

# Proposed Modification & Initial Modification Report No. 17

## Allocations

15<sup>th</sup> April 2015

Please find attached details of Proposed Modification 17 and Initial Modification Report 17 raised by BGE(NI) as required under Section 2 and 3 of the Code Modification Rules.

### **A Description of the nature and purpose of the modification**

This proposal is being made to address Allocations arrangements as a result of the implementation of EU Codes. It provides for the replacement of the Moffat Agent allocations role with an 'allocate as nominate' regime at Moffat, as a result of the implementation of an Operational Balancing Agreement at the point. It also describes the processes by which Shippers will receive Trade Allocations. The Modification also incorporates the existing rules for allocations at Exit Points into a single Code section with the new elements and provides for the calculation of aggregate allocations which will enable the calculation of an aggregate imbalance position for each Shipper on the NI Network as a whole. Supporting changes to section 9 are also included.

### **B 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 of the Network by ensuring that new arrangements for allocations are introduced into the Northern Irish regime in time to enable a compliant and co-ordinated approach to allocations as required by the Interoperability Code which is expected to enter into EU Law by March/April 2015.

### **C The clauses of the Transportation Code that require amendment**

This proposal will introduce a new section 3 of the BGE(NI) Code to cover the new rules for entry allocations and the amended rules for exit allocations as well as trade allocations. It will also introduce Transition section 5 which deals with the implementation of the new section 3 and the associated definitions, and makes some supporting changes to section 9.

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

BGE(NI) has worked with BGTL and 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.

It should be noted that BGE(NI) has recently announced a change of name to GNI (UK) Limited. BGE(NI) is considering how best to implement this change across the suite of Modifications currently under development for EU compliance and will notify Shippers once the approach has been finalised.

### **E The date proposed for implementation**

BGE(NI) suggests that the proposed implementation date is 8<sup>th</sup> July 2015

**F      How to Respond**

Please send responses no later than Friday 14<sup>th</sup> May to:

by email to:      Avian Egan: [Avian.Egan@gasnetworks.ie](mailto:Avian.Egan@gasnetworks.ie)

by fax to:        +00 353 (0)21 5006101

or by post to:    GNI(UK) Ltd. c/o Gas Networks Ireland

Gasworks Road

Cork

## **G. 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 3<sup>rd</sup> November 2014.

For IP Entry Allocations and Trade Allocations, the text is in line with the Business Rules.

For Exit Allocations, the text is again in line with the Business Rules. VRF Allocations are simplified relative to the current Code and text for the calculation of Aggregate NI Exit Allocations is included. The text concerning allocations at shared exit points and Shippers' allocation arrangements has been slightly simplified for clarity in places, and some section headings have also been re-phrased for clarity, but there are no changes to the fundamental principles of shared exit allocations.

It should be noted that the terms for the application of overrun charges at IP Entry Points are included in the CAM and Entry Exit Modification 28.

This proposal also contains revised text for section 9 to ensure that the allocations text is aligned with the details of how the measured quantities at entry and exit points are determined. This is unchanged for Exit Points, and section 9.2 contains amendments to reflect the introduction of the OBA arrangements.

### **Legal Text**

Please find below the full legal text for this Code Modification Proposal, set out in the following order:

	Page
• Section 3– new text	4
• Section 9 – revised text	11
• Section T5 – new text	16
• Appendix 1 – additions, deletions and amendments	18

Replace section 3 with this revised section 3 to read as follows:

### 3. ALLOCATIONS

#### 3.1 Introduction

3.1.1 This section 3 provides for the determination of the quantities of gas treated as delivered to and offtaken from the Transportation System by each Shipper on each Day.

3.1.2 The Transporter shall:

- (a) allocate the IP Entry Quantity and the Exit Quantity; and
- (b) provide Trade Allocations;

to Shippers after the Gas Day in accordance with this section 3.

3.1.3 The IP Entry Quantity and the IP Measured Quantity are determined as a result of the operation of an OBA at an IP in accordance with section 9.2.1.

3.1.3 The Exit Quantity at an Exit Point is determined with reference to Measurement Equipment in accordance with sections 9.4 and 9.5.

#### 3.2 IP Allocations - General

3.2.1 In this Code:

- (a) an **“IP Allocation”** is the quantity of gas allocated to a Shipper by the Transporter in respect of a Gas Flow Day, in accordance with this section 3, pursuant to a Shipper’s IP Nomination;
- (b) an **“IP Entry Allocation”** is an IP Allocation made pursuant to a Shipper’s IP Entry Nomination;
- (c) a **“VRF IP Exit Allocation”** is an IP Allocation made pursuant to a Shipper’s VRF IP Exit Nomination;
- (d) an **“OBA”** is an operational balancing agreement which is in place between Adjacent Transporters at an IP pursuant to which (except on Non OBA Days) any Steering Difference is managed operationally;
- (e) a **“Steering Difference”** is the difference between the net quantity of gas nominated by Shippers for flow at an IP and the IP Measured Quantity of gas at that IP in respect of a Day;
- (f) an **“OBA Day”** is a Day on which, under the OBA, Shippers are allocated a quantity of gas in accordance with section 3.2.3 (which does not include any part of the Steering Difference);

- (g) a “**Non-OBA Day**” is a Day on which the whole of the IP Measured Quantity at an IP is allocated amongst Shippers in accordance with section 3.2.5;
- (h) the “**Aggregate VRF IP Exit Nominated Quantity**” is the sum of the IP Nominated Quantities in all Shippers’ VRF IP Exit Nominations in respect of a Gas Flow Day at an IP.

### **Determination of IP Entry Allocations**

- 3.2.2 When determining IP Entry Allocations on an OBA Day, the Transporter shall apply the Prevailing IP Entry Allocation Rule.
- 3.2.3 The “**Prevailing IP Entry Allocation Rule**” is that, for each of a Shipper’s IP Nominated Quantities in the Forward Flow Direction in respect of the Gas Flow Day, a Shipper’s IP Entry Allocation shall be equal to the Shipper’s IP Nominated Quantity in the Forward Flow Direction for that Gas Flow Day at that IP.
- 3.2.4 When determining IP Entry Allocations on a Non-OBA Day, the Transporter shall apply the Fallback IP Entry Allocation Rule.
- 3.2.5 The “**Fallback IP Entry Allocation Rule**” is that, for each of a Shipper’s IP Nominated Quantities in the Forward Flow Direction in respect of the Gas Flow Day, a Shipper’s IP Entry Allocation shall be determined as the IP Measured Quantity plus the Aggregate VRF IP Exit Nominated Quantity multiplied by the ratio of the total of the Shipper’s IP Nominated Quantities (in the Forward Flow Direction) to the aggregate of all Shippers’ IP Nominated Quantities (in the Forward Flow Direction) at that IP.
- 3.2.6 For the avoidance of doubt, the application of the Fallback IP Entry Allocation Rule in respect of an IP on the NI Network does not require or imply that the Fallback IP Entry Allocation Rule should be applied at any other point on the NI Network in respect of a Gas Flow Day.
- 3.2.7 Where the Fallback IP Entry Allocation Rule is to be applied, the Transporter shall notify Shippers by D+5.

### **Determination of VRF IP Exit Allocations**

- 3.2.8 For each VRF IP Exit Nomination made by a Shipper in respect of a Gas Flow Day, a Shipper’s VRF IP Exit Allocation shall be determined by the Transporter as being equal to the IP Nominated Quantity in respect of that VRF IP Exit Nomination.
- 3.2.9 For the avoidance of doubt, section 3.2.8 applies where the Transporter has revised VRF IP Exit Nominations in accordance with sections 2.7.11 to 2.7.13 and whether or not the VRF IP Exit Nominations were made in respect of an OBA Day or a Non-OBA Day.

### **3.3. Initial IP Entry Allocations, Final IP Entry Allocations, Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations**

- 3.3.1 The Transporter shall determine and provide a Shipper with an initial IP Entry Allocation in respect of each IP Nominated Quantity in the Forward Flow Direction for a Day by the end of D+1 (“**Initial IP Entry Allocation**”).

- 3.3.2 The Transporter shall determine and provide a Shipper with a final IP Entry Allocation in respect of each IP Nominated Quantity in the Forward Flow Direction for a Day by the end of D+5 (“**Final IP Entry Allocation**”).
- 3.3.3 The Transporter shall determine and provide a Shipper with an initial VRF IP Exit Allocation in respect of each IP Nominated Quantity in the Reverse Flow Direction for a Day by the end of D+1 (“**Initial VRF IP Exit Allocation**”).
- 3.3.4 The Transporter shall determine and provide a Shipper with a final VRF IP Exit Allocation in respect of each IP Nominated Quantity in the Reverse Flow Direction for a Day by the end of D+5 (“**Final VRF IP Exit Allocation**”).
- 3.3.5 For the avoidance of doubt:
- (a) there shall be no difference between Initial IP Entry Allocations and Final IP Entry Allocations unless they relate to a Non-OBA Day;
  - (b) there shall be no difference between Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations.
- 3.3.6 A Shipper may not amend its Initial IP Entry Allocations or Initial VRF IP Exit Allocations.
- 3.3.7 Final IP Entry Allocations and Final VRF IP Exit Allocations shall, subject to section 9 (*Measurement and Testing*), be binding upon a Shipper.

### **3.4 Aggregate NI Entry Allocations**

- 3.4.1 In respect of a Gas Flow Day, the Upstream Operator shall determine a Shippers’ Aggregate NI Entry Allocation in accordance with this section 3.4.
- 3.4.2 A Shippers’ “**Aggregate NI Entry Allocation**” in respect of a Gas Flow Day shall be determined as:

$$\text{Aggregate NI Entry Allocation}_D = \sum \text{Final IP Entry Allocations}_D + \sum \text{Trade Buy Allocations}_D$$

where:

$\sum \text{Final IP Entry Allocations}_D$  means the sum of a Shipper’s Final IP Entry Allocations in respect of an IP and a Shipper’s entry allocations at Moffat Interconnection Point determined under the PTL Transportation Code in respect of the Gas Flow Day; and

$\sum \text{Trade Buy Allocations}_D$  means the sum of a Shipper’s Trade Buy Allocations in respect of the Gas Flow Day.

- 3.4.3 For the avoidance of doubt, a Shipper’s VRF IP Exit Allocations are included in the determination of a Shipper’s Aggregate NI Exit Allocation in accordance with section 3.10.2 and are not included in the determination of a Shipper’s Aggregate NI Entry Allocation.
- 3.4.4 The Transporter and the Upstream Transporter may exchange nominations information for the purposes of determining a Shipper’s Aggregate NI Entry Allocation.
- 3.4.5 The Transporter will provide a Shipper with its Aggregate NI Entry Allocation by the end of D+5.

### 3.5 Exit Allocations

- 3.5.1 In this Code an “**Exit Allocation**” is the quantity of gas allocated to a Shipper by the Transporter in respect of a Gas Flow Day and an Exit Point, in accordance with this section 3, pursuant to a Shipper’s Exit Nomination.
- 3.5.2 In respect of each Exit Point, the Transporter shall allocate the Exit Quantity among the Shippers who have submitted Exit Nominations in respect of that Exit Point for a Gas Flow Day and provide an initial Exit Allocation by the end of D+1 (“**Initial Exit Allocation**”).
- 3.5.3 Each Initial Exit Allocation shall become a final Exit Allocation:
- (a) at an Exit Point other than Belfast Gas Exit Point No 1, subject to sections 3.5.5, 3.7 3.9 and 9.5, at 16:00 on D+5;
  - (b) at Belfast Gas Exit Point No 1, subject to sections 3.5.5, 3.7 and 9.5 at 16:00 on the fifth Business Day of the subsequent month (“**M+5**”);
- (“**Final Exit Allocation**”).
- 3.5.4 Final Exit Allocations shall, subject to section 9 (*Measurement and Testing*), be binding upon a Shipper.
- 3.5.5 An Initial Exit Allocation is subject to any adjustment which the Transporter reasonably determines is necessary in order to correct any error made in the application of section 3.6 of this Code.

### 3.6 Pro-rata Exit Allocations

- 3.6.1 Where two or more Shippers offtake gas at an Exit Point (a “**Shared Exit Point**”) a Shipper’s Exit Allocation shall, subject to sections 3.7 and 3.8, be made in accordance with the formula set out below:

$$SQ_e = Q_e \times \frac{SNQ_e}{ANQ_e}$$

where:-

- $SQ_e$  = a Shipper’s Exit Allocation on the Gas Flow Day at the Shared Exit Point;
- $Q_e$  = the Exit Quantity on the Gas Flow Day at the Shared Exit Point;
- $SNQ_e$  = the Shipper’s Exit Nominated Quantity on the Gas Flow Day at the Shared Exit Point;
- $ANQ_e$  = Aggregate Exit Nominated Quantities on the Gas Flow Day at the Shared Exit Point;

provided that, for the purposes of both  $SNQ_e$  and  $ANQ_e$ , on any Day on which no Shipper has an Exit Nominated Quantity or the Aggregate Exit Nominated Quantities are zero (0),

each Shipper which has an Exit Point Registration in respect of the relevant Shared Exit Point shall be deemed to have an Exit Nominated Quantity of one (1) kWh.

3.6.2 Subject to section 3.9, where there is only one Shipper which has submitted an Exit Nomination in respect of an Exit Point on that Gas Flow Day, the whole of the Exit Quantity at such Exit Point shall be allocated to that Shipper in its Initial Exit Allocation.

### **3.7 Exit Reallocations**

3.7.1 A change to Initial Exit Allocations at a Shared Exit Point in respect of a Day (a “**Reallocation**”) may be requested in accordance with this section 3.7.

3.7.2 Subject to section 3.9, a Reallocation may only be requested:

- (a) at an Exit Point other than a Distribution Connected System Exit Point;
  - (i) by all Shippers whose Exit Allocations would change as a result of any such Reallocation writing jointly to the Transporter; and
  - (ii) during the period between the commencement of D+1 and 16:00 hours on D+5;
- (b) at a Distribution System Exit Point;
  - (i) by the Connected System Operator on behalf of Shippers at the Distribution Connected System Exit Point; and
  - (ii) during the period between the commencement of D+1 and 16:00 hours on M+5;
- (c) once in respect of each Gas Flow Day unless the Exit Quantity is adjusted in accordance with Section 9 (*Measurement and Testing*) in which case a further Reallocation may be requested.

3.7.3 A Reallocation shall be accepted by the Transporter only if the Transporter is satisfied that the aggregate quantity of gas which would be allocated to such affected Shippers in respect of D, if section 3.6.1 were applied, is equal to the total quantity of gas which the affected Shippers have requested be reallocated.

3.7.4 A Reallocation accepted in accordance with section 3.7.3 shall, subject to section 9 (*Measurement and Testing*), become a Final Exit Allocation.

### **3.8 Shippers’ Allocation Arrangements at Shared Exit Points**

3.8.1 Any Shippers may enter into an agreement, subject to section 3.9, providing for the basis upon which the Exit Quantity at a Shared Exit Point shall be allocated among them after any Gas Flow Day and provide a summary of such agreement (a “**Shippers’ Allocation Arrangement**”) to the Transporter in the Prescribed Form containing the information set out in section 3.8.3.

3.8.2 The Transporter shall, subject to sections 3.8.3, allocate the Exit Quantity in respect of a Shared Exit Point in accordance with the Shippers’ Allocation Arrangement.

3.8.3 A Shippers’ Allocation Arrangement shall:



- (a) be a summary of an agreement which has as parties to it all and only those Shippers which have an Exit Point Registration in respect of the Exit Point in relation to which the relevant Shippers wish to agree a Shippers' Allocation Arrangement;
- (b) be provided to the Transporter not later than twenty (20) Business Days before the Day in respect of which the relevant Shippers wish to agree an alternative allocation;
- (c) be amended not more than 3 times in any Gas Year other than to the extent necessary to comply with (a) above; and
- (d) provide for the allocation of a quantity of gas in respect of a Day equal to the Exit Quantity in respect of the Shared Exit Point by one of the following methods:
  - (i) the allocation of a stated percentage of the Exit Quantity in respect of the Shared Exit Point to each party to the agreement to which the Shippers' Allocation Arrangement relates such that 100% of the Exit Quantity is allocated;
  - (ii) the allocation of a stated quantity, firstly to one party to the agreement to which the Shippers' Allocation Arrangement relates (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity), secondly to another party to the agreement to which the Shippers' Allocation Arrangement relates (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity) and so on with all of any balance being allocated to a specified Shipper; or
  - (iii) the allocation of a quantity, firstly equal to a Shipper's Exit Nominated Quantity (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity), secondly equal to a Shipper's Exit Nominated Quantity (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity) and so on with all of any balance being allocated to a specified Shipper.

### **3.9 Allocations at Lisburn Exit Point**

3.9.1 The Lisburn Offtake forms part of the Greater Belfast Exit Point from the NI Network. The Transporter will not make Allocations in respect of the Lisburn Exit Point. The Transporter shall notify the Upstream Operator of the aggregate quantity of Natural Gas offtaken from the Transportation System on a Gas Flow Day at the Lisburn Exit Point.

3.9.2 The Transporter shall calculate charges at the Lisburn Exit Point in respect of the following:

- (a) Unauthorised Flow Charges in accordance with Section 4.5.2;
- (b) other such PS Code Charges which the Transporter may invoice pursuant to Section 12.15.2; and

where any of the aforementioned charges is required to be calculated by reference to an Exit Allocation the quantity of Natural Gas metered as offtaken at the Lisburn Exit Point shall be deemed to be an allocation for such purposes. The Transporter shall invoice Phoenix Distribution in respect of such charges in accordance with Section 12.

3.9.3 Phoenix Distribution shall be liable to pay to the Transporter:

- (a) all amounts calculated by the Transporter pursuant to Section 3.9.2; and

- (b) all amounts payable in respect of unauthorised flow charges calculated by the Upstream Operator and notified to the Transporter pursuant to section 6.17.

### 3.10 Aggregate NI Exit Allocations

- 3.10.1 In respect of a Gas Flow Day, the Upstream Operator shall determine a Shipper's Aggregate NI Exit Allocation in accordance with this section 3.10.
- 3.10.2 A Shipper's "**Aggregate NI Exit Allocation**" in respect of a Gas Flow Day shall be determined as:

$$\text{Aggregate NI Exit Allocation}_D = \sum \text{Final Exit Allocations}_D + \sum \text{Final VRF IP Exit Allocations}_D + \sum \text{Trade Sell Allocations}_D$$

where:

$\sum \text{Final Exit Allocations}_D$  means the sum of a Shipper's Final Exit Allocations in respect of every Exit Point and a Shipper's final exit allocations in respect of every exit point determined under the PTL Transportation Code in respect of the Gas Flow Day;

$\sum \text{Final VRF IP Exit Allocations}_D$  means the sum of a Shipper's VRF IP Exit Allocations in respect of an IP and a Shipper's VRF exit allocations in respect of Moffat Interconnection Point determined under the PTL Transportation Code in respect of the Gas Flow Day; and

$\sum \text{Trade Sell Allocations}_D$  means the sum of a Shipper's Trade Sell Allocations in respect of the Gas Flow Day.

- 3.10.3 The Transporter and the Upstream Transporter may exchange nominations information for the purposes of determining a Shipper's Aggregate NI Exit Allocation.
- 3.10.4 The Upstream Operator will provide a Shipper with its' Aggregate NI Exit Allocation by the end of M+5.

### 3.11 Trade Allocation Rules

- 3.11.1 A "**Trade Allocation**" is the quantity of gas allocated to a Shipper pursuant to a Trade Nomination, and may be either a Trade Buy Allocation or a Trade Sell Allocation.
- 3.11.2 The Upstream Transporter shall provide Trade Allocations pursuant to the PTL Code.

*Replace section 9 with this revised section 9 to read as follows:*

## 9. MEASUREMENT AND TESTING

### 9.1 Introduction and Definitions

9.1.1 For the purposes of this Code:

- (a) The Measurement Equipment at the Carrickfergus Entry Point is owned, read and validated by the Transporter;
- (b) The Measurement Equipment at the South-North Entry Point is owned, read and validated by the Connected System Operator;
- (c) The Measurement Equipment which is located downstream of the Coolkeeragh Exit Point is owned, read and validated by the Transporter;
- (d) The Measurement Equipment at Exit Points including the Lisburn Exit Point is owned, read and validated by the Transporter.

9.1.2 In this Code:

- (a) "**Adjusted Final Allocation at Exit**" means any adjustment carried out in accordance with Section 9.4;
- (b) "**Measurement Equipment**" means the measurement, metering, sampling, analysis and other related equipment installed from time to time at an Entry Point or at any Exit Point;
- (c) "**Permitted Range**" means any inaccuracy in the Measurement Equipment an Entry Point and/or at any Exit Point which in all steady-state flow conditions does not exceed 1.1 per cent over the range of 20-100 per cent of the maximum Flow Rate for which the metering equipment is designed and such range is to be calculated using the method specified in ISO 5167/5168 , as may be amended from time to time, for the determination of uncertainties of the measurement of those volume flow rates which are used to compute Flow Rates or where different as otherwise specified in any applicable Connected System Agreement; and
- (d) "**validate**" means to determine by checking tolerances the validity of the reading of a meter.

### Entry Points

#### 9.2 IP Entry quantity at an Entry Point

- 9.2.1 The quantity of Natural Gas determined to have been physically delivered to the Transportation System at an IP (the "**IP Entry Quantity**") shall, subject to Section 9.3:
- (a) in respect of an OBA Day, be the sum of all Shippers' IP Nominated Quantities in respect of an IP;
  - (b) in respect of a Non-OBA Day, be the IP Measured Quantity notified to the Transporter by the Connected System Operator.
- 9.2.2 In the absence of the provision by the Connected System Operator of an IP Measured Quantity in accordance with section 9.2.1(b), the IP Measured Quantity shall be a quantity determined by the Transporter:
- (a) using appropriate gas engineering technology; or
  - (b) relying on written evidence of such quantities presented by a Shipper before 16:00 on D+5.

### 9.3 **Adjustment to the Initial IP Entry Allocation at the Moffat Entry Point**

- 9.3.1 In relation to a Non-OBA Day, if the Transporter reasonably determines that there has been an error in the allocation of the IP Measured Quantity determined to have been delivered at the an IP as a result of the incorrect application of section 3.2, the Transporter shall correctly apply section 3.2 to such quantity and any affected Final IP Entry Allocation shall be adjusted accordingly by no later than M+5.

### 9.4 **Exit Quantity at an Exit Point**

- 9.4.1 The quantity of Natural Gas determined to have been delivered at any Exit Point shall, subject to Section 9.6, be determined by the Transporter using readings taken from the Measurement Equipment at that Exit Point (the "**Exit Quantity**").

### 9.5 **Adjustment to the Exit Quantity at an Exit Point**

- 9.5.1 If it is determined by the Transporter that the Measurement Equipment at an Exit Point has registered beyond the Permitted Range (whether under- or over-recording the quantity of Natural Gas offtaken), the Measurement Equipment at that Exit Point shall be deemed to have registered beyond the Permitted Range during the latter half of the period since it was last validated, except where it is proven that the Measurement Equipment began to register beyond the Permitted Range on some other date, in which case such other date shall be taken.
- 9.5.2 A Final Allocation shall be adjusted in respect of any Day (an "**Exit Point Adjustment Day**") as set out below if:
- (a) it is determined by the Transporter that the Measurement Equipment at an Exit Point has registered beyond the Permitted Range in accordance with Section 9.4.1 (such

amount beyond the Permitted Range being known as an **"Exit Point Adjustment Quantity"**);

- (b) the Transporter reasonably determines that there has been an error in the in the allocation of the Exit Quantity determined to have been delivered at any Exit Point as a result of the incorrect application of Sections 3.5, 3.6 or 3.7; or
- (c) the Transporter shall, before 16:00 hours on D+5, deem a quantity of Natural Gas to have flowed in accordance with Section 9.6.1.

9.5.3 In the case of an Exit Point Adjustment Quantity arising in accordance with Section 9.5.2(a), where any Final Allocation had been carried out in accordance with Sections 3.5.1 or 3.7, the Final Allocation shall be adjusted by applying to the aggregate of the Exit Quantity and the Exit Point Adjustment Quantity, whichever of Sections 3.5.1 or 3.7 was previously applied.

9.5.4 In the case of an Exit Point Adjustment Quantity arising in accordance with Section 9.5.2(a), where any Final Allocation had been carried out in accordance with Section 3.6, the Final Allocation shall be adjusted as follows:

- (a) in the case of a Shared Exit Point from which there has been more than one Shipper offtaking Natural Gas on any Exit Point Adjustment Day (or at an Exit Point at which there is only one Shipper and that Shipper receives more than one Final Exit Allocation pursuant to capacity bookings with different Capacity Booking References), by allocating the Exit Point Adjustment Quantity to those Shippers pro rata to the proportion in which Natural Gas was allocated to those Shippers by the Final Allocation prior to the adjustment being made or pro rata to the Shippers relevant Final Allocations; or
- (b) in the case of an Exit Point where there has been only one Shipper offtaking Natural Gas on any Exit Point Adjustment Day, by allocating all of the Exit Point Adjustment Quantity to such Shipper.

9.5.5 In the case of it being determined that there has been an error in the determination of the Exit Quantity in accordance with Section 9.5.2(b) or the Transporter deems that a quantity of Natural Gas has flowed as referred to in Section 9.5.2(c), the Exit Quantity shall be correctly allocated in accordance with whichever of Sections 3.5, 3.6 or 3.7 was previously applied.

## 9.6 **Adjustment of charges**

9.6.1 If there is an Adjusted Final Allocation at Exit, the Transporter shall:

- (a) recalculate any PS Transmission Amounts or PS Code Charges which it has made in respect of the Exit Point Adjustment Day on the basis that Natural Gas is deemed to have been allocated in accordance with the Adjusted Final Allocation at Exit in respect of the Exit Point Adjustment Day and invoice the Shipper accordingly; and

- (b) recover any underpayment from and repay any overpayment to the Shippers accordingly in the next invoice issued to the Shipper following such recalculation.

#### **9.7 Validation of Exit Point Measurement Equipment**

9.7.1 The Measurement Equipment at all Exit Points shall be validated by the Transporter at least once in each Gas Year.

9.7.2 A Shipper may at any time request a validation of the Measurement Equipment at any Exit Point in respect of which it has an Exit Point Registration in which case the Transporter shall use its reasonable endeavours to ensure that such validation shall be carried out as soon as reasonably practicable.

9.7.3 Each Shipper agrees and acknowledges that all costs and expenses incurred in connection with any validation requested by the Shipper in accordance with Section 9.7.2 shall, if it is found that the accuracy of the Measurement Equipment is within the Permitted Range, be borne by the Shipper which requested the validation of the Measurement Equipment.

9.7.4 If a validation, in accordance with this Section 9, determines that the Measurement Equipment at an Exit Point registered beyond the Permitted Range, the Measurement Equipment shall be adjusted or replaced, as necessary, to read within the Permitted Range and centrally and accurately where this is technically possible with the existing Measurement Equipment.

9.7.5 Any validation of the Measurement Equipment at an Exit Point shall be conducted by or on behalf of the Transporter. Any Shipper which requests a validation in accordance with Section 9.7.2 shall be entitled to be present at such validation and the Transporter shall give the Shipper reasonable advance notice of such validation.

9.7.6 The Transporter shall provide a report of the validation to such Shipper within ten (10) Business Days of the validation stating the results of the validation. Such validation shall be binding on both the Transporter and such Shipper (even if the Shipper does not attend) unless the Transporter or such Shipper disputes the validation within fifteen (15) Business Days of receipt of the validation report. In the event that such dispute is not resolved within a further fifteen (15) Business Days, the Transporter or such Shipper may refer the matter to an Expert for Expert Determination in accordance with Section 20.4.

#### **9.8 Absence of reliable readings at an Exit Point**

9.8.1 In the absence of reliable readings from the Measurement Equipment at an Exit Point, or if any of the Measurement Equipment fails to function, the Transporter shall deem that the quantity of Natural Gas flowing through such Measurement Equipment is equal to the aggregate of the Nominated Quantities in respect of such Exit Point unless, in the Transporter's reasonable opinion, a more accurate determination of the quantity of Natural Gas flowing through such Measurement Equipment would be achieved by the Transporter:

- (a) using appropriate gas engineering technology; or

- (b) relying on any written evidence of such quantities presented by a Shipper before 16:00 hours on D+5.

**9.9 Access to Exit Point Measurement Equipment**

9.9.1 The Transporter shall use its reasonable endeavours to ensure that a Shipper shall have a right of access to the Measurement Equipment at any Exit Point in respect of which it has an Exit Point Registration, for any reasonable purpose, at reasonable times, at its own risk and on giving reasonable notice to the Transporter.

**9.10 Additional Exit Point information**

9.10.1 If requested by a Shipper, the Transporter shall, only to the extent that it is available, provide the Shipper with the following data from the Exit Point in respect of which it has an Exit Point Registration, in respect of such offtaken Natural Gas, as soon as the same is reasonably available:

- (a) instantaneous Flow Rate;
- (b) cumulative volume;
- (c) instantaneous energy rate;
- (d) cumulative energy; and
- (e) calorific value.

9.10.2 The Transporter shall, only to the Shipper to the extent that the Transporter is able to provide the information set out in Section 9.10.1 without incurring a material cost, provide such information without cost.

**9.11 Validation of Metering Equipment at Lisburn Exit Point.**

9.11.1 Shippers at the Lisburn Exit Point who request a validation of the Measurement Equipment at the Lisburn Exit Point pursuant to Section 9.8.2 may request that the Upstream Operator attend such validation.

.....

*Insert new section T5 immediately after section T4 to read as follows:*

## **Transition Section T5**

### **T5.1 Introduction**

T5.1.1 This section T5 sets out the provisions which will apply to Shippers from the T5 Implementation Date and sets out when:

- (a) the modified section 3 (*Allocations*) (“**Modified Section 3**”);
- (b) the modified section 9 (Measurement and Testing) (“**Modified Section 9**”); and
- (c) the modified Appendix 1 (*Definitions and Interpretation*) (“**Allocations Modified Appendix 1**”);

all as set out in Code Modification 32 shall be effective. Existing sections of the Code in force prior to Code Modification 32 becoming effective in accordance with this section T5 are referred to in this section T5 as “**Unmodified**”.

T5.1.2 In this section T5:

- (a) “**T5 Implementation Date**” means the date of implementation of this section T5 which shall be 8<sup>th</sup> July 2015 or, if later, the date the Authority approves Code Modification 32;
- (b) “**Allocations Operational Date**” means a date, determined and published by the Transporter, not earlier than the T5 Implementation Date and not later than the First OBA Day (in respect of which IP Allocations, Exit Allocations and Trade Allocations will be made pursuant to Modified Section 3);
- (c) the “**First OBA Day**” means Gas Flow Day commencing 05:00 on 1<sup>st</sup> October 2015.

### **T5.2 Commencement of Modified Section 3**

T5.2.1 Subject to T5.2.3 and T5.2.4, the provisions of Modified Section 3 shall apply, with respect to the First OBA Day and each subsequent Gas Flow Day, from the First OBA Day.

T5.2.2 Subject to T 5.2.3 and T5.2.4, the provisions of the Unmodified section 3 shall apply with respect to Gas Flow Days before the First OBA Day.

T5.2.3 Shipper’s Allocation Arrangements (as defined in Unmodified section 3) which have been notified to the Transporter prior to the T5 Implementation Date shall be treated as having been notified as Shipper’s Allocation Arrangements under the Modified Section 3.8 and, for the avoidance of doubt, shall otherwise continue to operate unamended.

T5.2.4 Where there are fewer than 20 Business Days between the Allocations Operational Date and the First OBA Day, and a Shipper wishes to notify the Transporter of a Shipper’s Allocation Arrangement pursuant to section 3.8. to apply with respect to the First OBA Day (and/or Gas Flow Days thereafter) the Transporter may, at its sole discretion, agree to accept and implement such notifications in such shorter timescales as may be feasible.

### **T5.3 Commencement of Modified Section 9**



T5.3.1 The provisions of Modified Section 9 shall apply, with respect to the First OBA Day and each subsequent Gas Flow Day, from the First OBA Day.

T5.3.2 The provisions of the Unmodified section 9 shall apply with respect to Gas Flow Days before the First OBA Day.

**T5.4 Commencement of Allocations Modified Appendix 1**

T5.5.1 From the T5 Implementation Date, the terms set out in Allocations Modified Appendix 1 shall, subject to T5.5, become effective as and when use of each of those terms is required by the coming into force of the provisions set out in this section T5 and shall continue to apply thereafter.

**T5.5 Successional Changes to Appendix 1**

T5.5.1 “**CAM Modified Appendix 1**” and “**CAM Effective Date**” have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 14, [**Gas Day Modified Appendix 1**” has the meaning given to it in section T3 implemented or to be implemented in accordance with Code Modification 15] and “**Nominations Modified Appendix 1**” has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 16.

T5.5.2 Allocations Modified Appendix 1 adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix 1, [Gas Day Modified Appendix 1] and Nominations Modified Appendix 1.

T5.5.3 Terms contained in Unmodified Appendix 1 which are not otherwise amended or deleted by CAM Modified Appendix 1, Gas Day Modified Appendix 1, Nominations Modified Appendix 1 or Allocations Modified Appendix 1, or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

.....

Amend Appendix 1 to include new terms (and modify existing terms) to read as shown in the list below:

## APPENDIX 1 DEFINITIONS AND INTERPRETATIONS

### Definitions

~~“Adjusted Final Allocation at Entry”~~ has the meaning given to it in Section 9.1.5(a);

“Adjusted Final Allocation at Exit” has the meaning given to it in Section 9.1.5(b);9.1.2(a);

~~“Aggregate NI Entry Allocation”~~ has the meaning given to it in Section 3.4.2;

~~“Aggregate NI Exit Allocation”~~ has the meaning given to it in Section 3.10.2;

~~“Aggregate VRF IP Exit Nominated Quantity”~~ has the meaning given to it in Section 3.2.1(h);

~~“Allocated Quantity”~~ means that quantity of gas allocated to a Shipper in respect of a Gas Flow Day, after any adjustment to the allocation, in accordance with Section 3 and “Allocation” and “Allocated” shall be construed accordingly;

~~“D+1”~~ has the meaning given to it in Section 3.2.1 means the Day after D;

~~“D+5”~~ has the meaning given to it in Section 3.2.2 means the fifth Day after D;

~~“Entry Point Adjustment Day”~~ has the meaning given to it in Section 9.1.4(e);

~~“Entry Point Agreement”~~ shall mean any agreement (other than the Code and its Ancillary Agreements) between the Transporter, relevant Shippers and (where applicable) third parties (including Third Party Shippers and Upstream Operators) in respect of the input of Natural Gas to the Transportation System at an Entry Point but, for the avoidance of doubt, shall not include Connected Systems Agreements;

~~“Entry Quantity”~~ has the meaning in Section 9.1.5(d);

~~“Exit Allocation”~~ has the meaning given to it in Section 3.5.1 and “Exit Allocations” shall be construed accordingly;

“Exit Point Adjustment Day” has the meaning given to it in Section 9.6.29.5.2;

“Exit Point Adjustment Quantity” has the meaning given to it in Section 9.6.29.5.2(a);

~~“Exit Point Agreement”~~ shall mean an agreement ancillary to the Code between the Transporter, relevant Shippers and (where applicable) third parties in respect of the Exit provisions for the offtake of Natural Gas from the Transportation System at an Exit Point;

“Exit Quantity” has the meaning given to it in Section 9.5.19.4.1;

“Fallback IP Entry Allocation Rule” has the meaning given to it in Section 3.2.5;

~~“Final Allocation” shall mean a Final Entry Allocation and/or an Final Exit Allocation and/or a Final VRF Allocation as the case may be;~~

~~“Final IP Entry Allocation” means the quantity of Natural Gas Allocated to a Shipper at an IP in respect of a Gas Flow Day, such Allocation to be made by D+5 and “Final IP Entry Allocations” means the sum of each Final IP Entry Allocation Allocated to a Shipper in respect of a Gas Flow Day; has the meaning given to it in Section 3.3.2 and “Final IP Entry Allocations” shall be construed accordingly;~~

~~“Final Exit Allocation” means, in respect of a Gas Flow Day, the quantity of Natural Gas Allocated to a Shipper, and at an Exit Point other than the Distribution Connected System Exit Point such Allocation shall be made by D+5 and at the Distribution Connected System Exit Point shall be made by M+5 and “Final Exit Allocations” shall be construed accordingly; has the meaning given to it in section 3.5.3 and “Final Exit Allocations” shall be construed accordingly;~~

~~“Final VRF Allocation” shall mean a Final VRF Entry Allocation or a Final VRF Exit Allocation as the case may be;~~

~~“Final VRF Exit Allocation” has the meaning in Section 3.2.2;~~

~~“Final VRF Entry Allocation” has the meaning in Section 3.2.2;~~

“Final VRF IP Exit Allocation” has the meaning given to it in Section 3.3.4 and “Final VRF IP Exit Allocations” shall be construed accordingly;

~~“Firm Allocated Quantity” has the meaning given to it in Section 3.3.1(a);~~

~~“Initial Allocation” shall mean an Initial Entry Allocation and/or an Initial Exit Allocation and/or an Initial VRF Entry Allocation and/or an Initial VRF Exit Allocation as the case may be;~~

~~“Initial Entry Allocation” has the meaning given to it in Section 3.2.1;~~

~~“Initial Exit Allocation” has the meaning given to it in Section ~~3.2.1~~3.5.2 and “Initial Exit Allocations” shall be construed accordingly;~~

“Initial IP Entry Allocation” has the meaning given to it in Section 3.3.1 and “Initial IP Entry Allocations” shall be construed accordingly;

~~“Initial VRF Allocation” means an Initial VRF Exit Allocation or an Initial VRF Entry Allocation;~~

~~“Initial VRF Entry Allocation” has the meaning in Section 3.2.1;~~

~~“Initial VRF Exit Allocation” has the meaning in Section 3.2.1;~~

“Initial VRF IP Exit Allocation” has the meaning given to it in Section 3.3.3 and “Initial VRF IP Exit Allocations” shall be construed accordingly;

~~“Interruptible Allocated Quantity” has the meaning given to it in Section 3.3.1;~~

“IP Allocation” has the meaning given to it in Section 3.2.1(a) and “IP Allocations” shall be construed accordingly;

“IP Entry Quantity” has the meaning given to it in Section 9.2.1;

“IP Measured Quantity” means the Northern Ireland share of the quantity of gas delivered at the South-North Entry Point determined by the Connected System Operator using readings taken from the Measurement Equipment at the South-North Entry Point as described in section 9.2.1(b);

~~“M+5” has the meaning given to it in Section 3.2.2(b);~~ means the fifth Business Day of the Month following M;

**“Measurement Equipment”** has the meaning given to it in Section ~~9.1.5(e)~~9.1.2(b);

“Moffat Entry Point” has the meaning given to it in the PTL Transportation Code;

“Moffat Interconnection Point” means the point of interconnection at the Moffat Entry Point;

“Non-OBA Day” has the meaning given to it in Section 3.2.1(g) and “Non-OBA Days” shall be construed accordingly;

“OBA” has the meaning given to it in Section 3.2.1(d);

“OBA Day” has the meaning given to it in Section 3.2.1(f) and “OBA Days” shall be construed accordingly;

**“Permitted Range”** has the meaning given to it in Section ~~9.1.5 (f)~~9.1.2(c);

“Prevailing IP Entry Allocation Rule” has the meaning given to it in Section 3.2.3;

**“Reallocation”** has the meaning given to it in Section ~~3.7~~6.1;

~~“Shared Exit Point” shall mean an Exit Point where more than one Shipper offtakes Natural Gas;~~ has the meaning given to it in Section 3.6.1;

~~“Shipper’s Allocation Arrangement” means an agreement which provides the basis upon which the measured quantity of gas in respect of a Shared Exit Point shall be allocated among Shippers after any Gas Flow Day;~~ has the meaning given to it in Section 3.8.1;

“Steering Difference” has the meaning given to it in Section 3.2.1(e);

“Trade Allocation” has the meaning given to it in Section 3.11.1 and “Trade Allocations” shall be construed accordingly;

“Trade Buy Allocation” has the meaning given to it in the PTL Transportation Code and “Trade Buy Allocations” shall be construed accordingly;

“Trade Sell Allocation” has the meaning given to it in the PTL Transportation Code and “Trade Sell Allocations” shall be construed accordingly;

**“validate”** has the meaning given to it in Section ~~9.1.5(g)~~9.1.2(d);

~~“Virtual Exit Quantity (Carrickfergus)” shall have the meaning in Section 9.13.2;~~

~~“Virtual Exit Quantity (South-North)” shall have the meaning in Section 9.13.3;~~

“VRF IP Exit Allocation” has the meaning given to it in Section 3.2.1(c) and “VRF IP Exit Allocations” shall be construed accordingly;