merit order:



Additionally, where multiple Capacity surrenders have been proposed to that Transporter, the Capacity Surrenders will be resold by the Transporter on a Pro Rata basis. A similar approach is to be applied to Capacity withdrawn through Use It or Lose It mechanisms.

Document Structure & Objectives

This document analyses each of the four mechanisms required as part of CMP along with the associated Transparency requirements. Proposals are made on the implementation of each of the mechanisms in order that the required deadlines may be achieved. The main objectives of the document are to:

- a) ensure that all of the provisions of CMP are addressed; and
- b) develop cost effective solutions for Phase 1.

The document is divided into the following sections, focusing specifically on each of the mechanisms and on their activation as follows:

- a) Section 2 – CMP in the Point to Point System in Northern Ireland;
- b) Section 3 – Activation of the Oversubscription & Capacity Buyback Mechanisms;
- c) Section 4 – Surrender of Contracted Capacity;
- d) Section 5 – Long term Use It or Lose It Mechanism;
- e) Section 6 – Over Subscription and Buy-Back Mechanism;
- f) Section 7 – Firm Day Ahead Use It or Lose It Mechanism; and
- g) Section 8 – Transparency.

In turn each of the above sections is sub-divided into the following areas:

- a) Overview;
- b) High Level Principles; and
- c) Business Rules.

A Glossary of terms is included in Appendix 1 which further expands the list of definitions as required by this document.

1.2. General High Level Principles

- The Congestion Management Procedures will only apply to Capacity booked in relation to the Moffat Entry Point and the South North Entry Point.
- The Transporters are committed to EU compliance within the required timeframes.
- CMP measures shall apply to Firm Capacity products only. For the avoidance of doubt, Interruptible Capacity or Virtual Reverse Flow Capacity shall not be subject to CMP procedures.
- Defined terms are as in the Codes unless specified otherwise.

1.3. CMP Implementation Timelines

As outlined in the introduction to this document, these procedures will be implemented in two phases, Pre-CAM and Post CAM. Phase 2 will be implemented in conjunction with CAM by 1 November 2015.

The timelines used in relation to the Phase 1 implementation are those set out in the Regulation. In terms of the Codes, the rules in respect of three of the mechanisms, ‘Surrender of Contracted Capacity’, ‘Long Term Use It or Lose It’ and ‘Oversubscription and Buyback’ need to be in place by 1 October 2013 and the rules in respect of the ‘Day Ahead Use It or Lose It’ mechanism need to be in place by 1 July 2016.

Though the rules in respect of all mechanisms need to be in place in the Codes by the specified dates, the Oversubscription and Buyback mechanism will only be activated following a determination that either the Moffat Entry Point or the South North Entry Point has been determined to be contractually congested. A determination of contractual congestion at one of these points will result in the activation of the Oversubscription and Buyback mechanism at both points. The determination of contractual congestion will be discussed further in section 3.

The timelines for the implementation of all mechanisms are summarised in **Table 2**.

Mechanism	BGE(NI) and PTL Codes	CMP	Date Required in Codes	Required operationally
Over subscription & Buy – Back	X	✓	1 st October 2013	To be triggered on the occurrence of contractual congestion as determined by the Transporters**
Firm Day Ahead UIOLI	X	✓	1 st July 2016	To be triggered on the occurrence of contractual congestion as determined by ACER**
Surrender of contracted Firm Capacity***	✓	✓	1 st October 2013	1 st October 2013 (amendments to current processes to align with CMP requirements)
Long Term UIOLI*	✓	✓	1 st October 2013	1 st October 2013 (amendments to current processes to align with CMP requirements)
ACER Monitoring Report data gathering commences	X	X	1 st October 2013	1 st October 2013

* Adaptation of the existing ‘Use It or Lose It’ mechanism in the NI Codes will be required

**As there are zero Capacity bookings at the South North IP, it is not envisaged that it will be congested in the medium to long term.

*** Adaptation of the existing Surrender mechanism in the NI Codes will be required.

X - Not required or not implemented, ✓ - Required or implemented, ✓ - Existing but does not meet CMP

Table 2 – Anticipated CMP Timeline

2. CMP IN THE POINT TO POINT SYSTEM IN NORTHERN IRELAND

As stated previously, CMP mechanisms are designed specifically with reference to Entry/Exit systems. By definition, a Point to Point system incorporates an explicit link between an Entry Point and an Exit Point. Accordingly, the Business Rules which follow address this additional complexity in such a way that the CMP mechanisms, although making reference to Exit Points, minimise the impact of CMP on such Exit Points.

Ureg has directed the Transporters to incorporate CMP for the NI Network into the existing Point to Point Codes, to apply to Capacity booked in relation to the Moffat Entry Point under the PTL Code and the South North Entry Point under the BGE (NI) Code.

The NI Network currently comprises:

- the PTL System as described in the PTL Code and incorporating the pipeline system (including SNIP) and the Capacity held in the upstream BGE(UK) system by PTL pursuant to the Transportation Agreement of 21 August 1996 between BGE (UK) and PTL
- The BGE(NI) System as described in the BGE(NI) Code incorporating the BGE (NI) pipeline system comprising the North West Pipeline and the South North Pipeline.”

The terminology in both the NI Codes and the BGE / Gaslink Code refer to the Moffat Entry Point. The Transportation Agreement between PTL & BGE (UK) facilitates the delivery of gas from the interface between National Grid and BGE at Moffat, to Twynholm & hence, Shippers under the PTL code receive from PTL a seamless service delivering gas from Moffat to the relevant Exit points on the NI Network.

2.1. High Level Principles

- 2.1.1 The concepts of Surrender of Contracted Capacity and Long Term Use It or Lose It already exist in the Codes. These processes are to be amended align with CMP requirements and shall be operational from 1 October 2013.
- 2.1.2 There is not, however, any concept of Oversubscription and Buyback in the Codes currently, thus requiring an entirely new product mechanism.
- 2.1.3 Oversubscription and Buyback shall only become operational when either the Moffat Entry Point or the South North Entry Point has been determined to be contractually congested. Because of the harmonised NI Network Codes(PTL and BGE (NI)) a determination of contractual congestion at one of these points will result in the activation of the Oversubscription and Buyback mechanism ⁶ by all the NI TSOs.
- 2.1.4 Currently, Shippers request Firm Capacity on a particular contract path, specifying an Exit Point and a corresponding Entry Point. The introduction of CMP will not amend in any way the process by which a Shipper applies for Firm Capacity.

⁶ Please Note that no Oversubscription Capacity will be offered at an Entry Point until all Firm Uncontracted Capacity has been sold.

- 2.1.5 The Moffat Entry Point or the South North Entry Point will be considered to be contractually congested when the overall demand for Long Term Firm Capacity exceeds the Technical Capacity at the Point to the extent outlined in Section 3.
- 2.1.6 The aggregate of all Long Term Firm Capacity bookings relating to an Entry Point will be considered in determining whether that Entry Point is contractually congested.
- 2.1.7 Contractual congestion at an Exit Point associated with a particular Entry Point does not automatically imply that the relevant Entry Point is contractually congested, as the constraint may be specific to the Exit Point alone.
- 2.1.8 This Business Rules document deals directly and solely with the implementation of Phase 1 and is without prejudice to the arrangements which may be put in place subsequently as part of Phase 2 implementation, given that the move to an Entry/Exit regime and the introduction of the European Network Codes are likely to have substantial implications for Capacity booking procedures in the NI gas market.

3. ACTIVATION OF THE OVERSUBSCRIPTION AND BUYBACK MECHANISM

The Regulation requires CMP mechanisms to address potential contractual congestion for Capacity booked in relation to the Moffat Entry Point and/or the South North Entry Point. As contractual congestion does not currently exist for Capacity booked in relation to the Moffat Entry Point or the South North Entry Point, the Transporters propose to offer the Oversubscription and Buyback mechanism in the Codes by 1 October 2013 to monitor the Points and declare the mechanism operational and supported by I.T. Systems when contractual congestion has been determined at either point. The Transporters will continue to monitor Capacity bookings in relation to the Moffat Entry Point and the South North Entry Point in relation to contractual congestion and shall activate the Oversubscription & Buyback mechanism if contractual congestion is determined in accordance with Section 3.1.

3.1. CMP Activation Test

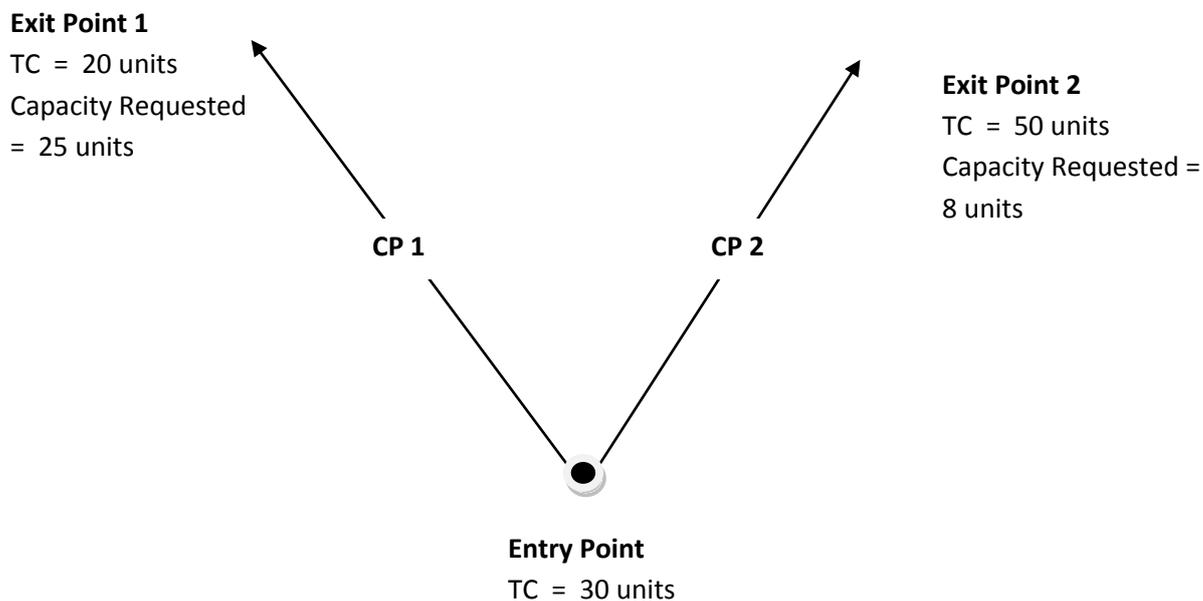
- 3.1.1 A determination as to whether the Oversubscription & Buyback mechanisms should be activated for a given Gas Year 'Y' shall be published by the Transporters no later than 5 Business Days after the Mid Year Date of Gas Year 'Y - 1'.
- 3.1.2 BGE(NI) shall carry out an annual assessment in relation to Capacity booked at the South North Entry Point.
- 3.1.3 PTL shall carry out an annual assessment in relation to Capacity booked in relation to the Moffat Entry Point.
- 3.1.4 If contractual congestion is determined to exist in relation to Capacity booked in relation to the Moffat Entry Point or the South North Entry Point, the Oversubscription and Buyback mechanism shall be activated by all the NI TSOs.
- 3.1.5 The first such annual review shall be conducted in Gas Year 2013/14.
- 3.1.6 Taking into consideration forecasted demand for Capacity, the Oversubscription & Buyback mechanisms shall be activated for Capacity to be booked in relation to the Moffat Entry Point and the South North Entry Point for Gas Year 'Y' where, applications for Long Term Firm Capacity bookings for Gas Year Y exceed 100% of Technical Capacity at the Mid Year Date in Gas Year 'Y-1'.
- 3.1.7 It should be noted that applications for Long Term Firm Capacity on a contract path which in aggregate exceed the Technical Capacity of the relevant Exit Point shall be reduced to an amount which is equal to the Technical Capacity of the relevant Exit Point⁷.
- 3.1.8 The evaluation referenced in 3.1.13.1.6 carried out in respect of the Moffat Entry Point shall consider the contract paths for Capacity bookings in relation to the Moffat Entry Point to Belfast, Ballylumford, Coolkeeragh, Stranraer and Ten Towns.

⁷ This is to ensure that a constraint at the Exit Point does not unduly trigger contractual congestion at an Entry Point. See Indicative Example.

- 3.1.9 The evaluation referenced in 3.1.1 carried out in respect of the South North Entry Point shall consider the contract paths from the South North Entry Point to Coolkeeragh and Ten Towns.
- 3.1.10 Notwithstanding the provisions of 3.1.6, the Transporters may make a joint decision to activate the Oversubscription and Buyback mechanism at any time, subject to written approval from the relevant NRA(s)⁸.
- 3.1.11 Where the Transporters activate the Oversubscription and Buyback mechanism in accordance with 3.1.10, the Transporters shall inform Shippers of the date from which the mechanism will be activated.

⁸ Note that Ureg and CER have approved the BGE (NI) Code with respect to that portion of the South North Pipeline within RoI jurisdiction.

Indicative Examples: Determination of Contractual Congestion



Aggregate demand for capacity at Entry Point = 25 (CP1) + 8 (CP2) = 33 units

Technical Capacity of Entry Point = 30 units

Q: Is the Entry Point contractually congested?

Capacity Requested(33 Units) > Technical Capacity (30 Units)

A: It would appear so, however.....

.....while this suggests contractual congestion, the Capacity constraint at the Exit Point should be taken into consideration, as it is not physically possible to facilitate the demand for capacity at Exit Point 1:

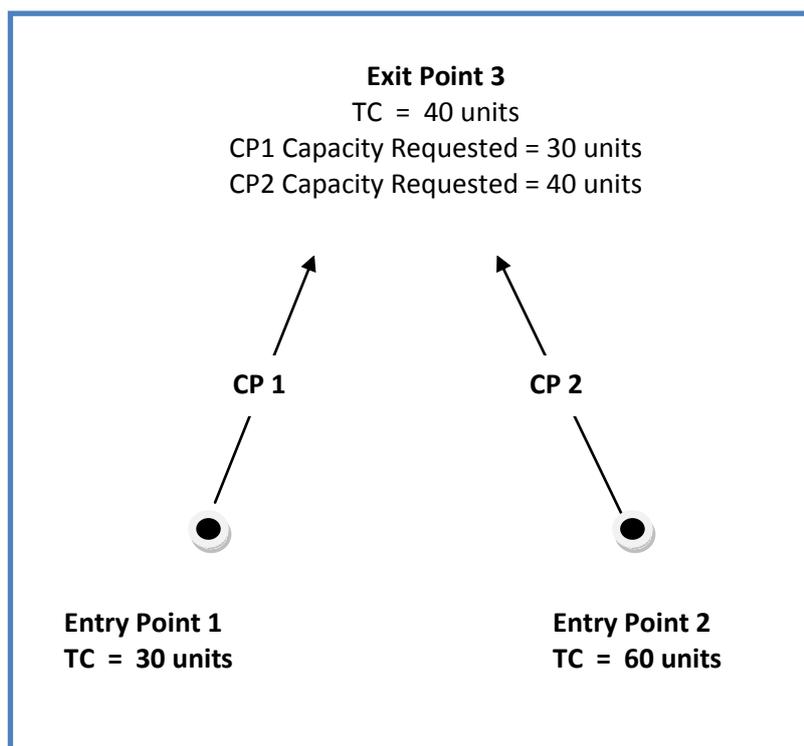
Apply Exit Point Technical Capacity constraint: Capacity Requested on CP 1 must be \leq Technical Capacity of CP 1 = 20 units or the request will be rejected/reduced to 20 units ?

Aggregate capacity requested at Entry Point = 20 (CP1) + 8 (CP2) = 28 units

Q: Is the Entry Point contractually congested?

Capacity Requested(28 Units) < Technical Capacity (30 Units)

A: NO



Aggregate demand for capacity at Entry Points = $30(\text{CP1}) + 40(\text{CP2}) = 70$ units

Technical Capacity of Exit Point = 40 units

Q: Are either of the Entry Points contractually congested?

Total Capacity requested = 70 units

A: It would appear possible however:

Contract Path Requests apply separately to each Entry Point:

Capacity Requested on CP1 must be \leq Technical Capacity of Exit Point 3 and Entry Point 1, and

Capacity Requested on CP2 must be \leq Technical Capacity of Exit Point 3 and Entry Point 2

CP1 requested = 30 units, Technical Capacity of Exit Point 3 = 40 units

And TC of Entry Point 1 = 30 units, so OK

CP2 requested = 40 units, Technical Capacity of Exit Point 3 = 40 units

And TC of Entry Point 2 = 60 units, so OK

Q: Is either Entry Point congested A: NO

Even though aggregate capacity requested at Exit Point 3 exceeds its Technical Capacity

4. SURRENDER OF CONTRACTED CAPACITY

4.1. Overview

- 4.1.1 Clause 2.2.4 of Annex 1 of EC715/2009 outlines the requirements of Surrender of Contracted Capacity as one of the CMP mechanisms.
- 4.1.2 Section 4.2 sets out the high level principles applied in the development of the Surrender of Contracted Capacity mechanism for the NI Codes.
- 4.1.3 Section 4.3 provides specific details in terms of the Transporters' proposal.

4.2. High Level Principles

- 4.2.1 Section 1.11 'Reduction of Firm Capacity' of the Codes currently allows Shippers to apply to the Transporters to reduce their existing Long Term Firm Capacity (Multi-Annual or Annual). It is proposed that the provisions of this Section 1.11 be retained, with some minor amendments to:
 - a) refer specifically to the link between Entry Points and Exit Points;
 - b) refer to Capacity Bookings in relation to the Moffat Entry Point and the South North Entry Point.
 - c) Provide clarity in relation to the rights and obligations of a Shipper with respect to the Capacity it offers for surrender.
- 4.2.2 For the purpose of this Business Rules document, the terms relating to 'reduction of firm capacity' will be reworded to 'surrender' of firm capacity in order to maintain consistency with the language used in the Regulation.
- 4.2.3 Such updated Section 1.11 of the Codes shall apply to the NI network as a whole and shall not be limited to applying to Capacity Bookings in relation to the Moffat Entry Point and the South North Entry Point and shall be operationally available on 1 October 2013.
- 4.2.4 Offers to surrender Long Term Firm Capacity relating to contract paths which originate at the South North Entry Point shall be submitted to and processed by BGE(NI).
- 4.2.5 Offers to surrender Long Term Firm Capacity relating to contract paths which originate at the Moffat Entry Point and terminate at Exit Points on the PTL network shall be submitted to and processed by PTL.
- 4.2.6 Offers to surrender Long Term Firm Capacity relating to contract paths which originate at the Moffat Entry Point and terminate at Exit Points on the BGE(NI) network shall be submitted to and processed by PTL and BGE(NI) jointly.
- 4.2.7 In determining whether offers to surrender Long Term Firm Capacity may be accepted on contract paths in relation to the Moffat Entry Point, PTL shall consider:
 - a) the level of demand for Long Term Firm Capacity on each contract path originating at the Moffat Entry Point; and

- b) the merit order as outlined in Section 1.1.5
- 4.2.8 In determining whether offers to surrender Long Term Firm Capacity may be accepted on contract paths associated with the South North Entry Point, BGE(NI) shall consider:
- a) the level of demand for Long Term Firm Capacity on each contract path originating at the South North Entry Point; and
 - b) the merit order as outlined in Section 1.1.5
- 4.2.9 The Shipper which offers to surrender its Long Term Firm Capacity shall retain its rights and obligations under the Capacity contract, including the obligation to pay all Capacity related charges, until its Long Term Firm Capacity is subsequently resold to another Shipper.
- 4.2.10 The Shipper which offers to surrender its Long Term Firm Capacity shall have its rights and obligations with respect to Capacity suspended only for the period for which its Long term Firm Capacity is resold, such rights and obligations being reinstated (where applicable) following the expiry of such period.
- 4.2.11 Capacity offered for surrender may only be resold after all Uncontracted Capacity is sold by the Transporter. This is a requirement of the Regulation.
- 4.2.12 Where multiple offers to surrender Long Term Firm Capacity are submitted with respect to a particular contract path, Surrenders will be accepted on a pro rata basis relative to the amount of Long Term Firm Capacity each Shipper offered to Surrender.
- 4.2.13 The rules associated with this mechanism will replace the existing rules of Surrender in the NI codes and will apply across the entire network.

4.3. Business Rules

- 4.3.1 A Shipper may apply to surrender its Long Term Firm Capacity by no later than the Mid Year Date in respect of the next Gas Year and at any time in respect of any Gas Year following the next Gas Year.
- 4.3.2 A Shipper may only apply to surrender its Long Term Firm Capacity in respect of a whole Gas Year.
- 4.3.3 Any such application shall specify:
- a) the amount of Capacity offered for surrender;
 - b) the Entry Point in respect of which the application is made; and
 - c) the Exit Point in respect of which the application is made.

- 4.3.4 Where multiple surrender offers and multiple applications for Long Term Firm Capacity in respect of multiple contract paths are received, the Transporter shall accept surrender offers in accordance with the following steps:
- a) in the first instance, Uncontracted Capacity shall be used to satisfy applications for Long Term Firm Capacity;
 - b) where all Uncontracted Capacity has been assigned, surrender offers relating to a given contract path shall be used to satisfy remaining applications (or portions thereof) for Long Term Firm Capacity with respect to that contract path;
 - c) where, following the application of a) and b), there remains unsatisfied applications for Long Term Firm Capacity with respect to a contract path, surrender offers relating to other contract paths associated with the relevant Entry Point shall be used to satisfy such applications.
- 4.3.5 Should the amount of Capacity offered for surrender be greater than the amount of Long Term Firm Capacity requested in either of steps 4.3.4b) or 4.3.4c), surrender offers shall be accepted on a pro rata basis.
- 4.3.6 If, in respect of any Gas Year, there are no Long Term Firm Capacity Applications, the Transporter shall reject any offer to surrender Long Term Firm Capacity.
- 4.3.7 The Transporter shall not accept any offer to surrender Long Term Firm Capacity if the level of MHQ for which the Shipper has applied is less than one twenty-fourth of the MDQ for which the Shipper has applied.
- 4.3.8 The Transporter shall issue a Firm Capacity Notice to a Shipper whose long Term Firm Capacity is reduced by no later than forty (40) Business Days after the Mid Year Date in the Gas Year in which the application is made.

5. LONG TERM USE IT OR LOSE IT MECHANISM

5.1. Overview

- 5.1.1 Clause 2.2.5 of Annex 1 of EC715/2009 outlines the requirement to introduce a Long Term Use It or Lose It mechanism as one of the Congestion Management Procedures by 1 October 2013.
- 5.1.2 Section 5.2 sets out the high level principles applied in the development of a Long Term Use It or Lose It mechanism for the NI Codes.
- 5.1.3 The Codes currently have a 'Use It or Lose It' mechanism that does not fully meet the requirements of CMP.
- 5.1.4 Section 5.3 provides specific details in terms of the Transporters' proposal which amends the current rules to ensure they are compliant, and includes additional reporting of information to monitor compliance.

5.2. High Level Principles

- 5.2.1 The Transporters will be required to partially or fully withdraw systematically underutilised Contracted Capacity at an Entry Point where:
 - a) The Shipper has not sub-let or offered to sub-let it under reasonable conditions; and
 - b) Other Shippers are requesting Firm Capacity on contract paths relating to the applicable Entry Point.
- 5.2.2 The Transporter at the applicable Entry Point will determine whether the underutilised Capacity should be partially or fully withdrawn based on market demand on contract paths at the relevant entry point at the time. This differs from the current process whereby the Regulatory Authority makes the determination.
- 5.2.3 The rules for this mechanism need to be in place in the Code by 1 October 2013. As the proposal is to change the existing UIOLI mechanism, this revised process will be operational from 1 October 2013 across the NI Network.

5.3. Business Rules

- 5.3.1 To determine the systematic underutilisation of Contracted Capacity at an Entry Point, each Transporter will produce two usage reports each year, one by 30 April covering the period 1 October – 31 March of the Gas year and the other by 31 October covering the period 1 April – 30 September of the previous gas year.
- 5.3.2 For the avoidance of doubt the relevant Transporter shall be the party who determines the underutilisation at the Entry Point for the purpose of LT UIOLI.
- 5.3.3 These reports will only be sent to the Regulator(s)⁹ to enable their monitoring of the usage of contracted Capacities with an effective¹⁰ contract duration of more than one year.
- 5.3.4 These reports will include the average usage of Contracted Capacity for products with an effective duration of more than one year.
- 5.3.5 These reports will be generated irrespective of whether there is an unfulfilled demand for Contracted Capacity by a Shipper.
- 5.3.6 Shippers, unable to gain access to Firm Capacity will be required to notify their Transporter of the requirement for Capacity (including amount and duration) which the Shipper has been unable to book.
- 5.3.7 The determination of systematic underutilisation will be made only in the event that there is an unfulfilled demand for Capacity from Shippers at the specified Entry Point and will be based on the following information:
- a) The Shipper used less than 80% of its Contracted Capacity for two consecutive six monthly reporting periods, with an effective contract duration of more than one year without proper justification; or
 - b) The Shipper systematically renominates downwards from close to 100% of its Contracted Capacity in order to circumvent the rules on renomination in the ‘Firm Day Ahead Use It or Lose It’ mechanism¹¹.
- 5.3.8 The withdrawal process will be:
- a) The relevant Transporter will serve the Shipper with three (3) month’s notice of its intention to withdraw Capacity and will specify the amount and duration to be withdrawn based on underutilisation;
 - b) The Shipper will have the opportunity within one month of receipt of notice from the Transporter to:
 - (i) Make submissions to the Transporter as to why the Shippers non utilisation of the Capacity is justified; and/or

⁹ This reporting to the Regulator(s) is a requirement of the Regulation.

¹⁰ ‘effective duration’ means the time left on a contract.

¹¹ The percentages specified in Section 5.3.7 are as per the Regulation so are not subject to change. This requirement will only apply when FD UIOLI is implemented in the Code, currently required by 1 July 2016.

- (ii) Provide evidence that the Shipper has offered to sub-let, under reasonable conditions the unused Capacity.
 - c) The Transporter will review any Shipper submissions prior to proceeding with the withdrawal process and shall notify the Shipper as to whether it accepts the submission within 2 weeks and where it does so accept the Shippers submissions the Transporter will notify the Shipper and will not withdraw such Shippers Capacity (in whole or in part);
 - d) If the Shipper does not agree with the decision of the Transporter, they may refer it to the Regulator(s) for review within 2 weeks of receipt of the Transporters response;
 - e) Any such regulatory review should be completed within 3 weeks or such other time period as may be determined by the Regulator(s);
 - f) In the event that the process cannot be completed within the 3 month period following the issuing of the notice in accordance with 5.3.8(a) and extra time is required, it will be extended by a period of one month and subsequently in increments of one month thereafter; and
 - g) The withdrawal of Capacity may proceed on the expiry of either the three month notice period or the extended period used for the regulatory review unless the Transporter is specifically requested not to withdraw the Capacity by the relevant Regulator.
- 5.3.9 The Shipper will retain its rights and obligations to the Capacity under the Capacity contract until such time as it is resold by the Transporter and to the extent (both in amount and duration) that the Capacity is not resold by the Transporter.

6. OVERSUBSCRIPTION AND BUY-BACK MECHANISM

6.1. Overview

- 6.1.1 Clause 2.2.2 of Annex 1 of EC715/2009 outlines the requirement to introduce an Oversubscription and Buyback scheme as one of the Congestion Management Procedures by 1 October 2013.
- 6.1.2 Section 6.2 sets out the high level principles applied in the proposed Oversubscription and Buyback scheme for the NI Codes.
- 6.1.3 Section 6.3 provides specific details in terms of the Transporters' proposal.

6.2. High Level Principles

- 6.2.1 The Transporters shall offer an incentive-based Oversubscription and Buyback scheme in order to offer '**Oversubscription Capacity**' (Firm Capacity in addition to Technical Capacity) in relation to the Moffat Entry Point and the South North Entry Point, where either or both points are considered contractually congested in accordance with Section 3.
- 6.2.2 The rights and obligations associated with Firm Capacity shall also apply to Oversubscription Capacity.
- 6.2.3 Where Oversubscription Capacity is made available, it shall be made available as a Daily Capacity product which may be booked in line with the current Daily Capacity procedures in the Codes.
- 6.2.4 Where Oversubscription Capacity is made available in relation to the Moffat Entry Point it may be sold on any contract path which originates at the Moffat Entry Point, to the extent that there is sufficient Capacity available at the relevant Exit Point.
- 6.2.5 Where Oversubscription Capacity is made available in relation to the South North Entry Point, it may be sold on any contract path which originates at the South North Entry Point, to the extent that there is sufficient Capacity available at the relevant Exit Point.
- 6.2.6 BGE(NI) shall determine and publish an amount of Oversubscription Capacity which it deems appropriate to make available in relation to the South North Entry Point and shall administer the buyback process in relation to that Entry Point.
- 6.2.7 PTL shall determine and publish an amount of Oversubscription Capacity which it deems appropriate to make available in relation to the Moffat Entry Point, and shall administer the buyback process in relation to that Entry Point.
- 6.2.8 Where both Technical Capacity and Oversubscription Capacity are offered by the Transporter, they shall be presented to the market as a single aggregate figure on the Transporter's I.T. Systems, and no distinction shall be made between Technical and Oversubscription Capacity.

- 6.2.9 The Oversubscription and Buyback scheme shall only become operational for Capacity booked in relation to the Moffat Entry Point or the South North Entry Point if either point is deemed to be contractually congested in accordance with Section 3.
- 6.2.10 The Transporters shall agree a framework incentive mechanism with respect to the Oversubscription and Buyback scheme with the relevant NRA(s) prior to 1 October 2013.
- 6.2.11 The Oversubscription and Buyback incentivisation scheme shall be designed to provide an incentive to the Transporters to offer Oversubscription Capacity to the market, while also reflecting the risks posed to the Transporters in so doing.
- 6.2.12 Oversubscription Capacity shall only be sold to Shippers following the sale of Uncontracted Capacity and any Capacity made available as a result of other CMP mechanisms i.e. Surrender of Contracted Capacity or Long Term Use It or Lose It, in keeping with the merit order specified in 1.1.5.
- 6.2.13 Revenues arising from the sale of Oversubscription Capacity and costs arising from the buy-back scheme shall be shared between the Transporter and Shippers in accordance with the incentivisation methodology approved by the relevant NRA(s).
- 6.2.14 Before applying a buyback procedure, the Transporter shall verify whether other technical or commercial measures may maintain system integrity in a more cost-efficient manner.

6.3. Business Rules

Oversubscription

- 6.3.1 Where the Oversubscription and Buyback scheme is activated in accordance with the criteria set out in Section 3, the amount of Oversubscription Capacity which the Transporter deems appropriate to offer in relation to the Moffat Entry Point or the South North Entry Point in respect of a day (which may be zero) shall be published to Shippers via the Transporters' I.T. Systems.
- 6.3.2 The Transporters may amend the amount of Oversubscription Capacity which is available in relation to the Moffat Entry Point or the South North Entry Point at any time including after the initial publication of an amount of Oversubscription Capacity (while also taking account of any Oversubscription Capacity which has been booked since the initial publication of the Oversubscription Capacity amount).
- 6.3.3 The amount of Oversubscription Capacity which is made available by the Transporter shall be added to the amount of Capacity which is otherwise available to be booked, and presented as an aggregate amount of Capacity which is available to be booked directly from the Transporter through the existing Daily Capacity booking procedures in the Codes i.e. the Application Window in section 1.4 of the BGE (NI) Code and the PTL Code.

Buyback

- 6.3.4 Before committing to the buyback of Capacity, the Transporter shall assess whether it may maintain the integrity of the system in a more cost efficient manner by other operational or commercial means.
- 6.3.5 The Transporter may issue an '**Advance Buyback Invitation**', inviting Shippers to commit in advance to selling Capacity to the Transporter at a fixed price, should it be necessary for the Transporter to buy back Capacity on any day within a defined period of time.
- 6.3.6 Shippers responding to this tender process may enter into an agreement with the Transporter, constituting an '**Advance Buyback Offer**' Which shall include the amount in p/kWh (the '**Buyback Offer Price**') at which the Shipper wishes to offer the Capacity to the Transporter.
- 6.3.7 Where the Transporter deems it necessary to buy back Capacity, it shall notify the market by means of a '**Buyback Invitation**' via the Transporter's I.T. Systems of the:
- a) Entry Point (Moffat Entry Point or South North Entry Point);
 - b) Exit Point(s) at which the Transporter wishes to buy back Capacity, where relevant
 - c) time period for which the buyback is required; and
 - d) amount of Capacity required.
- 6.3.8 Shippers may submit a '**Buyback Offer**' via the Transporter's I.T. System which specifies:
- a) identity of Shipper;
 - b) Entry Point (Moffat Entry Point or South North Entry Point);
 - c) Exit Point;
 - d) time period for which the Capacity is offered;
 - e) amount of Capacity offered; and
 - f) the amount in p/kWh (the '**Buyback Offer Price**') at which the Shipper wishes to offer the Capacity.
- 6.3.9 A Buyback Offer may be submitted in accordance with the timelines specified in the Buyback Invitation.
- 6.3.10 A Buyback Offer submitted in accordance with 6.3.8 shall be considered a Valid Buyback Offer.
- a) The Transporter shall inform the Shipper of its rejection of the Shipper's Buyback Offer due to non-compliance with the requirements of 6.3.8.
- 6.3.11 Where multiple Valid Buyback Offers are received, the Transporter shall accept the Valid Buyback Offers and Advance Buyback Offers which best address the Transporter's needs, in order of least cost to the Transporter, and to an amount the

Transporter deems appropriate to maintain system integrity on the basis of the operational requirements.

6.3.12 The Transporter may accept a Valid Buyback Offer or Advance Buyback Offer in full, or may accept the Valid Buyback Offer or Advance Buyback Offer in part with respect to:

- a) the amount of Capacity accepted for buyback, which may be less than the amount specified by the Shipper in its Buyback Offer or Advance Buyback Offer; and/or
- b) the time period accepted for buyback, which may be less than the time period specified by the Shipper in its Buyback Offer or Advance Buyback Offer.

6.3.13 Where the Transporter accepts a Buyback Offer or Advance Buyback Offer (in full or in part), the Transporter shall inform the Shipper of such acceptance through the issue of a '**Buyback Notification**' which shall include:

- a) Buyback Offer or Advance Buyback Offer reference number;
- b) identity of the Shipper;
- c) Entry Point (Moffat Entry Point or South North Entry Point);
- d) Exit Point;
- e) time period for which the Capacity is bought back;
- f) amount of Capacity bought back; and
- g) the unit price (in p/kWh) which the Transporter shall pay the Shipper, which shall be equal to the Buyback Offer Price as specified by the Shipper in its Buyback Offer.

6.3.14 The aggregate amount of Capacity accepted for buyback by the Transporter in respect of a given day need not be equal to the amount requested in the Buyback Invitation.

6.3.15 Where the Transporter issues a Buyback Notification, it shall reduce the amount of Capacity held (for the relevant day in respect of the relevant Contract Path) by the Shipper by the amount specified in the Buyback Notification.

6.3.16 Notwithstanding the provisions of 6.3.15, the Shipper shall be billed for Capacity as follows:

- a) the Shipper shall remain liable for payment of all Capacity related charges in respect of the amount of Capacity held by the Shipper prior to the issuance of the Buyback Contract and
- b) the Shipper shall receive a credit in respect of:
 - i. the amount of Capacity; and
 - ii. the unit price;specified in the Buyback Contract.

6.3.17 In the event that the Transporter is unable to secure a sufficient amount of Capacity through the market based buyback mechanisms to maintain system integrity, the Transporter may be required to employ some of the provisions of Section 6 (Capacity Reduction & Emergencies) of the Code.

Incentive Scheme

Revenues

6.3.18 OS Capacity will be billed for by the TSO at the relevant Exit Point on the contract path, consistent with the existing streamlined NI processes for billing for capacity. In accordance with 6.2.3, it will be priced as Daily Capacity.

6.3.19 Revenues from the sale of OS Capacity will be passed by the TSOs into an 'OS & BB' account, and will be associated with the relevant Entry Point.

Buy Back Cap

6.3.20 When the TSOs buy back capacity they will do so only up to a capped level, which shall be the total revenue which has been collected in the relevant OS & BB account (associated with the relevant Entry Point) during the preceding [3] months.

6.3.21 Once the TSO has bought back up to the capped level, it will make no further buy backs for that Gas Day, and 6.3.17 above applies.

Revenue Sharing

6.3.22 At the end of the Gas Year, any remaining revenue in the OS & BB account will be divided between the relevant TSO at the Entry Point and Shippers with allocations at the Entry Point on a [25:75][TSO:Shippers] basis. The sharing proportion will be approved and published by Ureg.

6.3.23 Shippers will be allocated a share of the revenues pro-rata to their total allocations at the relevant Entry Point for the Gas Year. This basis for allocating incentive revenue is intended to provide an appropriate incentive to Shippers to flow gas, rather than 'hoard' capacity.

Rules for the Incentive Scheme

6.3.24 The rules for the treatment of revenues arising from the Incentive Scheme will also be captured in the TSOs Licence Conditions. The TSOs anticipate that Ureg will consult separately on the Licence Conditions, at the end of August/start of September.

Monitoring and Revision of Scheme

6.3.25 The following are requirements of the Regulation and while they will not necessarily be included in the Code, should be noted for information purposes:

- a) When proposing the Oversubscription and Buyback scheme, the Transporter shall provide all relevant data, estimates, and models to the relevant NRA(s) in order for the latter to assess the scheme.

- b) The relevant NRA(s) shall assess and approve the Transporter's proposal, following consultation with adjacent NRA(s).
- c) The Transporter shall, on an annual basis, report to the relevant NRA(s) on the functioning of the scheme and, upon request of the relevant NRA(s), provide all relevant data.
- d) The relevant NRA(s) may request the Transporter to revise the scheme.
- e) Where a Firm Day Ahead Use It or Lose It mechanism is applied at an Interconnection Point, an evaluation of the relationship with the oversubscription and buy-back scheme shall be carried out by the relevant NRA(s), which may result in a decision by the relevant NRA(s) not to apply the oversubscription and buyback scheme at those Interconnection Points. Such a decision shall be notified, without delay, to ACER and the European Commission

7. FIRM DAY AHEAD USE IT OR LOSE IT MECHANISM

7.1. Overview

- 7.1.1 Clause 2.2.3 of Annex 1 of EC715/2009 outlines the requirement to introduce a Firm Day Ahead Use It or Lose It (FD UIOLI) mechanism as one of the Congestion Management Procedures.
- 7.1.2 Section 7.2 sets out the high level principles that will apply in relation to the requirements of the FD UIOLI mechanism or phase 1 of this implementation.
- 7.1.3 Section 7.3 provides specific details in terms of the Transporter's proposal.

7.2. High Level Principles

- 7.2.1 The FD UIOLI mechanism shall be implemented in the Code by 1 July 2016.
- 7.2.2 FD UIOLI will be included in Phase 2 of this project post the introduction of CAM.
- 7.2.3 To facilitate the implementation of FD UIOLI, the Transporter will have to provide additional data to ENTSOG as part of its transparency reporting requirements beginning on 1 October 2013.
- 7.2.4 The ACER Congestion Management Report (ACMR) is to be published by 1 March each year beginning on 1 March 2014.
- 7.2.5 Where an IP has been declared to be contractually congested post 1 July 2016, FD UIOLI may be implemented if, based on the ACMR, it is shown that where auctions are used, the sales price exceeded the reserve price, i.e. the Capacity requested exceeded the Capacity offered, for products for use in that year or in one of the two subsequent years.
- 7.2.6 If on the basis of the ACMR, it is shown that congestion is unlikely to re-occur in the following three years, this mechanism may be discontinued at the discretion of the relevant NRA(s).
- 7.2.7 In the event that Oversubscription and Buyback has become operational, the use of this mechanism may give the relevant NRA(s) the option to cancel the Oversubscription and Buyback mechanism.

7.3. Business Rules

- 7.3.1 The additional data¹² to be communicated to the European Network of Transmission Systems Operator for Gas (ENTSOG) and which will form the basis of the ACMR is outlined in Section 8.2.1
- 7.3.2 The Transporter will provide the additional data to the ENTSOG Transparency website on a monthly basis in the format prescribed by ENTSOG.
- 7.3.3 This data is to be delivered by the 1st of the month for the preceding month beginning on 1 October 2013.
- 7.3.4 This data will be included as part of the ENTSOG Transparency project which is due for delivery on 1 October 2013.

¹² Agreed by Gaslink, BGE IT, ENTSOG, ACER and adjacent TSO's

8. TRANSPARENCY REQUIREMENTS

8.1. Overview

- 8.1.1 Transparency Guidelines are annexed to the Regulation, in accordance with Commission Decision 2010/685/EU of 10 November 2010.
- 8.1.2 The Transparency Guidelines have been effective since 3 March 2011.
- 8.1.3 The Transporter currently publishes transparency information on ENTSOG's Transparency Platform (www.gas-roads.eu) in accordance with EC715 Transparency Guidelines.
- 8.1.4 CMP Guidelines are annexed to the Regulation, in accordance with Commission Decision 2012/490/EU of 24 August 2012.
- 8.1.5 The CMP Guidelines impose additional obligations in respect of transparency which must be introduced in October 2013.
- 8.1.6 It should be noted that while transparency obligations apply at all Relevant Points CMP obligations only apply for Capacity booked in relation to the Moffat Entry Point and the South North Entry Point.

8.2. Business Rules

- 8.2.1 From 1 October 2013, the Transporter shall submit the following information (with respect to each Interconnection Point) for publication on ENTSOG's Transparency Platform:
 - a) instances where the Transporter was unable to allocate the entire amount of Firm Capacity requested by a Shipper;
 - b) where Capacity is offered and sold by means of an auction process, instances where firm Capacity has cleared at a price higher than the reserve price;
 - c) instances where no Firm Capacity was made available by the Transporter;
 - d) the amount of Capacity made available to the market as a result of the application of Congestion Management Procedures.
- 8.2.2 The provisions of 8.2.1a) to 8.2.1c) shall apply to firm Capacity booking requests for Capacity of duration one month or longer.
- 8.2.3 The information to be published on the Transparency Platform shall be submitted in the following format:
 - a) downloadable and user-friendly, thus allowing for quantitative analysis; and
 - b) as agreed between the Transporter and the relevant NRA(s) and based on a harmonised format provided by ACER.

- 8.2.4 Based on the information provided by the Transporter to the ENTSOG Transparency Platform, ACER will produce an annual Congestion Monitoring Report, the first such report to be published on 1 March 2014.
- 8.2.5 In addition to the publication of information on the Transparency Platform, the Transporter shall also report directly to the relevant NRA(s), to include the following:
- a) Regular updates in relation to the functioning of the Oversubscription & Buy-back scheme;
 - b) Upon request, all relevant data relating to the Oversubscription & Buy-back scheme;
 - c) All data required to monitor the Long Term Use It or Lose It mechanism.
- 8.2.6 The content, format and frequency of such reporting shall be subject to agreement between the Transporter and the relevant NRA(s).

Appendix 1

Glossary of Terms

<u>Term</u>	<u>Definition</u>	<u>Source</u>
ACER	Agency for the Cooperation of Energy Regulators.	
Advance Buyback Offer	An agreement between the Transporter and a Shipper, committing the Shipper to selling Capacity to the Transporter at a fixed price, should it be necessary for the Transporter to buy back Capacity on any day within a defined period of time.	CMP Business Rules
Bookable Capacity	Capacity (either Technical or Oversubscription) which is available, at a given point in time, to be booked directly from the Transporter.	CMP Business Rules
Buyback Invitation	The communication issued by the Transporter inviting Shippers to offer Capacity for sale to the Transporter in respect of a defined time period and amount.	CMP Business Rules
Buyback Offer	The communication issued by the Shipper to the Transporter in response to a Buyback Invitation.	CMP Business Rules
Buyback Offer Price	The price in c/kWh which the Shipper specifies in a Buyback Offer as the price it wishes to be paid, should the Transporter select the Buyback Offer.	CMP Business Rules
Advance Buyback Invitation	An invitation issued by the Transporter to Shippers, offering Shippers an opportunity to commit in advance to selling Capacity to the Transporter at a fixed price, should it be necessary for the Transporter to buy back Capacity on any day within a defined period of time.	CMP Business Rules
CAM Network Code	Capacity Allocation Mechanism Network Code.	

Commission for Energy Regulation (CER)	The Commission for Energy Regulation (CER) is the regulator for the electricity and natural gas sectors in Ireland.	
Contracted Capacity	‘Capacity that the Transmission System Operator has allocated to a Shipper by means of a transport contract’.	EC715/2009, Article 2.19
Contractual Congestion	‘a situation where the level of firm capacity demand exceeds the technical capacity’.	EC715/2009, Article 2.21
ENTSOG	European Network of Transmission Systems Operator for Gas.	
Interconnection Points (IP)	‘points between adjacent entry-exit systems, irrespective of whether they are physical or virtual, between two or more Member States or within the same Member State in so far as the points are subject to booking procedures by users ¹³ ’.	EC715/2009, Annex 1, paragraph 2.2.1 (1)
Moffat Entry Point	as defined in the PTL Code i.e. “Moffat Entry Point” means the flange, weld or other agreed mark at the final outlet from the delivery facilities, owned and operated by National Grid at Moffat in Scotland, connecting with the facilities of BGE (UK) at the point at which gas enters the Transportation System.	PTL Code
National Regulatory Authority (NRA)	Independent body responsible for energy regulation within its own member state. Ureg in Northern Ireland and the CER with respect to the section of the South-North Pipeline located in Ireland..	
Oversubscription Capacity	the Firm Capacity offered in addition to the Technical Capacity ¹⁴ of the Moffat Entry Point or the South North Entry Point.	CMP Business Rules

¹³The NI Interconnection Points are the Moffat Entry Point and the South North Entry Point.

¹⁴ Moffat Entry Point Technical Capacity (as of June 2013) is 89,778,000 kWh. South-North Interconnection Point Technical Capacity (as of June 2013) is 56,300,000 kWh

Relevant Point	<p>‘Relevant points shall include at least:</p> <ul style="list-style-type: none"> (a) all entry and exit points to and from a transmission network operated by a transmission system operator, with the exception of exit points connected to a single final customer, and with the exception of entry points linked directly to a production facility of a single producer that is located within the EU; (b) all entry and exit points connecting balancing zones of transmission system operators; (c) all points connecting the network of a transmission system operator with an LNG terminal, physical gas hubs, storage and production facilities, unless these production facilities are exempted under (a); <p>all points connecting the network of a given transmission system operator to infrastructure necessary for providing ancillary services as defined by Article 2(14) of Directive 2009/73/EC.’</p>	EC715/2009, Annex 1, paragraph 3.2 (1)
Technical Capacity	‘The maximum firm capacity that the transmission system operator can offer to the Shippers, taking account of system integrity and the operational requirements of the transmission network’	EC715/2009, Article 2.18
Uncontracted Capacity	Technical Capacity (other than Technical Capacity which is made available by the Transporter pursuant to CMP mechanisms) which, at a given point in time, is not contracted to a Shipper and is available to be booked directly from the Transporter.	CMP Business Rules.
Utility Regulator Northern Ireland (Ureg)	The independent non-ministerial government department set-up to ensure the effective regulation of the electricity, gas, water and sewerage industries in Northern Ireland.	

Appendix 2

Section 2.2.3.3 of Annex 1 of EC Regulation 715/2009 as introduced by Commission Decision of 24 August 2012;

Firm renomination is permitted up to 90 % and down to 10 % of the contracted Capacity by Shipper at the Interconnection Point. However, if the nomination exceeds 80 % of the contracted Capacity, half of the non-nominated volume may be renominated upwards. If the nomination does not exceed 20 % of the contracted Capacity, half of the nominated volume may be renominated downwards. The application of this paragraph is without prejudice to the applicable emergency measures.