

## **Transportation Network Code Proposed Modification No.13**

### **Initial Modification Report**

#### **Entry Capacity Transition and Entry Registration**

13<sup>th</sup> October 2014

#### **1. Introduction**

The Proposed Modification 13 and Initial Modification Report 13 is proposed by BGE(NI) as required under Section 2 and 3 of the BGE(NI) Transportation Code Modification Rules.

#### **2. Description of the nature and purpose of the modification**

This proposal is being made to deal with the transition of the Northern Irish Gas Transmission Regime from a point-to-point regime

#### **3. How the modification better facilitates the relevant objective**

The Relevant Objective, (condition 2.4 of the BGE(NI) Licence) will be better facilitated by the Licensee's Network Code as a result of this modification. This change will contribute to the secure, safe, reliable, efficient and economic development and maintenance of the Network by ensuring that Entry Capacity is introduced into the Northern Irish regime in time to enable a co-ordinated approach to pipeline access (including bundling of capacity at Interconnection Points) with the upstream transporters as is required by the CAM Regulation (EU 984/2013).

#### **4. The clauses of the Transportation Code that require amendment**

This proposal will introduce a new section of the BGE(NI) Code, the 'Transition Document' which will contain the procedures which will apply from the Implementation Date (proposed as 1<sup>st</sup> January 2015) until the Transition Date (1<sup>st</sup> October 2015) and set out how existing entitlements of capacity will be treated after the Transition Date.

#### **5. Impact on other Designated Pipeline Operator's Network Codes:**

BGE(NI) has worked closely with PTL to develop a co-ordinated approach to the Codes, and the TSOs are aiming to keep the changes to the BGE(NI) Code and the Premier Transmission Code as aligned/identical as possible. In accordance with the BGTL Code, Shippers rights of access to the BGTL pipeline are determined with reference to their bookings under the PTL Code, and there are no Entry Points to the Northern Irish network on the BGTL transportation system, so many of the Transition requirements are not required or relevant within the BGTL Code. However, it will be necessary to transition existing Firm Capacity into Exit Capacity and a corresponding Initial Entitlement of IP Entry Capacity and to reassess the associated credit requirement of Shippers with BGTL. BGTL is therefore publishing its own version of the Transition Document (essentially only the components of this proposal) which applies to the terms of the BGTL Code.

#### **6. The date proposed for implementation**

1<sup>st</sup> January 2015

## 7. How to Respond

Please send responses no later than 7th November to:

by email to; [aegan@bge.ie](mailto:aegan@bge.ie)

by fax to; +00 353 (0)21 500 6101

or by post to; BGE(NI) c/o Gaslink,  
Gasworks Road,  
Cork.

## 7 Further Information on the Modification Proposal

### Introduction

The text of this proposal has been developed following Industry Consultation on the draft Business Rules published on 4<sup>th</sup> August 2014. In response to Industry feedback, the TSOs have proposed some changes to accommodate particular concerns and issues raised. They have also now established their preferred approach to the calculation of DN-related Initial Entitlements. This approach and the proposed changes relative to the draft Business Rules are described below. For clarity, the TSOs are also publishing a revised version of the Business Rules which is also intended to show the proposed changes.

### Changes from Business Rules

#### 1. Clarification of the process for calculating Initial Entitlements where the DSO currently holds Capacity

- 1.1. The TSOs have reviewed industry feedback and considered the options carefully, and have discussed the issue with the Distribution Network Operators. The TSOs have concluded that it is simply not feasible to design and implement a process which would provide for Shippers to the Distribution Networks to be allocated precisely the amount of entry capacity they require to align perfectly with each Shipper's prospective portfolio as of 1<sup>st</sup> October 2015. There is a need for a degree of approximation, and it is therefore important that the TSOs provide a process which:
  - (a) is essentially mechanical and hence non-discriminatory;
  - (b) maintains the financial commitment/obligations reflected in the existing bookings of Firm Capacity on the transmission networks;
  - (c) enables Shippers to re-adjust their holdings, where it is possible to do so whilst maintaining the aggregate level of financial commitment/obligation.
- 1.2. The TSOs are proposing to calculate Initial Entitlements based on the highest daily allocation of each Shipper during the period October 2013 to September 2014 (i.e. reflecting a full gas year to allow for both winter and summer peaks, and reflecting the information available to the DNOs at the time of making bookings for 2014-2015 and beyond). Each of the Shipper's highest allocations will be pro-rated up to ensure that the full amount that was booked by the DNOs is allocated as Initial Entitlements.
- 1.3. Shippers to the Distribution Networks will therefore receive an Initial Entitlement which reflects their peak flows during the previous Gas Year.
- 1.4. Subsequently all Shippers will be able to apply to reduce some or all their Initial Entitlements. As described in the Business Rules, Shippers will also be able to trade IP capacity on the secondary market with other parties. PRISMA will provide functionality for entering secondary trades, once it is in operation for NI. Shippers who require more entry capacity than provided for in their Initial Entitlement will be able to apply for more, by no later than 30<sup>th</sup> April 2015 in accordance with the transitional rules in this Code Modification Proposal.

## **2. Reductions in Initial Entitlements**

Further to Industry feedback, to provide the opportunity for Shippers to re-adjust their portfolio where it is possible, the TSOs now propose to allow Shippers to apply to reduce all or part of their Initial Entitlements. A reduction of Initial Entitlement will only be accepted if there is another Shipper who wishes to buy some (more) Entry Capacity for the relevant period. The Code Modification provides for complete or partial reductions but it should be noted that if there are no new applications for Entry Capacity received by 30<sup>th</sup> April 2015, then no applications to reduce Initial Entitlements will be accepted. It should also be noted that this approach to reduction of Initial Entitlements will only apply for these transitional arrangements, to allow Shippers to re-adjust their initial portfolios where possible. Long term arrangements for surrender of (bundled and unbundled) IP Entry Capacity will be developed to take effect after October 2015.

## **3. Surrender Process for Exit Capacity**

The TSOs intend to allow surrender of Exit Capacity for future Gas Years where there are other Shippers who wish to buy capacity at the relevant Exit Point for the relevant Gas Years. Accordingly, the current rules in section 1.11 which refer to the surrender of Firm Capacity in the point-to-point regime will no longer apply and the rules in this Code Modification Proposal will apply instead, in relation to Exit Capacity surrenders.

## **4. Application process**

Having considered industry feedback, the TSOs have concluded that it is not necessary to offer a Joint Application for Entry and Exit Capacity. Instead, they propose that Shippers should simply apply separately for any additional Entry and Exit capacity that they require for future gas years. The existing rules for applications for Firm Capacity in section 1.7 will apply for Exit Capacity, and the rules in this Code Modification Proposal will apply for Entry Capacity applications.

## **5. Capacity Allocation Process**

Having concluded that there should be no Joint Applications for capacity, this also enables Entry and Exit Capacity to be allocated independently of each other. The processes will therefore be carried out separately for Entry and Exit, during the month of May 2015. As a consequence and to simplify drafting, the TSOs have removed references to the 'Application Window' and the 'Assessment Window', although the dates for the completion of processes remain as published in the Business Rules consultation.

## **6. Shipper Forecast Information**

At present Shippers are required to provide various forecast information to the TSOs at different times in the Gas Year for the purposes of tariff setting, as well as for operational planning and, where needed, credit re-assessment. In order to avoid repetitive or otherwise overly arduous information requests, for the purposes of the next round of forecast information (i.e. applicable to Gas Year 2015-2016 and beyond), the TSOs are proposing to provide Shippers with a single forecast information form which will support the development of the Ten Year Statement (previously the Five Year Statement), provide information from which final Tariffs will be derived by Ureg, and also form the basis for reassessing a Shipper's Required Level of Credit. The intention is also that provision of this

information will satisfy the Shipper's licence condition to provide such information to the TSOs The form will set out the units/time periods etc. over which the information is required to be provided. Shippers are asked to note the timescales and process, since the accuracy of this information is particularly important in avoiding/minimising end of year reconciliation charges for all parties.

## **7. Entry Point Registrations**

The Code Modification legal text provides for automatic registration as described in the business rules, and also clarifies that it is not necessary for an existing Shipper to provide a 'notice of intention' in relation to this automatic process. The notice of intention is only relevant to prospective Shippers and refers more broadly to their intention to become a Shipper.

## PROPOSED LEGAL TEXT

### T1 TRANSITIONAL ARRANGEMENTS FOR THE INTRODUCTION OF ENTRY CAPACITY

#### T1.1 Introduction

T1.1.1 From the Transition Date Shippers may purchase and hold IP Entry Capacity.

T1.1.2 This section T1 sets out the transitional provisions which will apply to Shippers from the Implementation Date in relation to registration and application for, and allocation of, IP Entry Capacity and certain provisions which will apply in relation to Firm Capacity from the Implementation Date.

#### T1.2 Definitions

T1.2.1 In this section T1:

- (a) **“Implementation Date”** means 1<sup>st</sup> January 2015;
- (b) **“Initial Entitlement”** means an initial entitlement to IP Entry Capacity as described in section T1.7 and determined in accordance with section T1.8;
- (c) **“Invitation to apply for IP Entry Capacity for October 2015”** has the meaning given to it in section T1.12.5;
- (d) **“Shipper Forecast Information Request”** has the meaning given to it in section T1.15;
- (e) **“Transition Date”** means 1<sup>st</sup> October 2015;
- (f) **“Transition Period”** means the period between the Implementation Date and the Transition Date.

### IP ENTRY POINT REGISTRATION

#### T1.3 IP Entry Point Registration Application

T1.3.1 From the Implementation Date, subject to section T1.4.1, a Shipper and/or a Prospective Shipper may, from time to time, make an IP Entry Point Registration Application in accordance with section T1.5.

T1.3.2 A Shipper may not be allocated an Initial Entitlement of IP Entry Capacity in accordance with section T1.8.1 or otherwise apply for IP Entry Capacity in accordance with section T1.12 unless it has received a signed IP Entry Point Registration from the Transporter.

#### **T1.4 Automatic Entry Point Registration in January 2015**

- T1.4.1 No later than 31<sup>st</sup> January 2015, the Transporter shall provide each Shipper who holds an Exit Point Registration on the Implementation Date which specifies South North Entry Point as the delivery point in accordance with Section 17.5.3 (c) with an IP Entry Point Registration in respect of South North Entry Point and the submission of an IP Entry Point Registration Application and/or a notice of intention under Section T1.5.1 shall not be required in this case.
- T1.4.2 After 31<sup>st</sup> January 2015, Shippers and Prospective Shippers will be required to use the standard IP Entry Point Registration process in section T1.5.

#### **T1.5 Standard IP Entry Point Registration Process**

- T1.5.1 From the Implementation Date, in accordance with section 17.1 any person wishing to become a Shipper, and wishing to apply for IP Entry Capacity, shall give the Transporter twenty (20) Business Days' written notice of its intention which shall in this case also specify the relevant Entry Point.
- T1.5.2 Notwithstanding the process provided for in section T1.8, an existing Shipper wishing to register at an Entry Point may request the Transporter, by way of notice in writing, to provide an IP Entry Point Registration Application at any time.
- T1.5.3 The Transporter shall, within five (5) Business Days of receipt of a notice provided in accordance with section T1.5.1 or a request provided in accordance with section T1.5.2, provide the Prospective Shipper with an IP Entry Point Registration Application to complete.
- T1.5.4 An IP Entry Point Registration Application shall specify the following:
- (a) Shipper name;
  - (b) Shipper address;
  - (c) Entry Point;
  - (d) contact name;
  - (e) contact phone number;
  - (f) date of request.
- T1.5.5 Within twenty (20) Business Days of receipt of a completed IP Entry Point Registration Application, the Transporter shall issue a signed IP Entry Point Registration to the Shipper or Prospective Shipper.
- T1.5.5 For the avoidance of doubt, a signed IP Entry Point Registration does not constitute accession to the Code.

#### **T1.6 IP Entry Point De-registration**

- T1.6.1 A Shipper may terminate an IP Entry Point Registration by giving the Transporter ten (10) Business Days written notice, such notice not to expire before the end of the last Day on which the Shipper has been allocated IP Entry Capacity at the relevant Entry Point.
- T1.6.2 The Transporter will confirm termination of the IP Entry Point Registration within twenty (20) Business Days of receipt of the Shipper's written termination notice, provided that such notice has been served in accordance with section T1.6.1.
- T1.6.3 For the avoidance of doubt, termination of an IP Entry Point Registration shall not relieve the Shipper of its obligations in relation to the Required Level of Credit Support which are applicable from time to time.

## **CAPACITY TRANSITION**

### **T1.7 Transition from Firm Capacity to Exit Capacity and IP Entry Capacity**

- T1.7.1 From the Transition Date, existing allocations of Firm Capacity in respect of an Exit Point where the associated Entry Point is South North Entry Point will be treated as allocations of the same quantity and duration of Exit Capacity for that Exit Point and a corresponding **Initial Entitlement** of IP Entry Capacity (at South North Entry Point) and such Initial Entitlements shall be determined by the Transporter in accordance with Section 1.8.
- T1.7.2 From the Transition Date, existing allocations of Firm Capacity in respect of an Exit Point where the associated Entry Point is Carrickfergus Entry Point will be treated as allocations of the same quantity and duration of Exit Capacity for that Exit Point and a corresponding entitlement on the Upstream Transportation Systems and such entitlements shall be determined by the Upstream Operator.
- T1.7.3 From the Transition Date, Initial Entitlements of IP Entry Capacity shall be considered as firm unbundled IP Entry Capacity with an amount and duration as provided for in the Initial Entitlement.
- T1.7.4 From the Transition Date, the Transporter shall be entitled to invoice for IP Entry Capacity and Exit Capacity in accordance with Section 12 and a Shipper undertakes to pay such invoices in accordance with Section 12.
- T1.7.5 The Transporter shall reassess the Required Level of Credit Support for each Shipper for the Gas Year 2015-2016 during August 2015 and shall use the information provided pursuant to Section T1.15 when carrying out its reassessment.

### **T1.8 Determination of Initial Entitlements of IP Entry Capacity**

- T1.8.1 A Shipper shall be allocated an Initial Entitlement corresponding to the quantity and duration of their existing allocations of Firm Capacity in accordance with this Section T1.8.
- T1.8.2 Where a Shipper has an allocation of Firm Capacity at an Exit Point with an associated allocation of Firm Capacity at South North Entry Point, the Initial Entitlement of each Shipper at South North Entry Point shall match the quantity and duration of the allocation of Firm Capacity of the Shipper at the relevant Exit Point as at the Implementation Date.
- T1.8.3 The total Initial Entitlement of IP Entry Capacity at South North Entry Point for a Shipper for each future Gas Year will equal the sum of its' Initial Entitlements corresponding to all the Exit



Points with an associated allocation of Firm Capacity at the South North Entry Point for each of the Gas Years.

**T1.9 Notification of Initial Entitlements of IP Entry Capacity**

T1.9.1 The Transporter shall notify Shippers of their Initial Entitlement determined in accordance with Section T1.8 by 31<sup>st</sup> March 2015.

**T1.10 Reduction of Initial Entitlements of IP Entry Capacity**

T1.10.1 A Shipper may apply, by way of notice in writing, to the Transporter to reduce all or part of its Initial Entitlement no later than 30<sup>th</sup> April 2015 and in accordance with this Section T1.10

T1.10.2 An application to reduce all or part of an Initial Entitlement for a future Gas Year shall specify:

- (a) the amount of reduction of the Initial Entitlement applied for;
- (b) the Gas Year(s) in respect of which the application is made;
- (c) the Entry Point in respect of which the application is made;
- (d) whether or not the Shipper will accept a reduction of Initial Entitlement of less than the amount specified in Section T1.10.2(a) for a future Gas Year.

T1.10.3 An application to reduce all or part of an Initial Entitlement for the Month of October 2015 shall specify:

- (a) the amount of reduction of the Initial Entitlement applied for;
- (b) that it is an application for a reduction of Initial Entitlement for the Month of October 2015 only;
- (c) the Entry Point in respect of which the application is made;
- (d) whether or not the Shipper will accept a reduction of Initial Entitlement of less than the amount specified in Section T1.10.3(a).

T1.10.4 Applications to reduce Initial Entitlements shall be considered by the Transporter in accordance with Section T1.13.

**T1.11 Surrender of Firm Capacity during the Transition Period**

T1.11.1 With effect from the Implementation Date, Section 1.11 shall no longer apply and this Section T1.11 shall apply to surrenders of Firm Capacity made during the Transition Period.

T1.11.2 A Shipper may apply, during the Transition Period, by way of notice in writing, to surrender Firm Capacity for future Gas Years in accordance with the following:

- (a) an application to surrender Firm Capacity made during the Transition Period will be treated as an application to surrender Exit Capacity at the relevant Exit Point for the relevant Gas Year(s);
- (b) a Shipper may apply to surrender Firm Capacity for the future Gas Year commencing 1st October 2015 by 30<sup>th</sup> April 2015;
- (c) a Shipper may apply to surrender Firm Capacity for Gas Years after the future Gas Year commencing 1<sup>st</sup> October 2015 at any time during the Transition Period. Such applications will be considered at the Mid Year Date prior to the relevant Gas Year.

T1.11.3 A Shipper may only apply to surrender its Firm Capacity in respect of a whole Gas Year.

T1.11.4 An application to surrender Firm Capacity shall specify:

- (a) the amount of Firm Capacity which the Shipper applies to surrender;
- (b) the Gas Year(s) in respect of which the application is made;
- (c) the Exit Point in respect of which the application is made;
- (d) whether or not the Shipper will accept a surrender of less than the amount specified in Section T1.11.4 (a).

T1.11.5 Applications to surrender Firm Capacity shall be considered by the Transporter in accordance with Section T1.13.

## **T1.12 Applications for Capacity**

### **IP Entry Capacity**

T1.12.1 A Shipper may apply, by way of notice in writing to the Transporter, for IP Entry Capacity for future Gas Years by 30<sup>th</sup> April 2015.

T1.12.2 Applications for IP Entry Capacity for more than one future Gas Year must be for consecutive Gas Years only.

T1.12.3 An application for IP Entry Capacity for future Gas Years shall specify:

- (a) the relevant Entry Point;
- (b) the amount of IP Entry Capacity applied for;
- (c) the future Gas Year(s) applied for;
- (d) whether or not the Shipper is prepared to accept an allocation of an amount of IP Entry Capacity less than that specified in Section T1.12.3(b).

- T1.12.4 A Shipper may make a separate application, by way of notice in writing to the Transporter, for IP Entry Capacity for the Month of October 2015 by 30<sup>th</sup> April 2015. Such an application shall specify;
- (a) the relevant Entry Point;
  - (b) the amount of IP Entry Capacity applied for;
  - (c) that it is for the Month of October 2015.
- T1.12.5 After 30<sup>th</sup> April 2015 where the Transporter is able to offer an additional process for applications for IP Entry Capacity for the Month of October 2015, it will provide an '**Invitation to apply for IP Entry Capacity for October 2015**' setting out the applicable terms and conditions.
- T1.12.6 Applications for Entry Capacity for future Gas Years may not be made in accordance with this Section T1.12 after 30<sup>th</sup> April 2015.

#### **Exit Capacity**

- T1.12.7 From the Implementation Date, applications for Firm Capacity in future Gas Years made in accordance with Section 1.7 shall be considered to be applications for Exit Capacity at the relevant Exit Point.
- T1.12.8 Applications for Firm Capacity in future Gas Years made in accordance with Section 1.7 but submitted after 30<sup>th</sup> April 2015 shall;
- (a) only be considered at the discretion of the Transporter; and
  - (b) not entitle the Shipper to be allocated an Initial Entitlement.

### **T1.13 Allocations of Capacity**

#### **IP Entry Capacity**

##### **Acceptance of applications to reduce Initial Entitlements**

- T1.13.1 In respect of a future Gas Year, where the Transporter has received any applications to reduce Initial Entitlements in accordance with Section T1.10 the total amount of all such reduction applications for that Gas Year shall be included in the amount available for allocation at South North Entry Point for that Gas Year and the following shall apply:
- (a) reductions of Initial Entitlement shall be re-allocated prior to allocating unsold capacity such that where it is possible to allocate the total amount of all such reduction applications all reduction applications shall be accepted;
  - (b) where it is not possible to allocate the total amount of all such reduction applications, reduction applications shall be accepted in part in accordance with the remaining provisions of this Section T1.13.1;

- (c) where a Shipper has indicated that it is not willing to accept a reduction of Initial Entitlement of less than the amount of its reduction application, that reduction application shall be rejected; and
- (d) any reduction applications which are not rejected in accordance with Section T1.13.1(c) shall be accepted pro-rata to the amount which is to be allocated in order to satisfy applications for IP Entry Capacity for future Gas Years in accordance with Sections T1.13.3, T1.13.4, T1.13.5 and T1.13.6.
- (e) where an application to reduce Initial Entitlements has been accepted, the Transporter shall deduct the quantity so accepted to determine the Shippers' adjusted Initial Entitlement and shall notify Shippers in accordance with Section T1.14.1.

T1.13.2 In respect of the Month of October 2015, where the Transporter has received any applications to reduce Initial Entitlements for the Month of October 2015 only, in accordance with Section T1.10.3, the total amount of such reduction applications shall be included in the amount available for allocation at South North Entry Point for the Month of October 2015 and the following shall apply:

- (a) reductions of Initial Entitlement shall be re-allocated prior to allocating unsold capacity such that where it is possible to allocate the total amount of all such reduction applications all reduction applications shall be accepted;
- (b) where it is not possible to allocate the total amount of all such reduction applications, reduction applications shall be accepted in part in accordance with the remaining provisions of this Section T1.13.2;
- (c) where a Shipper has indicated that it is not willing to accept a reduction of Initial Entitlement of less than the amount of its reduction application, that surrender application shall be rejected; and
- (d) any reduction applications which are not rejected in accordance with Section T1.13.2 (c) shall be accepted pro-rata to the amount which is to be allocated in order to satisfy applications for IP Entry Capacity for the Month of October 2015 in accordance with Section T1.13.7.

#### **Allocation of IP Entry Capacity for future Gas Years**

T1.13.3 Where there is sufficient available IP Entry Capacity at South North Entry Point to meet all applications for IP Entry Capacity in respect of a Gas Year each Shipper's application for IP Entry Capacity in respect of that Gas Year shall be allocated in full.

T1.13.4 If Shippers applying for IP Entry Capacity in any future Gas Year in accordance with Section T1.12 apply in aggregate for an amount of IP Entry Capacity which exceeds the amount available at South North Entry Point in that Gas Year then those Shippers which so applied and specified;

- (a) that they would not accept an allocation of IP Entry Capacity of less than they had applied for shall have no IP Entry Capacity allocated to them;

- (b) that they would accept an allocation of IP Entry Capacity of less than they had applied for shall have IP Entry Capacity allocated to them in accordance with Sections T1.13.5 and T1.13.6.

T1.13.5 The Transporter shall, subject to Section T1.13.1, allocate IP Entry Capacity to the Shippers referred to in Section T1.13.4 (b) according to the number of future Gas Years in respect of which the Shippers have applied for IP Entry Capacity so that the Shipper applying for IP Entry Capacity;

- (a) in the most number of Gas Years shall have its application met first to the extent that there is available IP Entry Capacity at South North Entry Point;
- (b) in the second most number of Gas Years shall have its application met second to the extent that there is available IP Entry Capacity at South North Entry Point;

and so on.

T1.13.6 If the Shippers referred to in Section T.13.4 (b) apply for IP Entry Capacity at South North Entry Point for an equal number of Gas Years such Shippers shall have their applications met pro rata to the amounts of IP Entry Capacity for which they have applied to the extent that there is available IP Entry Capacity at South North Entry Point.

#### **Allocations of IP Entry Capacity for the Month of October 2015 only**

T1.13.7 Following completion of the allocations of IP Entry Capacity for future Gas Years in Sections T1.13.3, T1.13.4, T1.13.5 and T1.13.6 and where, in accordance with Section T1.12.4, the Transporter has received applications for IP Entry Capacity for the Month of October 2015 it shall, subject to Section T1.13.2, allocate any remaining available IP Entry Capacity for October 2015. Where there is insufficient available IP Entry Capacity to meet all applications for IP Entry Capacity for the Month of October 2015, Shippers shall have their applications met pro-rata to the amounts applied for to the extent of the available IP Entry Capacity.

#### **Exit Capacity**

##### **Acceptance of applications to surrender Firm Capacity**

T1.13.8 In respect of a future Gas Year, where the Transporter has received any applications to surrender Firm Capacity in accordance with Section T1.11 the total amount of all such surrender applications for that Gas Year shall be included in the amount available for allocation at the relevant Exit Point for that Gas Year and the following shall apply:

- (a) surrendered capacity shall be allocated prior to allocating unsold capacity such that where it is possible to allocate the total amount of all such surrender applications all surrender applications shall be accepted;
- (b) where it is not possible to allocate the total amount of all such surrender applications, surrender applications shall be accepted in part in accordance with the remaining provisions of this Section T1.13.8;
- (c) where a Shipper has indicated that it is not willing to surrender part of the amount of its surrender application, that surrender application shall be rejected; and

- (d) any surrender applications which are not rejected in accordance with Section T1.13.8 (c) shall be accepted pro-rata to the amount which is to be allocated in order to satisfy applications for Exit Capacity at the relevant Exit Point in accordance with Sections T1.13.9, T1.13.10 T1.13.11.

#### **Allocation of Exit Capacity for future Gas Years**

T1.13.9 Where there is sufficient available Exit Capacity at an Exit Point to meet all applications for Exit Capacity in respect of a Gas Year each Shipper's application in respect of that Gas Year and Exit Point shall be allocated in full.

T1.13.10 If Shippers applying for Exit Capacity in any future Gas Year in accordance with Section 1.7, as modified by Sections T1.12.7 and T1.12.8, apply in aggregate for an amount of Exit Capacity which exceeds the amount available at the relevant Exit Point in that Gas Year, then those Shippers which so applied and specified in accordance with Section 1.3.3 (d):

- (a) that they would not accept an allocation of Firm Capacity of less than they had applied for shall have no Exit Capacity allocated to them;
- (b) that they would accept an allocation of Firm Capacity of less than they had applied for shall have Exit Capacity allocated to them in accordance with Sections T1.13.11 and T1.13.12.

T1.13.11 The Transporter shall, subject to Section T1.13.10, allocate Exit Capacity to the Shippers referred to in Section T1.13.10(b) according to the number of future Gas Years in respect of which the Shippers have applied for Exit Capacity so that the Shipper applying for Exit Capacity:

- (a) in the most number of Gas Years shall have its application met first to the extent that there is available Exit Capacity at the relevant Exit Point;
- (b) in the second most number of Gas Years shall have its application met second to the extent that there is available Exit Capacity at the relevant Exit Point;

and so on.

T1.13.12 If the Shippers referred to in Section T1.13.10(b) apply for Exit Capacity at an Exit Point for an equal number of Gas Years such Shippers shall have their applications met pro rata to the amounts of Exit Capacity for which they have applied to the extent that there is available Exit Capacity at the Exit Point.

#### **Aggregation of Initial Entitlements and Capacity Allocations**

T1.13.14 As of the Transition Date, the total Exit Capacity of a Shipper at an Exit Point shall be the sum of its Firm Capacity (allocated prior to the Implementation Date and treated in accordance with Section T1.7.3) and any Exit Capacity allocated in accordance with Section T1.13.

T1.13.15 As of the Transition Date, the total IP Entry Capacity of a Shipper at South North Entry Point shall be either:

- (a) the adjusted Initial Entitlement calculated in Section T1.13.1(e); or

- (b) the sum of its Initial Entitlement and any IP Entry Capacity allocated in accordance with Section T1.13.

#### **T1.14 Notifications**

T1.14.1 By 31<sup>st</sup> May 2015 the Transporter shall notify Shippers of acceptance of any application to reduce Initial Entitlements. Such notification shall specify:

- (a) the amount of reduction of the Initial Entitlement which has been accepted;
- (b) the relevant Gas Year(s); and
- (c) where an Initial Entitlement has been reduced for the Month of October 2015 only, the amount of such reduction; and
- (d) the quantity of the Shippers' adjusted Initial Entitlement for each future Gas Year and the notification shall also specify the adjusted Initial Entitlement for each Month during Gas Year 2015.

T1.14.2 By 31<sup>st</sup> May 2015 the Transporter shall notify Shippers of their aggregate allocation of IP Entry Capacity for future Gas Years determined in accordance with Section T1.13.15. Such notification shall specify:

- (a) the amount of IP Entry Capacity allocated;
- (b) the relevant Gas Year(s).

T1.14.3 By 31<sup>st</sup> May 2015 the Transporter shall notify Shippers of their aggregate allocation of IP Entry Capacity for the Month of October 2015 determined in accordance with Section T1.13.7.

T1.14.4 By 31<sup>st</sup> May 2015 the Transporter shall notify Shippers of their allocation of Exit Capacity determined in accordance with Section T1.13 Such notification shall specify:

- (a) the amount of Exit Capacity allocated;
- (b) the relevant Exit Point
- (c) the relevant Gas Year(s).

#### **T1.15 Shipper Forecast Information Requirements during the Transition Period**

T1.15.1 A Shipper shall be required to provide its bone fide estimate of certain forecast information by 12<sup>th</sup> June 2015 in accordance with a “**Shipper Forecast Information Request**”.

T1.15.2 The Transporter shall provide the Shipper Forecast Information Request to Shippers by no later than 15<sup>th</sup> May 2015.

- T1.15.3 Subject also to Section T1.15.4, the Shipper Forecast Information Request shall require completion of at least the following details in respect of a ten-year period commencing on the Transition Date:
- (a) the amount of IP Entry Capacity by capacity product type which the Shipper forecasts it will hold for each Month;
  - (b) the amount of Exit Capacity at each Exit Point which the Shipper forecasts it will hold;
  - (c) the quantity of gas which the Shipper forecasts it will flow at each Entry Point; and
  - (d) the quantity of gas which the Shipper forecasts it will flow at each Exit Point.
- T1.15.4 The Transporter shall specify on the Shipper Forecast Information Request the units and any other details or information for which it may reasonably require Shippers to provide a forecast, for the purposes of compliance with EU legislation and/or the licence requirements of the Transporter and/or Shippers.
- T1.15.5 For the purposes of Gas Year 2014-2015, information provided by a Shipper pursuant to this Section T1.15 shall be treated as satisfying the requirements of Section 11.1.3. The remaining terms of Section 11 shall continue to apply.
- T1.15.6 The information to be provided by a Shipper pursuant to this Section T1.15 shall be treated as having been requested by the Transporter for the purposes of:
- (a) the Shipper's Gas Supply Licence which obliges it to provide information to a licence holder to enable such licence holder to draw up plans for, inter alia, the safe operation of its system, and for the avoidance of doubt, Section 11.1.5 shall also apply in respect of information requested in accordance with this Section T1.15;
  - (b) the reassessment of the Required Level of Credit Support for Gas Year commencing on the Transition Date.



## Modifications to the Definitions and Interpretation Section of the Codes

### APPENDIX 1 DEFINITIONS AND INTERPRETATION

*Insert the following new definitions:*

**“IP Entry Point Registration”** means a signed entry point registration from the Transporter evidencing that the Shipper is registered at the IP Entry Point;

**“IP Entry Point Registration Application”** means a Shipper’s application for IP Entry Point Registration in accordance with Section T1.5;

**“Exit Capacity”** means firm exit capacity at an Exit Point;

**“Interconnection Point”** means South North Entry Point;

**“IP Entry Capacity”** means firm entry capacity at an Interconnection Point, which may be yearly, quarterly, monthly or daily in duration;

**“IP Entry Point”** means an Entry Point which is located at an Interconnection Point;