



**Airtricity Response to
Common Arrangements for Gas (CAG)**

21 October 2008



Introduction

Airtricity agrees with the fundamental vision of the CAG and with the set of criteria against which to judge the various options proposed.

System Operations Option: Multiple TSO/TOs with 3rd Party SSP

With regard to the System Operation option, while it may be most desirable to start from scratch and implement the Single TSO option, the practicalities of such may not be attainable. Bearing that in mind we would recommend the Multiple TSO/TOs with a single service provider option, with such an entity chosen by common agreement between the existing TSOs *following a competitive tender*. This option we believe best captures ‘a bit of everything’ with regard to the criteria listed in the consultation document.

Code Option: Commercial v. Technical Codes

Regarding the Code option, we take a different approach from the options presented in the consultation document. Taking into account that the NI and ROI jurisdictions have developed different modes of operations (for example Transmission and Distribution separation in NI, but integrated operations in ROI) – which may continue to be factors, for historical, regulatory, societal, legacy or other reasons, even with common arrangements – we propose having two different Code categories:

1. an NI Network Code and an ROI Network Code, that deal with the differing physical and technical aspects of the two jurisdictions; and,
2. a single Unified All-Island Commercial Gas Code, which will deal with all commercial aspects of the common arrangements.

This hierarchy of documents would also facilitate the separation of operations between the TSO/TOs and the SSP.

Hence all to do with capacity bookings, nominations and allocations, and the like together with the supporting mechanisms – IT systems, business procedures should be governed by a single document, represented by a *single interface* to suppliers. Conversely technical/physical issues such as emergency conditions, gas quality and the like may be governed by two similar but jurisdictional different documents as these issues are/maybe treated differently in the two jurisdictions.

Summary

In summary we submit that the CAG philosophy should be such that common commercial conditions prevail irrespective of the jurisdiction, while the underlying physical structure and operation may exhibit local differences.