

Premier Transmission

BGE (NI)

Belfast Gas Transmission

Northern Ireland

Oversubscription and Buyback Scheme

Version 1.0

For Industry Consultation

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1. Document Requirement

The Licence for the conveyance of gas in Northern Ireland issued to each of Premier Transmission Limited (PTL), BGE (UK) Limited (BGE (NI)) and Belfast Gas Transmission Limited (BGTL) (each a TSO) requires the TSO's, in co-operation and in conjunction with each other, to prepare and submit for approval to the Northern Ireland Authority for Utility Regulation ("the Authority") arrangements for the oversubscription and buyback of capacity (the "OS Scheme") incorporating an OS Charging Statement.

The document is jointly published by PTL, BGE(NI) and BGTL as the OS Scheme required pursuant to their respective licences.

2. Governance

This document was first published on [DATE] with the approval of the Authority and can only be amended by agreement of the TSOs, and with the approval of the Authority or by direction of the Authority .

3. Introduction

Oversubscription Capacity is firm capacity which is offered as a result of the availability of Entry Point Additional Capacity¹ and is intended to release to the market capacity which has been sold but is not being used.

Capitalised terms used in this OS Scheme shall save where the context requires otherwise, have the meaning given to them in the relevant TSO Licence for the conveyance of gas in Northern Ireland, or in the relevant Network Codes.

4. Operational Provisions

4.1. General

4.1.1. The TSOs shall:

- a) offer to allocate OS Capacity in the circumstances described in clause 4.2;
- b) determine the Entry Point Additional Capacity and the amount of OS Capacity that may be offered at a given time in accordance with clause 4.1;
- c) allocate OS Capacity in accordance with clause 4.5;
- d) offer to purchase buyback Capacity in accordance with clause 5.4.
- e) determine the charges for the provision of OS Services in accordance with the OS Charging Statement as set out in clause 5.5;
- f) apportion the revenues received and payments made in respect of the provision of OS Services in accordance with clause 6 and at the time specified in clause 7.

4.2. Circumstances in which OS Capacity will be offered

4.2.1. A TSO shall calculate an amount of Entry Point Additional Capacity and make OS Capacity available commencing on 1 October in Gas Year Y where the conditions set out in clause 4.2.2 (the Activation Test) apply.

¹ Defined in the TSO licences as Capacity which the TSO makes available in excess of the Technical Capacity at an Entry Point

The Activation Test

- 4.2.2. In respect of an Entry Point to the NI Network, the receipt of applications for long term capacity bookings for Gas Year Y in respect of contract paths from that Entry Point which exceed 100% of the Entry Point Technical Capacity at the mid-year date during year Y-1.
- 4.2.3. In order to determine whether the Activation Test is satisfied:
- a) PTL shall not later than the 31st May in a Gas Year Y-1 carry out an assessment of the capacity booked in respect of contract paths from Moffat Entry Point in respect of the following Gas Year (Gas Year Y); and
 - b) BGE(NI) shall not later than the 31st May in a Gas Year Y-1 carry out an assessment of the capacity booked in respect of contract paths from South North Entry Point in respect of the following Gas Year (Gas Year Y).
- 4.2.4. Once it has been established that the Activation Test has been satisfied in respect of an Entry Point, or where clause 4.2.6 applies, from the start of Gas Year Y the relevant TSO will determine the Entry Point Additional Capacity at the Entry Point and the amount of OS Capacity that may accordingly be offered at a given time in respect of a given Exit Point in accordance with clause 4.3.
- 4.2.5. Each Entry Point will be assessed separately to ascertain whether it meets the Activation Test
- 4.2.6. The TSOs may, however, jointly decide to make Entry Point Additional Capacity available at either or both Entry Points at any time and consequently make OS Capacity available, with the approval from Authority, and will inform Shippers accordingly.

4.3. Entry Point Additional Capacity / OS Capacity Quantity

- 4.3.1. The Entry Point Additional Capacity to be made available on a given Day at the Moffat Entry Point and the consequential amount of OS Capacity available on contract paths related to the Moffat Entry Point shall be determined by PTL, subject to prior consultation with BGE(NI) in accordance with the remaining provision of this clause 4.3.
- 4.3.2. The Entry Point Additional Capacity amount to be made available on a given Day at the South North Entry Point and the consequential amount of OS Capacity available on contract paths related to the South North Entry Point shall be determined by BGE(NI), subject to prior consultation with PTL in accordance with the remaining provisions of this clause 4.3.
- 4.3.3. OS Capacity shall be made available by the TSOs in accordance with their respective Network Codes.
- 4.3.4. The TSOs shall, prior to the opening of the Daily Capacity Application Window in respect of any month, evaluate the degree to which capacity at the relevant Entry Point has been used historically as described below:

Historic Analysis

- 4.3.5. In respect of each Entry Point, the TSOs shall make an analysis of historic capacity underutilization with respect to:
- a. the corresponding month of the previous year or years; and
 - b. the month which is two months previous to the month for which Entry Point Additional Capacity is to be made available;

- c. any other period the TSOs consider to be relevant.
- 4.3.6. The TSOs shall make a prediction of the under utilisation of capacity in respect of the Entry Points for the following month, taking into account:-
- a) anticipated gas demand;
 - b) historic analysis;
 - c) recent trends;
 - d) any other information they consider to be relevant (including Virtual Reverse Flow).
- 4.3.7. The TSOs shall make an assessment of the risk of Buyback which is likely to arise for the following month.
- 4.3.8. The TSOs shall then conclude on how much under-utilised capacity could be made available as Entry Point Additional Capacity in respect of each day of the month, taking into account all the considerations above.
- 4.3.9. The Entry Point Additional Capacity which the TSOs will make available shall not exceed a maximum limit equal to [5%] of Technical Capacity of the relevant Entry Point.
- 4.3.10. The TSO(s) shall determine the maximum amount of OS Capacity to be made available or allocated on relevant contract paths having regard to:
- a) the amount of Entry Point Additional Capacity available at an Entry Point; and
 - b) the availability of Technical Capacity at an Exit Point.
- 4.3.11. The aggregate amount of OS Capacity which may be allocated on all contract paths relating to an Entry Point shall not exceed the Entry Point Additional Capacity; the Technical Capacity at any individual Exit Point may not be exceeded.
- 4.3.12. Notwithstanding the above analysis and guidelines for the calculation of the amount of Entry Point Additional Capacity which may be offered, the TSOs will make the final decision as to the appropriate amount to be offered, and may offer a zero amount of OS Capacity where they believe it is appropriate to do so.
- 4.3.13. The TSO(s) may revise the amount of Entry Point Additional Capacity and/or the amount of OS Capacity available from time to time (including during the relevant Daily Capacity Application Window).

4.4. Notifications

- 4.4.1. The TSOs will notify Shippers that OS Capacity is available but shall not publish a separate amount of capacity which is available by way of Entry Point Additional Capacity or Oversubscription Capacity.
- 4.4.2. Where an amount of OS Capacity is available as a result of Entry Point Additional Capacity at the Moffat Entry Point or South North Entry Point, the amount of OS Capacity shall be utilised in the calculation of the amount of 'available' capacity which is otherwise available for sale pursuant to the relevant Network Code at the Exit Point though the Daily Capacity booking process (CBOM).

4.5. OS Capacity Sale Process

- 4.5.1. OS Capacity is available to be booked by Shippers and is allocated by TSOs as Daily Capacity through the Daily Capacity booking processes pursuant to the relevant TSOs Network Codes.
- 4.5.2. Where the TSOs have allocated any OS Capacity for a day/days in a month, they may inform Shippers that they have done so, identifying the relevant Entry Point(s).
- 4.5.3. For the purpose of correctly accounting for revenues collected, the TSOs will (through the Daily Capacity Booking Process) identify to which Shipper (and on which contract path) OS Capacity is allocated.
- 4.5.4. Where necessary the TSOs will use a pro rata rule to make the distinction between the amount of Daily Capacity which is OS Capacity, and that which is not OS Capacity; an example of the pro rata rule is as set out in Appendix 1.

5. Buybacks

5.1. Buyback Process –When will it be used ?

- 5.1.1. Where the TSO has allocated OS Capacity in respect of a Gas Day, the TSO(s) may purchase capacity from Shippers in accordance with this OS Scheme and the relevant TSO's Network Code.
- 5.1.2. The TSO's will determine whether it is necessary to purchase capacity from Shippers in accordance with the remaining provisions of this clause 5.

5.2. Determining the Potential Requirement for Buyback

- 5.2.1. The TSOs shall monitor technical and operational factors following the closure of the Daily Capacity Booking Window, up to and including within-day, including but not limited to the following:
 - a) the prevailing operational conditions;
 - b) aggregate Nominations (including VRF Nominations) at the relevant Entry Point
 - c) agreed profiles
 - d) current metered flows (within-day)
 - e) weather forecasts
 - f) any extenuating circumstances which the TSOs may be aware of which lead it to believe that the Nominations or metered flows at any given time may be artificially low (or high).

- 5.2.2. The relevant TSOs may initiate the Buyback process where they consider it appropriate to do so in order to maintain system integrity.
- 5.2.3. Before initiating the Buyback process, the TSOs shall consider whether there are other operational or commercial means of maintaining the integrity of the system in a more cost-efficient manner.
- 5.2.4. PTL shall determine whether there is a requirement to purchase capacity on contract paths related to the Moffat Entry Point, and BGE(NI) shall determine whether there is a requirement to purchase capacity on contract paths related to the South North Entry Point.
- 5.2.5. In making this determination, the TSOs shall, where possible, prioritise the application of the Buyback process over the use of Flow orders or any other constraint management measures, where the TSO's reasonably believe that the purchase of capacity will effectively maintain system integrity.

5.3. Buyback Quantity Required

- 5.3.1. In the event of a requirement in relation to Moffat Entry Point, PTL shall determine the amount of capacity which the TSO(s) will endeavour to purchase, and the timescales within which it requires Buyback Offers to be received.
- 5.3.2. In the event of a requirement in relation to South North Entry Point, BGE(NI) shall determine the amount of capacity which BGE (NI) will endeavour to purchase, and the timescales within which it requires Buyback Offers to be received.

5.4. Buyback Process

Advance Buyback Agreements

- 5.4.1. The TSOs may at any time decide to conduct a public tender process for Advance Buyback Agreements in which all Shippers will be invited to participate.

On the Day Buyback Process

- 5.4.2. Where the TSO(s) determine there is a requirement to purchase capacity the relevant TSO(s) shall issue a Buyback Invitation in accordance with the applicable Network Code(s):
 - a) where there is a requirement in respect of Moffat Entry Point, both PTL and BGE(NI) shall issue a Buyback Invitation;-
 - b) where there is a requirement in respect of South North Entry Point, BGE(NI) shall issue a Buyback Invitation.
- 5.4.3. After the time period for submission of Buyback Offers, the TSOs will prepare a list of Buyback Offers received either in response to the Buyback Invitation or via Advance Buyback Agreements:-
 - a) where there is a requirement in respect of Moffat Entry Point, BGE(NI) will pass the offers it receives to PTL and PTL will review the Buyback Offers received and consult with BGE (NI) with respect to them.
 - b) where there is a requirement in respect of South North Entry Point, BGE(NI) will review the Buyback Offers.

- 5.4.4. Buyback Offers shall be considered and accepted by the relevant TSO in accordance with their respective Network Code, provided always that TSO shall not purchase capacity in any month to the extent the cost of such purchase would in aggregation with any other purchase of capacity in respect of the relevant Entry Point by the TSO's pursuant to this OS Scheme and the relevant Network Codes in that month would exceed the applicable Buyback Cap.
- 5.4.5. Where there are insufficient funds within the relevant Buyback Cap to fund the required quantity of capacity buyback in respect of an Entry Point, the TSOs will not undertake any further buybacks.

Buyback Cap

- 5.4.6. In respect of each Entry Point, the relevant TSO(s) shall after the closure of the Daily Capacity Application Window in respect of a month ("M"), and before the first gas day of month M calculate the cash amount (the "Buyback Cap") which shall be available to the TSOs to purchase Buyback Capacity in respect of month M.

The Buyback Cap shall be the sum of the OS Revenue M – 1, the Net OS Revenue M – 2 and the Net OS Revenue M – 3 where:.

- OS Revenue M – 1 means the amount receivable in respect of OS Capacity allocated in M – 1 ;
- Net OS Revenue M – 2 means the amount receivable in respect of OS Capacity allocated in M – 2 less any amount payable out of such revenue to fund buyback of capacity in M – 1; and
- Net OS Revenue M – 3 is the amount receivable in respect of OS Capacity allocated in M – 3 less the amount payable out of such revenue to fund buyback of Capacity in M – 1 and M – 2.

The calculation of the Buyback Cap is illustrated in Appendix 2.

Buyback Notifications

- 5.4.7. The TSO's shall accept Buyback Offers and issue Buyback Notifications in accordance with their respective Network Codes.

5.5. OS Capacity Charging Statement

- 5.5.1. The Licences of the three TSOs oblige the TSO's to publish an OS Charging Statement prescribing the methodology for determining the charges.
- a) payable by Shippers for OS Capacity; and
 - b) payable to Shippers for capacity purchased by the TSO's in accordance with this OS Scheme and the relevant Network Code.
- 5.5.2. OS Capacity will be made available as Daily Capacity pursuant to the TSO's Network Code, and the price payable by Shippers for OS Capacity shall be the same as the applicable price for Daily Capacity for the relevant day/month.
- 5.5.3. Prices for Daily Capacity are derived from the annual postalised Capacity tariff using monthly multipliers. The prices and multipliers are shown in the Daily Capacity Charging Methodology Statement (the 'Northern Ireland Charging Methodology Statement for Short Term Capacity (STC) and Virtual Reverse Flow (VRF) Charges') published on the TSOs websites.

- 5.5.4. The same Daily Capacity price applies for the Stranraer Exit Point (which is not included in the postalised tariff calculations), and all the other Exit Points on the NI Network.
- 5.5.5. Commodity Charges will apply as normal in accordance with the applicable Network Code.
- 5.5.6. The charge payable by the relevant TSO for capacity purchased in accordance with this OS Scheme and the applicable Network Code, shall be as determined in accordance with any applicable Advance Buyback Agreement or Buyback Offers subject in all cases to the Buyback Cap as set out in this OS Scheme.

6. Incentive – Revenue Treatment

6.1. Introduction

- 6.1.1. The OS Scheme is designed to incentivise the TSO's to make OS Capacity available and provide a means of sharing the excess of the revenues received as a result of the allocation of OS Capacity over the costs of buy-backs between Shippers and the TSOs.
- 6.1.2. There are two independent Entry Points to the NI Network, accordingly, the TSOs shall account separately for revenues and costs arising from the Moffat Entry Point and revenues and costs arising from South North Entry Point.

6.2. OS Revenues Handling

- 6.2.1. Each of the three TSOs invoices Shippers exiting the NI network at Exit Points on their part of the network for Daily Capacity, on a monthly basis in accordance with their respective Network Codes.
- 6.2.2. TSO shall identify the revenues payable for Daily Capacity which are attributable to the allocation of OS Capacity, and ensure these revenues are attributed to the PTL Postalised Network Incentive Scheme Bank Account or the BGE (NI) Postalised Network Incentive Scheme Account (as applicable) in accordance with their respective Network Codes such that:
 - a) where capacity is allocated on a contract path which terminates at a BGE(NI) Exit Point (and such allocation has been facilitated by means of OS Capacity being made available in respect of Moffat Entry Point), BGE(NI) attribute the revenue from the sale of such capacity to the PTL Postalised Network Incentive Scheme Account.
 - b) where capacity is allocated on a contract path which terminates at a BGE(NI) Exit Point (and such allocation has been facilitated by means of OS Capacity being made available in respect of South North Entry Point) , BGE(NI) attributes the revenue from the sale of such OS capacity to the BGE (NI) Postalised Network Incentive Scheme Account.
 - c) where BGTL allocates capacity as a result of OS Capacity being made available in respect of Moffat Entry Point, the revenue from the sale of such OS Capacity is attributed to the PTL Postalised Network Incentive Scheme Account.

6.3. Incentive Scheme Costs and Payments

- 6.3.1. Where in accordance with this OS Scheme there is a requirement to buy back capacity in relation to Moffat Entry Point, it shall be paid for with funds attributable to the PTL Postalised Network Incentive Scheme Bank Account, up to the level of the Buyback Cap described in 5.4.5 above.
- 6.3.2. Where in accordance with this OS Scheme there is a requirement to purchase buy back capacity in relation to South North Entry Point, it shall be paid for with funds attributable to the BGE (NI) Postalised Network Incentive Scheme Bank Account, up to the level of the Buyback Cap described in 5.4.5 above.
- 6.3.3. All payments shall be made in accordance with the Postalised Network Incentive Payments Procedure.
- 6.3.4. No other costs shall be paid for from the revenues attributable to the Postalised Network Incentive Scheme Bank Accounts.

6.4. Information and Reconciliation

- 6.4.1. The TSOs shall exchange information with each other on a monthly basis to confirm the quantities of OS capacity allocated, the costs of any buybacks incurred and the costs and revenues attributable to each of the PTL Postalised Network Incentive Scheme Bank Account and the BGE (NI) Postalised Network Incentive Scheme Bank Account.
- 6.4.2. The TSOs shall carry out a monthly reconciliation of the Postalised Network Incentive Scheme Bank Accounts (and where necessary, transfer the funds between their bank accounts) to ensure that each TSO has the funds to pay for any buybacks or revenue sharing payments attributable to them, as they are required.

6.5. No Cross Subsidy

- 6.5.1. In no circumstances shall the revenues and costs attributable to the South North Entry Point be used or shared in relation to Moffat Entry Point.
- 6.5.2. In no circumstances shall the revenues and costs attributable to the Moffat Entry Point be used or shared in relation to South North Entry Point.

6.6. OS Revenues Determination (for Licence and Revenue Sharing Purposes)

- 6.6.1. The OS Revenues for Moffat Entry Point in respect of a Gas Year are defined as:

The sum of revenues payable to PTL, BGTL and/or BGE(NI) as a result of the allocation of OS Capacity at any of the exit points on the NI Network in respect of contract paths related to the Moffat Entry Point for any day during such Gas Year,

*less
the costs of buying back capacity incurred by BGE(NI), BGTL and/or PTL in respect of Moffat Entry Point.*

6.6.2. The OS Revenues for South North Entry Point in respect of a Gas Year are defined as:

The sum of revenues payable to BGE(NI) as a result of the allocation of OS Capacity at any of the exit points on the BGE(NI) Network in respect of contract paths related to the South North Entry Point for any day during such Gas Year,

less

the costs of buying back capacity incurred by BGE(NI) in respect of South North Entry Point.

6.6.3. PTL shall calculate the OS Revenues for the Moffat Entry Point, and BGE(NI) shall calculate the OS Revenues for the South North Entry Point.

The calculation of the Net OS revenue for the Moffat Entry Point and the Net OS Revenue for the South-North Entry Point shall be completed by 1 February in respect of the previous Gas Year. This is required as the Buyback Caps to be determined for October, November and December of Gas Year Y+1 must be closed before the net OS revenues for Gas Year Y is finalised.

6.7. OS Revenues Sharing

Sharing Proportions between Shippers and TSOs

6.7.1. The OS Revenues in respect of the South North Entry Point shall be shared between the Shippers and BGE(NI) on a 75:25 basis; the 75% share attributable to Shippers ("the **Shipper's Aggregate SN Share**") shall be shared among Shippers in accordance with 6.7.3 below, the 25% share attributable to BGE (NI) shall be the "BGE (NI) SN Share".

6.7.2. The OS Revenues in respect of the Moffat Entry Point shall be shared between the Shippers and the TSOs on a 75:25 basis; the 75% share attributable to Shippers ("**the Shipper's Aggregate Moffat Share**") and the 25% attributable to TSO's ("**the TSO's Aggregate Moffat Share**") shall be allocated among Shippers and the TSOs in accordance with clause 6.7.4 and 6.7.5 respectively.

Sharing Proportions amongst Shippers

6.7.3. For South North Entry Point, Shippers shall be allocated a proportion of the 'Shipper's Aggregate SN Share' pro-rata to their aggregate entry allocations at South North Entry Point for the relevant Gas Year after 1 February in the following Gas Year.

6.7.4. For Moffat Entry Point, Shippers shall be allocated a share of the 'Shippers' Aggregate Moffat Share' pro-rata to their aggregate entry allocations at Moffat Entry Point for the relevant Gas Year after 1 February in the following Gas Year.

Sharing Proportions amongst TSOs for the Moffat Entry Point

6.7.5. The TSO's Aggregate Moffat Share shall be shared among the TSOs reflecting the exit points at which OS Capacity was allocated in the relevant Gas Year and the corresponding use of the networks, as follows:

- a) where OS Capacity has been allocated on a contract path between Moffat Entry Point and Exit Points on the BGE(NI) Network, the portion of the TSO's Aggregate

Moffat Share arising from the allocation of such capacity shall be shared between the three TSOs on a 33:33:33 basis; and

- b) where OS Capacity has been allocated on a contract path between Moffat Entry Point and Exit Points on the BGTL Network, the portion of the TSO's Aggregate Moffat Share arising from the allocation of such capacity shall be shared between PTL and BGTL on a 50:50 basis; and
- c) where OS Capacity has been allocated on a contract path between Moffat Entry Point and Exit Points on the PTL Network, the portion of the TSO's Aggregate Moffat Share arising from the allocation of such capacity shall be allocated to PTL.

'Licensees OS Revenues Share'

6.7.6. For the purposes of the BGE(NI) Licence, the Licensees OS Revenues Share for BGE(NI) is the sum of :

- i) BGE(NI)'s SN Share, as described in 6.6.1 above; and
- ii) BGE(NI)'s share of the TSO's Aggregate Moffat Share as described in 6.7.5 (a) above.

6.7.7. For the purposes of the BGTL Licence, the Licensee's OS Revenues Share for BGTL is the sum of its shares of the TSO's Aggregate Moffat Share, as described in 6.7.5 (a) and (b) above.

6.7.8. For the purposes of the PTL Licence, the Licensees OS Revenues Share for PTL is the sum of its shares of the TSO's Aggregate Moffat Share as described in 6.7.5 (a) and (b) and (c) above.

7. Invoicing and Payments

7.1. OS Capacity Charges and Buyback Payments

- 7.1.1. Shippers shall receive an invoice from the relevant TSO in respect of OS Capacity (which is booked as Daily Capacity) pursuant to the relevant Network Code.
- 7.1.2. The amount due to Shippers in respect of capacity purchased by Shippers shall be discharged in accordance with the relevant Network Code and the Incentive Scheme Payment Procedure.

7.2. Incentive Scheme Payments

- 7.2.1. Incentive Scheme Payments and amounts payable as between the TSO's shall be discharged in accordance with the Incentive Scheme Payments Procedure.

8. Document Status

- 8.1. *This document is not a contract, nor a licence document, and should there be any difference of interpretation as between this document and the Network Codes or the Licences of the TSOs, the Network Codes and the Licences will prevail.*

APPENDIX 1

- Shipper A requests 15 units on a day and Shipper B requests 15 units (both on contract paths from the same Entry Point)
- Requests are satisfied through 20 units of Daily Capacity and 10 units of OS Capacity
- Pro rata rule means:
 - Shipper A (on contract path 1) is allocated 10 units of Daily Capacity and 5 units of OS Capacity; and
 - Shipper B (on contract path 2) is allocated 10 units of Daily Capacity and 5 units of OS Capacity.

APPENDIX 2

Where a buyback is required in a month, then this will be funded in the following order:

- Oldest month 1st (M-3),
- then from the 2nd oldest month (M-2), and
- lastly from the month immediately prior to the month in which the buyback is being made (M-1)

The following example illustrates how the 'Cap' will be calculated and roll-forward:

Example Starts Assuming Month M is Oct - Calculate 'Buyback Cap' for October								
	Closed Months		Available to Fund BB in Oct				Total	Oct Month (M)
	May M-5 £'000	Jun M-4 £'000	Jul M-3 £'000	Aug M-2 £'000	Sep M-1 £'000	£'000		
OS Sales	6	15	10	15	23	48	5	
Revenue used to BB	-2	-3	0	-5	0	-5	0	
Net OS Revenues	4	12	10	10	23	43	5	
Total 'Buyback Cap' available to fund buybacks in October					43			
Assume Cost of Buyback Capacity Required					12			
Buyback Funding Order								
1st			-10					
2nd				-2				
3rd					0			
Total					-12			
<i>The Net OS Revenue in the Closed Months is all available for Sharing b/w TSO's & Shippers: In this example £16k being the sum of May & Jun is available.</i>								

Roll Forward Example by 1 Month - New 'Buyback Cap' Calculated for November									
	Closed Months			Available to Fund BB in Nov				Total	Nov Month (M)
	May M-6 £'000	Jun M-5 £'000	Jul M-4 £'000	Aug M-3 £'000	Sep M-2 £'000	Oct M-1 £'000	£'000		
OS Sales	6	15	10	15	23	5	43	8	
Revenue used to BB	-2	-3	-10	-7	0	0	-7	0	
Net OS Revenues	4	12	0	8	23	5	36	8	
Total 'Buyback Cap' available to fund buybacks in November					36				
Assume Cost of Buyback Capacity Required					20				
Buyback Funding Order									
			1st	-8					
			2nd		-12				
			3rd			0			
			Total			-20			
<i>The Net OS Revenue in the Closed Months is all available for Sharing b/w TSO's & Shippers: In this example £16k being the sum of May - Jul is available.</i>									

Roll Forward Example by another Month - New 'Buyback Cap' Calculated for December

	Closed Months				Available to Fund BB in Dec					
	May	Jun	Jul	Aug	Sep	Oct	Nov	Total	Dec	
	M-7	M-6	M-5	M-4	M-3	M-2	M-1	£'000	Month (M)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
OS Sales	6	15	10	15	23	5	8	36	18	
Revenue used to BB	-2	-3	-10	-15	-12	0	0	-12	0	
Net OS Revenues	4	12	0	0	11	5	8	24	18	
Total 'Buyback Cap' available to fund buybacks in December								24		
Assume Cost of Buyback Capacity Required								30		
Limit is set at 'Buyback Cap': Only £24k worth of Capacity bought back										
Buyback Funding Order					1st	-11				
					2nd		-5			
					3rd			-8		
					Total			-24		

The Net OS Revenue in the Closed Months is all available for Sharing b/w TSO's & Shippers: In this example £16k being the sum of May - Aug is available.

Roll Forward Example by another Month - New 'Buyback Cap' Calculated for January

	Closed Months					Available to Fund BB in Jan				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Jan
	M-8	M-7	M-6	M-5	M-4	M-3	M-2	M-1	£'000	Month (M)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
OS Sales	6	15	10	15	23	5	8	18	36	9
Revenue used to BB	-2	-3	-10	-15	-23	-5	-8	0	-36	0
Net OS Revenues	4	12	0	0	0	0	0	18	0	9
Total 'Buyback Cap' available to fund buybacks in January								18		
Assume Cost of Buyback Capacity Required								4		
Buyback Funding Order					1st	0				
					2nd		0			
					3rd			-4		
					Total	Total		-4		

The Net OS Revenue in the Closed Months is all available for Sharing b/w TSO's & Shippers: In this example £16k being the sum of May - Sep is available.