
CAG 2012

Business Rules:

Nominations &
Allocations

Revision 1

Draft for Consultation

22/07/2011

Gaslink and Mutual Energy

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1. Introduction

This paper is the second in a series of consultations on the proposed Business Rules for CAG. It follows the High Level Principles document, published on June 15, 2011 and the CAG Code Capacity Entry/Exit regime Business Rules published on July 6th 2011.

This paper presents CAG Code Nominations and Allocations Business Rules for consultation.

The High Level Principles confirmed the intention of the TSO's that the CAG Code would facilitate trade at a single balancing point subject to such limitations as might be necessary having regard to network limitations in the context of all island transmission.

The CAG Code Capacity Business Rules confirmed the ongoing review as to the appropriate treatment of the Moffat Entry Point and the possibility that Moffat might be treated as one or two separate Entry Points. It was noted that the treatment of Moffat was being progressed via the Regulatory Authorities and is subject to the system operation review.

The CAG Code Capacity Business Rules also included a consultation document with respect to Interruptible Exit Capacity which consultation is ongoing.

Each of the foregoing issues potentially impact on the Nomination and Allocation Business Rules.

It should be noted therefore that the TSO's reserve the right to amend and propose revised Business Rules with respect to Nominations and Allocations once the determination as regards network limitations the context of all island Transmission have been identified and consequent on the determination with respect to the treatment of the Moffat Entry Point and following a decision on the availability of Interruptible Exit Capacity.

The CAG Code Nomination and Allocation Business Rules are based on the Gaslink Code. Changes proposed relative to the existing Gaslink Code include:

- Nomination processes associated with new products, including interruptible Entry Capacity and Virtual Reverse Flow.
- Recognition of the separate Exit Zones (RoI and NI).
- Consequential variations to the Zero Imbalance Position.
- New Allocation arrangements with respect to the new products.

The Capacity arrangements with respect to the Distribution Interface with PNG and with respect to Stranraer remain to be finalised and at that point the Nomination and Allocation Process at the Distribution Interface and in respect of Stranraer will be developed and published.

These Business Rules include a pre-consultation version of the Business Rules currently under internal review with respect to Virtual Reverse Flow. It is proposed to notify industry of the consultation processes associated with the proposed Virtual Reverse Flow to facilitate Shipper's comment in the context of that process.

The CAG Code will be based on the final Virtual Reverse Flow Arrangements incorporated into the Gaslink Code.

The Business Rules in this paper are in draft form only and are intended to prompt discussion rather than present the final position of the TSOs. Accordingly, the TSOs reserve the right to modify this paper, either as a result of industry consultation, the final licencing, relevant EU or domestic legislation or as a result of internal discussion. The TSOs also recognise that the RAs may amend the proposals contained herein as they deem appropriate and following consultation with the appropriate parties.

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

Interested Parties are asked to respond to the TSOs on any aspects of the material in this paper.

Responses are requested by: August 9th 2011

Responses should be addressed to:

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PART 1: Nominations

2. Nominations Business Rules

2.1 Overview

2.1.1 A “Nomination” is a request by a Shipper to the Transporter in respect of a quantity of Natural Gas to be delivered or deemed to and/or offtaken or deemed from the Transportation System and/or in respect of a quantity of gas to be acquired or relinquished at the All-Island Balancing Point (“AIBP”), or in respect of a quantity of gas to be injected into or withdrawn from storage at the Virtual Inventory Point (“VIP”).

2.1.2 The types of Nomination shall be:

2.1.2.1 an “Entry Nomination” which shall be required for Natural Gas delivered by the Shipper to the Transportation System at each Entry Point at which the Shipper is a registered holder of Entry Capacity. Entry Nominations shall be submitted separately against Firm and Interruptible Capacity (where applicable);

2.1.2.2 an “Exit Nomination” which shall be required for Natural Gas offtaken by the Shipper from the Transportation System at which the Shipper is the registered holder of Exit Capacity. The types of Exit Nomination shall be:

- (a) an “LDM Exit Nomination” which shall be required at each individual LDM offtake;
- (b) a “DM Exit Nomination” which shall be required in aggregate for DM offtakes at which the Shipper is a Registered Shipper. A separate DM Exit Nomination will be required from each Shipper in respect of each Exit Zone in which it is Registered Shipper at DM Offtake(s);
- (c) an “NDM Exit Nomination” which shall be required in aggregate for NDM offtakes at or in respect of which the Shipper is Registered Shipper in each Offtake Zone. A separate NDM Exit Nomination will be required from each Shipper in respect of each Exit Zone in which it is Registered Shipper at NDM Supply Point(s);
- (d) “VExitP Nomination” which shall be required to offtake Natural Gas at Virtual Exit Point; and

- (e) a “Sub-Sea I/C Offtake Nomination” which shall be required to offtake gas at the Sub-Sea I/C Offtake.
- (f) an “AIBP Nomination” which shall be required for Natural Gas that is the subject of a trade between two Shippers at the AIBP. The types of AIBP Nomination shall be:
 - (i) an “AIBP Buy Nomination” which shall be made by the Shipper that is acquiring gas; and
 - (ii) an “AIBP Sell Nomination” which shall be made by the Shipper that is disposing of gas;
- (g) a “CSEP Exit Nomination” which shall be required to offtake gas at CSEP and which may include an Interruptible CSEP Exit Nomination.
- (h) a “VIP” Nomination” which shall be a notification to inject or withdraw gas from VIP.
- (i) where any new category of Capacity is introduced pursuant to the CAG Code then a further type of nomination may be introduced including where applicable at Stranraer and/or the Distribution Interface.

2.1.2.3 Shippers will be allowed to make renominations and a “Renomination” shall be a revision of an earlier Nomination or Renomination.

2.1.3 Shippers shall be required to use reasonable endeavours to submit accurate Nominations and Renominations.

2.1.4 A Shipper will be deemed to have made a zero Nomination at an Entry Point at the VIP, at the VExitP, the Sub-Sea I/C Offtake or in terms of LDM, DM and NDM offtakes for a Gas Day if:

2.1.4.1 the Shipper does not submit a Nomination; or

2.1.4.2 the Shipper’s Nomination is rejected or revoked

2.1.5 The Transporter may accept Shippers Nominations in excess of the Shippers relevant Active Capacity. This will however, only be permitted where the Nomination is with respect to Firm Capacity¹

¹ The availability of a right to nominate in excess of Active Capacity in circumstances where Interruptible Capacity is available remains under consideration.

- 2.1.6 The Transporter shall reserve the right at all times to reject or limit any Nomination or Renomination that may be in excess of a Shipper's Active Capacity or in breach of any other terms under the Code.
- 2.1.7 Where the Nominated Quantity specified in a Nomination or Renomination is in excess of a Shipper's Active Capacity and would result in a constraint then the Nomination or Renomination will be rejected.
- 2.1.8 Where the quantity specified in an Interruptible Nomination exceeds the Shippers booked Interruptible Capacity then the Interruptible Nomination or Renomination will be rejected.
- 2.1.9 Where the Transporter has accepted a Nomination or Renomination in excess of a Shipper's Active Capacity the Transporter may revoke such Nomination(s) or Renomination(s) to accommodate Nominations or Renominations by other Shippers, acting within Active Capacity, or where such Nominations or Renominations result in an OPN² that cannot be accommodated. Where the Transporter proposes to exercise this right:
- 2.1.9.1 the Transporter shall inform all Shippers that have prevailing Nominations in excess of Active Capacity at the relevant point that their Nominated Quantity can no longer be accommodated on the Transportation System;
 - 2.1.9.2 the Shipper shall be allowed 1 hour in which to adjust its Nominations at the affected point to not exceed their Active Capacity and shall also make changes to other Nominations, as appropriate in order to maintain its Zero Imbalance Position;
 - 2.1.9.3 If the Shipper's Nomination at the affected point has not been changed within a 1 hour period then the Transporter shall have the right (but not the obligation) to reduce the relevant Nomination on behalf of the Shipper so that it does not exceed Active Capacity;
 - 2.1.9.4 Subsequently, the Transporter shall not approve any other Renominations at any point made by the Shipper unless the outcome is to achieve a Zero Imbalance Position; and
 - 2.1.9.5 The Shipper shall be expected to make any necessary changes to physical gas flows as a result of any Renominations.

² Offtake Profile Notice or Exit Flow Profile profiling the rate at which the aggregate End of Day Quantity is offtaken from the Connected System and delivered to the Transportation System.

- 2.1.10 Following approval of a Shipper’s Entry Nomination or Renomination there may be a requirement to generate a new OPN. If the OPN can not be generated due to flow rates that cannot be accommodated either by the upstream or downstream system then the Transporter may declare a Difficult Day.
- 2.1.11 Where a Difficult Day is declared then all Shippers shall amend their Nominations so that the Implied Nomination Flow Rate “INFR” is not greater than Active Capacity divided by 24. The Transporter shall retain the right to reject any Nominations with an INFR that remains in excess of Active Capacity divided by 24.
- 2.1.12 **Implied Nomination Flow Rate**
- 2.1.13 In respect of any Entry or Exit Nomination, the INFR is the rate (in kW) determined as:
- 2.1.13.1 in the case of an Entry or Exit Nomination which is not the subject of an Entry or Exit Renomination;
- $$\text{INFR} = \text{NQ}/24$$
- 2.1.13.2 in the case of any Entry or Exit Renomination;
- $$\text{INFR} = \text{RQ}/\text{T}$$
- Where:
- INFR = Implied Nomination Flow Rate;
- NQ = Nominated Quantity;
- RQ = in the case of LDM Exit, this shall be equal to the gas which has not already been transported with reference to the actual gas flow at the time the Renomination becomes effective. In the case of DM Exit, NDM Exit and Entry, the part of the Renominated Quantity, based on the last valid profile in conjunction with the previous INFR(s), which has not been transported at the time the Renomination becomes effective
- T = means the period of time from when the Renomination becomes effective until the end of the Gas Day measured in hours.
- 2.1.14 The Transporter shall not accept any Renominations that would result in a negative INFR. For DM Exit, NDM Exit and Entry Nominations, gas will be

assumed to have already flowed based on the prevailing Nomination divided by 24. For LDM Exit gas will be assumed to have flowed on the basis of actual consumption.

2.1.15 For the avoidance of doubt the maximum INFR at an LDM Offtake shall not exceed the MHQ at or in respect of such LDM Offtake.

2.2 Timing

2.2.1 Any change in the rate of delivery of Natural Gas to the Transportation System by a Shipper following an effective Entry Renomination will only commence following the notice periods outlined in the relevant CSA and/or any relevant Entry Point Procedures.

2.2.2 Any change in the rate of offtake of Natural Gas from the Transportation System by a Shipper following an effective LDM Exit Renomination, will only commence, following the notice periods applicable with respect to the LDM Offtake.

2.2.3 Entry Renomination: any change in the rate of delivery of Natural Gas to the Transportation System by a Shipper will occur at the time of an effective Entry Renomination, dependent on Entry conditions and subject to the relevant notice periods and profiling. The current notice periods in the Gaslink Code, which are proposed to be adopted under the CAG Code, subject to the provisions of any applicable CSA, are as follows:

2.2.3.1 5 hours after the hour where the variation in Nominated Quantity is greater than or equal to 50%;

2.2.3.2 3 hours after the hour where the variation in Nominated Quantity is greater then or equal to 25% but less than 50%;

2.2.3.3 2 hours after the hour when the variation in Nominated Quantity is less than 25%; or

2.2.3.4 6 hours where the variation in Nominated Quantity results in a change of physical flow direction at a Bi-Directional CSP.

2.2.4 Exit Renomination: any change in the rate of offtake of Natural Gas from the Transportation System by a Shipper will occur at the time of an effective Exit Renomination subject to the relevant notice periods. The notice periods in the Gaslink Code, which are proposed to be adopted under the CAG Code, are as follows:

2.2.4.1 Notice periods in respect of LDM Offtakes, CSEP Exit Renominations and at the Sub-Sea I/C Offtake are equivalent to the Notice Period

specified for Entry Points as referred to in 2.2.3 subject only in the case of LDM Offtakes to any applicable End User Agreement.

2.2.4.2 Notice periods of 2 hours shall be required for DM Renominations; and

2.2.4.3 Notice periods of 1 hours shall be required for NDM Renominations;

Operational review is required to ascertain whether these notice periods are appropriate in the NI Exit Zone.

2.2.5 Valid Renominations will become effective on the hour, subject to the relevant notice periods; provided that matched Entry and Exit Renominations have been received by the Transporter at least 15 minutes before the hour.

2.2.6 Nominations may save where otherwise specified (e.g. Interruptible Nominations and Reverse Flow Nominations) be submitted no earlier than 31 days before the Gas Day and no later than the times set forth in Section 2.3.

2.2.7 For LDM offtakes: Notice Periods, Relevant Ramp Rates may be Exit Point specific and may be included in any relevant End User Agreements.

2.2.8 Interruptible Nominations may only be submitted in accordance with Section 2.14.

2.2.9 Shippers will be required to Nominate against standard service Entry Capacity and Back-up Capacity bookings separately.

2.3 Daily Process

2.3.1 Not later than 10.00 on the Day prior (“D-1”) to the commencement of each Day (“D”) each Shipper shall notify the Transporter of the quantity (expressed in kWh) of Natural Gas available for delivery at each Entry Point and/or required to be offtaken from the Transportation System, including all relevant AIBP Nominations.

2.4 Entry Nominations

2.4.1 A Shipper nominating quantities of Natural Gas for delivery to the Transportation System on the Gas Day shall make Entry Nominations specifying inter alia, the following:

2.4.1.1 the Gas Day for which the Nomination is being made;

2.4.1.2 the Entry Point;

- 2.4.1.3 the Nominated Quantity (in kWh) of Natural Gas nominated for delivery;
- 2.4.1.4 the identity of the Shipper making the Nomination;
- 2.4.1.5 where there is no Matching Agent in place at the Entry Point, the identity and contact details of the Third Party Shipper(s) with the corresponding quantities of Natural Gas to be delivered; and
- 2.4.1.6 whether or not the Nomination is being made with respect to Back-up Capacity.

2.4.2 Where an Entry Nomination is submitted in excess of a Shipper's Active Entry Capacity then the Nomination may be rejected by the Transporter. The Transporter will inform the Shipper whether such a Nomination can be accepted and will endeavour to do this within 2 hours. Where the Transporter has not accepted the Nomination within 2 hours then the Nomination shall be deemed to be rejected. For the avoidance of doubt, if such a Nomination is accepted then it shall be subject to the provisions contained in 2.1.5. to 2.1.9.³

2.4.3 The Transporter will reject an Entry Nomination which, inter alia;

- 2.4.3.1 is not submitted in accordance with 2.4.1;
- 2.4.3.2 the Nomination effective time is outside of the required notice period;
- 2.4.3.3 does not meet the requirements of section 2.10; and
- 2.4.3.4 does not achieve a Zero Imbalance Position in accordance with Section 2.11

2.5 Exit Nominations

2.5.1 A Shipper nominating quantities of Natural Gas for offtake from the Transportation System (including at Sub-Sea I/C Offtake of the CSEP Exit) on the Gas Day shall make Exit Nominations specifying inter alia, the following:

- 2.5.1.1 the Gas Day for which the Nomination is being made;
- 2.5.1.2 for each LDM offtake:

³ The feasibility of continued acceptance of Nominations in excess of Active Capacity where Interruptible Capacity is available must be considered.

- (a) the LDM offtake and Exit Zone;
 - (b) the Nominated Quantity in kWh/day of Natural Gas nominated for offtake; and
 - (c) an hourly offtake profile;
- 2.5.1.3 for DM offtakes, in aggregate, the Nominated Quantity in kWh of Natural Gas nominated for offtake; a separate Nomination is required for DM Offtakes in each Exit Zone;
- 2.5.1.4 for NDM offtakes, in aggregate, the EODQ in kWh of Natural Gas nominated for offtake; a separate NDM Exit Nomination is required for NDM Offtakes in each Exit Zone;
- 2.5.1.5 for a CSEP Exit Nomination, the CSEP to which the Nomination relates the Nominated Quantity in kWh and whether the CSEP Exit Nomination is interruptible (unless all CSEP Exit Nominations at that specified CSEP are interruptible pursuant to the Code); and
- 2.5.1.6 where the Nomination is a Sub-Sea I/C Oftake Nomination, the Sub-Sea I/C Oftake and the Nominated Quantity.
- 2.5.2 Where an Exit Nomination is submitted in excess of a Shipper's Active Exit Capacity then the Nomination may be rejected by the Transporter. The Transporter will inform the Shipper whether such a Nomination can be accepted and will endeavour to do this within 2 hours. Where the Transporter has not accepted the Nomination within 2 hours then the Nomination shall be deemed to be rejected. For the avoidance of doubt, if such a Nomination is accepted then it shall be subject to the provisions contained in 2.1.5 to 2.1.9.
- 2.5.3 The Transporter will reject an Exit Nomination which, inter alia;
- 2.5.3.1 is not submitted in accordance with the requirements specified in 2.5.1;
 - 2.5.3.2 in the case of an LDM Exit Nomination results in
 - (a) an Implied Nomination Flow Rate which is greater than the MHQ (specified in the LDM Exit booking)⁴;

⁴ In the case of LDM Exit Nominations, an INFR constraint resulting in a Nomination rejection would occur where the INFR was greater than the MHQ. DM and NDM Exit Nominations INFR constraint checks will not be conducted.

- (b) where the Nomination effective time is outside of the required notice period in accordance with section 2.2;
- (c) does not meet the requirements of section 2.10;
- (d) does not achieve a Zero Imbalance Position.
- (e) In the case of a CSEP Exit Nomination which is an Interruptible CSEP Exit Nomination the Nominated Quantity when aggregated with the aggregate of the nominated quantities of all Valid CSEP Exit Nomination exceeds the applicable CSEP Exit Nominations Limit or the aggregate Available Interruptible Nomination Limit, or, on a day in which an Interruption Notice is issued the Nominated Quantity exceeds the Shipper's Available Interruptible Exit Nomination Quantity.

2.6 AIBP Nominations

2.6.1 A Shipper shall be required to hold Capacity on the Transportation System in order to nominate at the AIBP" and can only nominate at the AIBP up to the level of Active Capacity held. Entry Capacity is required in order to make an AIBP Sell Nomination; Exit Capacity is required in order to submit an AIBP Buy Nomination. Sub-Sea I/C Offtake Capacity and VExitP Capacity shall not be considered Exit Capacity for the purpose of facilitating an AIBP Buy Nomination.

2.6.2 From 31 days prior to the Gas Day (D-31) but not later than 10:00 on the day prior (D-1) to the commencement of each Gas Day, AIBP Nominations may be made. A Shipper nominating quantities of Natural Gas at the AIBP on a Gas Day shall be required to make AIBP Nominations specifying:

- 2.6.2.1** the Gas Day(s) for which the trade of Natural Gas at the AIBP will take place;
- 2.6.2.2** the type of AIBP Nomination, either AIBP Buy or AIBP Sell;
- 2.6.2.3** the quantity in kWh/day of Natural Gas nominated;
- 2.6.2.4** the identity and contact details of the counter-party Shipper at the AIBP; and
- 2.6.2.5** the identity of the Shipper making the AIBP Nomination.

2.6.3 The Shipper and counter-party Shipper must match their respective AIBP Nominations. Corresponding matched AIBP Nominations must be made in terms of :

- 2.6.3.1 the Gas Day;
 - 2.6.3.2 either:
 - (a) the Shipper who will nominate an AIBP Buy and the counter-party Shipper who will nominate an AIBP Sell, or
 - (b) the Shipper who will nominate an AIBP Sell and the counter-party Shipper who will nominate an AIBP Buy;
 - 2.6.3.3 the quantity in kWh/day of Natural Gas nominated;
 - 2.6.3.4 the identity of the nominating Shipper; and
 - 2.6.3.5 the identity and contact details of the counter-party Shipper.
- 2.6.4 Between 18.00 on D-1 and 01.45 on D a Shipper and counter-party Shipper will be able to make AIBP Renominations in order to trade gas at the AIBP for Gas Day D.
- 2.6.5 AIBP Nominations/Renominations, which are not matched by the counter-party shipper within one hour of the Shipper making the initial AIBP Nomination/Renomination, will be rejected. Valid AIBP Nominations/Renominations, which have been matched, will be accepted.
- 2.6.6 If an AIBP Nomination/Renomination, is not processed or is rejected then the last valid AIBP Nomination/Renomination will remain in place.
- 2.6.7 The Transporter will reject an AIBP Nomination which is not submitted in accordance with 2.6.2 or which does not exactly match the AIBP Nomination that is made by the counter-party Shipper.

2.7 VIP Nominations

- 2.7.1 A Shipper shall be required to be a Registered Shipper at the Moffat Entry Point and be a VIP Shipper in order to submit VIP Nominations; Shippers are required to submit accurate information with respect to VIP Nominations.
- 2.7.2 A VIP Shipper may make a VIP Nomination where:
- 2.7.2.1 In case of VIP Injection Nomination the quantity specified does not exceed the Shipper's Inventory Space and the Shipper has submitted a Moffat Entry Nomination in respect of the Day which is at least equal to the Nominated Quantity; and

2.7.2.2 In the case of a VIP Withdrawal Nomination the Shipper's VIP Utilisation in respect of the Day is at least equal to the Nominated Quantity specified in the Withdrawal Nomination.

2.7.3 A VIP Injection Nomination shall specify the required information to include:

2.7.3.1 the day to which the Nomination relates,

2.7.3.2 the Nominated Quantity in kWh; and

2.7.3.3 the identity of the Shipper making the Nomination.

2.7.4 The Transporter will accept a VIP Nomination submitted where such VIP Nomination:

2.7.4.1 has been submitted in accordance with the Code;

2.7.4.2 is a VIP Injection Nomination which specifies a quantity which does not exceed the Shipper's Valid Entry Nomination at the Moffat Entry Point in respect of the Day; or

2.7.4.3 is a VIP Withdrawal Nomination which specifies a Nominated Quantity which does not exceed the Shipper's available VIP Utilisation (i.e. unutilised Inventory Space) in respect of the Day; and

2.7.4.4 is not otherwise required to be rejected in accordance with rejection criteria.

2.7.5 The rejection criteria shall include:

2.7.5.1 the VIP Nomination is not submitted in accordance with the Code;

2.7.5.2 the VIP Nomination is an Injection Nomination; and

(a) specifies a quantity in excess of the Shipper's unutilised inventory space; or

(b) specifies a quantity in excess of the Shipper's Valid Entry Nomination at Moffat in respect of the Day; or

(c) the Shipper already had a Valid VIP Withdrawal Nomination in respect of that Day.

2.7.5.3 The VIP Nomination is a VIP Withdrawal Nomination; and

(a) the Nomination specifies a Nominated Quantity in excess of the Shipper's projected VIP Utilisation; or

(b) the Shipper already has a Valid VIP Injection Nomination in respect of the Day;

(c) or otherwise for operational reasons.

2.8 Renominations

2.8.1 A Shipper may, consistent with the terms of the Code and any relevant Connected System Agreement, request a revision to the quantity of Natural Gas initially Nominated for delivery and / or offtake on a Day.

2.8.2 A Shipper may revise a Nomination between 18:00 on D-1 and 01:45 on Day D (a Renomination). A valid Renomination shall supersede a previous Nomination or a Renomination that has been made by the Shipper.

2.8.3 The Transporter shall not be required to allow a Shipper to Renominate:

2.8.3.1 earlier than the Renomination Start Time (being 18.00 hours on D-1), or later than 01:45 hours on the Gas Day;

2.8.3.2 if the revised Implied Nomination Flow rate in any hour is less than zero.

2.8.4 A Renomination shall specify;

2.8.4.1 the previous Nomination or Renomination in respect of which it is made;

2.8.4.2 the time the Shipper expects the Renomination to become effective, subject to the relevant notice periods in accordance with section 2.2;

2.8.4.3 the revised Renomination Quantity in kWh/day;

2.8.4.4 the identity of the Renominating Shipper;

2.8.5 The Transporter will reject a Renomination, which, inter alia;

2.8.5.1 is not submitted in accordance with sections 2.8.3 and 2.8.4;

2.8.5.2 fails the validation criteria outlined in section 2.10;

2.8.5.3 results in a Renomination Effective time outside of the required notice period in accordance with section 2.2;

2.8.5.4 fails to achieve a Zero Imbalance Position within 1 hour of receipt of the Renomination; and

2.8.5.5 in the case of an LDM Exit Renomination is not submitted in accordance with the relevant LDM Exit booking.

2.8.6 Where the Transporter has neither approved nor rejected a Renomination within 2 hours of its receipt, the Renomination is deemed to have been accepted.

2.8.7 Where the Transporter rejects a Renomination, the prevailing Nomination or Renomination (if any) shall remain in place.

2.9 Renomination Limits

2.9.1 If practicable, the Transporter will accept Entry Renominations subject to agreed notice periods. However there may be difficulties due to the profiling of Natural Gas into the Transportation System at Entry Points such that, on some Days, the Transporter may not be in a position to accept certain Renominations.

2.9.2 If practicable, the Transporter will accept Exit Renominations subject to agreed notice periods. However there may be difficulties due to the profiling of Natural Gas from the Transportation System at Exit Points such that on some Days, the hourly gas flows out of the Transportation System may be greater than the aggregate Nominated Quantities divided by 24 during the early hours of the Gas Day.

2.10 Nomination Processing

2.10.1 Data entered for Entry and Exit Nominations / Renominations will be subject to quality assurance checks against predetermined parameters to validate that, inter alia;

2.10.1.1 The mandatory data set has been provided;

2.10.1.2 The Nominations/Renominations are within the terms of agreed parameters with respect to, inter alia, the:

- (a) MDQ;
- (b) MHQ;
- (c) Offtake Profiles;
- (d) Ramp Rate;
- (e) Notice Periods for Re-Nominations;

- (f) The Nomination relates to a day that is within the relevant Capacity Booking Period; and
- (g) Whether any Operational Flow Orders affect the Nomination.

2.11 Zero Imbalance Position

2.11.1 Shippers will be required to nominate and maintain a “Zero Imbalance Position”.

2.11.2 The requirement to nominate a Zero Imbalance Position will apply to all Nominations and Renominations (including Interruptible Nominations) submitted either before or during the Day.

2.11.3 The Zero Imbalance Position will be determined as:

2.11.3.1 in the case of a Nomination (and subject to (c) as appropriate) which is not the subject of a Renomination:

$$(\sum ENQ + \sum AIBP Buys) - (\sum EXNQ + \sum AIBP Sells) = 0$$

2.11.3.2 in the case of any Renomination (and subject to (d) as appropriate):

$$(\sum ERNQ + \sum AIBP Buys) - (\sum EXRNQ + \sum AIBP Sells) = 0$$

2.11.3.3 in the case of a Nomination at the Sub-Sea I/C Offtake which is not the subject of a Renomination:

$$(ENQ_m) - (\sum EXNQ + \sum AIBP Sells) = 0$$

2.11.3.4 in the case of any Renomination with respect of the Sub-Sea I/C Offtake:

$$(\sum ENRNQ_m) - (\sum EXRNQ + \sum AIBP Sells) = 0$$

Where:

ENQ = Entry Nominated Quantity less Shippers VIP Injection Nomination plus the Shipper’s VIP Withdrawal Nomination

ENQ_m = The Shipper’s Entry Nomination at the Moffat Entry Point

AIBP Buys	=	Matched AIBP Buy Nominated Quantities or AIBP Buy Renominated Quantities
EXNQ	=	The Shipper's Exit Nominations and/or CSEP Exit Nominations and/or Sub-Sea I/C Offtake Nominations as appropriate
AIBP Sells	=	Matched AIBP Sell Nominated Quantities or Valid AIBP Renominations as appropriate
ENRNQ	=	Entry Renominated Quantity, VIP Injection Nomination or VIP Injection Renomination plus VIP _m Withdrawal Nomination or VIP Withdrawal Renomination as appropriate
EXRNQ	=	Exit Renominated Quantity plus CSEP Exit Nomination or Exit Renominations or CSEP Exit Renominations or Sub-Sea I/C Offtake Nomination or Sub-Sea I/C Offtake Renomination as appropriate.
ENRQ _m	=	The Shipper's Entry Nomination or Entry Renomination at the Moffat Entry Point.

- 2.11.4 A Shipper shall nominate an initial Zero Imbalance Position by 10.00 hours on (D-1), and shall use reasonable endeavours to maintain a Zero Imbalance Position thereafter throughout the Day.
- 2.11.5 Nominations (other than AIBP Nominations) which do not maintain a 'Zero Imbalance Position' or ZIP, will not be accepted. If ZIP is not achieved by 10:00 on D-1, the Nomination will be rejected. Nominations, which have been accepted for processing and achieve ZIP, will not be rejected and will be Valid Nomination(s). If a Nomination is not processed and / or is rejected then the last Valid Nomination, will remain in place.
- 2.11.6 Where a Renomination is made to an existing Entry or Exit Nomination, after 18:00 on D-1, a corresponding Renomination must be made within 1 hour so that the Zero Imbalance Position is maintained. Renominations which are accepted for processing and achieve ZIP will not be rejected and become Valid Renominations. If a Renomination is not processed and / or is rejected then the last valid Nomination or Renomination, which was matched, will remain in place.

- 2.11.7 AIBP Nominations/Renominations, which are not matched by the counter-party Shipper within one hour of the Shipper making the initial AIBP Nomination/Renomination, will be rejected. AIBP Nominations/Renominations which have been matched will not be rejected and will become Valid AIBP Nominations. If an AIBP Nomination/Renomination, is not processed and / or is rejected then the last valid AIBP Nomination/Renomination, which was matched, will remain in place.
- 2.11.8 For the avoidance of doubt a Shipper may go out of ZIP as a result of AIBP Nominations however, a Shipper is required to renominate to a Zero Imbalance Position as soon as reasonably practicable and any subsequent Renominations which do not achieve a Zero Imbalance Position will be rejected.

2.12 NDM Nomination Advice

- 2.12.1 The obligation of the Transporter to provide an NDM Nomination Advice in accordance with this clause 2.12 shall apply only with respect to NDM Supply Points on Distribution Systems which are operating within the CAG Code. For the avoidance of doubt where a Distribution System(s) and Distribution System Operator(s) are not operating within the CAG Code it will be a matter for such Distribution System Operator(s) to provide appropriate NDM Nomination Advices to Shippers pursuant to the applicable Distribution System Code.
- 2.12.2 The Transporter will use reasonable endeavours to communicate an NDM Nomination Advice to NDM Shippers by 09:00 hours D-1.
- 2.12.3 The Transporter will recalculate the Nomination Advice to reflect a revised NDM forecast for an Offtake Zone (Renomination Advice).
- 2.12.4 The Transporter will use reasonable endeavours to communicate an NDM Renomination Advice to NDM Shippers by 11:00, 15:45 , 20:45 and 00:45 hours on each Gas Day (D).
- 2.12.5 The Transporter may issue further revisions of the NDM Nomination Advice at other additional times during the gas day, the Transporter will use reasonable endeavours to communicate this additional advice to Shippers.
- 2.12.6 Shippers that Nominate according to the NDM Renomination Advice will not be subject to Scheduling Charges that would arise as a result of differences between the final NDM Exit Renomination and the final NDM Exit Allocation.
- 2.12.7 Shippers would be required to follow the initial and all subsequent Nomination / Renomination Advice notices in order to receive relief from Scheduling charges.

- 2.12.8 To receive relief from Scheduling Charges, a Shipper must submit a valid Renomination within 2 hours of the Nomination Advice being re-issued.
- 2.12.9 In the case of a Nomination or Renomination receipt more than 2 hours after the issue of a Nomination Advice, Scheduling Charges will apply.

2.13 Profiling

- 2.13.1 The Transporter shall use reasonable endeavours, where practicable, to provide a Shipper's notified within-Day offtake profile at an LDM Offtake, subject always to the provisions of the Code (including, without limitation, those provisions relating to Difficult Day(s), Restricted Capacity Day(s) and Emergencies) and taking into account relevant agreements and, to the extent relevant, the location of the Entry Point(s) and offtakes relevant to each Shipper.
- 2.13.2 For the avoidance of doubt, the Transporter shall only be obliged to deliver Natural Gas at the point of offtake at a uniform Offtake Rate.
- 2.13.3 The Transporter shall be entitled to enter into arrangements with third parties including any applicable Connected System Operator with respect to the development of OPN's including the determination of the quantities to be so delivered and the Transporter shall not have any liability to Shippers with respect to such profile.

2.14 Interruptible Entry Nominations and Renominations

- 2.14.1 Where a Shipper has Booked Interruptible Entry Capacity at a relevant Entry Point then it shall have the right to submit an Interruptible Entry Nomination after [18:00] hours on D-1 and shall be able to revise this by submitting an Interruptible Entry Renomination up until [20:00] hours on D.
- 2.14.2 The Interruptible Entry Nomination and subsequent Interruptible Entry Renominations, where made, shall be included with all other relevant Nominations and/or Renominations made by that Shipper in the calculation of ZIP.
- 2.14.3 The Interruptible Entry Nomination/Renomination shall specify, but shall not be limited to the following:
- 2.14.3.1 The Day in respect of which the Interruptible Entry Nomination/Renomination is being made;

- 2.14.3.2 The Entry Point in respect of which the Interruptible Entry Nomination/Renomination is being made;
- 2.14.3.3 The Nominated/Renominated Quantity (in KWh/day);
- 2.14.3.4 The identity of the Shipper making the Interruptible Entry Nomination/Renomination; and
- 2.14.3.5 Where there is no Entry Allocation Agent, the identity of the Third Party Shipper(s) with the corresponding quantities of Natural Gas to be delivered by such Third Party Shipper(s).

2.14.4 The Transporter shall reject an Interruptible Entry Nomination/Renomination for the following reasons:

- 2.14.4.1 In the case of an Interruptible Entry Nomination, where the quantity specified in Kwh/day is greater than the Shipper's Booked Interruptible Entry Capacity.
- 2.14.4.2 In the case of an Interruptible Entry Renomination, where an Interruptible Entry Capacity Interruption Notice has been issued and the Interruptible Entry Renomination specifies a quantity in KWh/day that is in excess of the Shipper's Revised Booked Daily Interruptible Entry Capacity as notified by the Interruptible Entry Capacity Interruption Notice; and
- 2.14.4.3 the Interruptible Entry Nomination/Renomination does not meet the requirements that apply to all Nominations/Renominations as set out in Business Rules clause 2.2.

2.14.5 A Shipper may make an Interruptible Entry Nomination/Renomination between 18:00 hours on D-1 and 20:00 hours on D. Where, after 20:00 hours on D, the Transporter issues an Interruptible Entry Capacity Interruption Notice, in relation to D, then the Shipper shall be able to submit an Interruptible Entry Renomination after 20:00 hours on D reducing the original Nomination/ Renomination quantity so that it does not exceed the Revised Booked Interruptible Entry Capacity specified in the Interruptible Entry Capacity Interruption Notice.

2.15 VExitP Nomination Process⁵

2.15.1 Interruptible VExitP Nominations and Renominations

⁵ Please see Introduction and reference to consultation with respect to VExitP issues.

- 2.15.1.1 Where a Shipper has booked Daily Interruptible VExitP Capacity at a VExitP then it shall have the right to submit an Interruptible VExitP Nomination [or VExitP Renomination] between 18:00 on D-1 and 20:00 on D.
- 2.15.1.2 The Transporter shall have the right to curtail, suspend, or instruct submission of Interruptible Nominations at the VExitP for operational reasons.
- 2.15.1.3 The Interruptible VExitP Nomination/Renomination shall specify, but shall not be limited to the following:
- (a) the Day in respect of which the Interruptible VExitP Nomination or Renomination is being made;
 - (b) VExitP in respect of which the Interruptible VExitP Nomination is made;
 - (c) the Nominated/Renominated Quantity (in kWh/day);
 - (d) the identity of the Shipper making the Interruptible VExitP Nomination/Renomination; and
 - (e) Where there is no Reverse Flow Allocation Agent the identity of the Third Party Shipper(s) (counter-party Shipper) and the corresponding quantities of Natural Gas to be delivered to such Third Party Shipper(s).
- 2.15.1.4 The Transporter shall reject an Interruptible VExitP Nomination/Renomination for the following reasons:
- (a) The Interruptible VExitP Nomination/Renomination is not submitted in accordance with the above requirements;
 - (b) The quantity of natural gas identified in the Interruptible VExitP Nomination or Renomination is in excess of the Shipper's Interruptible VExitP Capacity;
 - (c) Where an Interruptible VExitP Capacity Interruption Notice has been issued and the Interruptible VExitP Nomination/Renomination specifies a quantity in kWh/day that is in excess of the Shipper's Revised Booked Daily Interruptible VExitP Capacity as calculated by the application of the Interruptible Capacity Scaling Factor notified by the Interruptible VExitP Capacity Interruption Notice;

- (d) The Interruptible VExitP Nomination/Renomination does not meet the requirements that apply to all Nominations/Renominations including with respect to INFR, Notice Periods etc;
- (e) Where, after 20:00 hours on D, the Transporter issues an Interruptible Capacity Interruption Notice, in relation to D, then the Shipper shall be able to submit an Interruptible VExitP Renomination after 20:00 hours on D reducing the prevailing VExitP Nomination/Renomination according to the instructions given in the Interruptible Capacity Interruption Notice
- (f) If a Shipper does not reduce its Interruptible Nomination/Renomination such that the Shippers prevailing Valid VExitP Nomination/Renomination is in excess of the amount of the Shippers reduced daily Interruptible Capacity following the Interruption Notice (Revised Utilisable Daily Interruptible Capacity) then the Shipper will incur a Failure to Interrupt Charge.
- (g) A Nomination greater than the Revised Utilisable Daily Interruptible Capacity will not be accepted by the Transporter and flow will be profiled for a users VExitP Nomination/Renomination or Revised Utilisable Daily Interruptible Capacity, whichever is the smaller quantity.

2.15.2 Submission of Interruptible VExitP Nominations

- 2.15.2.1 Interruptible VExitP Nominations and Interruptible VExitP Renominations shall be submitted utilising the Transporters Market Facing Systems, in accordance with the Code and these Business Rules.

2.15.3 Valid VExitP Nominations

- 2.15.3.1 Where the Reverse Flow Interruptible VExitP Nominations are not rejected by the Transporter they shall become Valid Reverse Flow Interruptible VExitP Nominations.

2.15.4 Calculation of Implied Nomination Flow Rate in respect of VExitP Nomination

2.15.4.1 The INFR in respect of an Interruptible VExitP Nomination shall be calculated as follows:

- (a) In the case of an Interruptible VExitP Nomination which is not the subject of an Interruptible VExitP Renomination in accordance with the process for calculation of the INFR in respect of an Exit Nomination as set out in the Code;
- (b) In the case of an Interruptible VExitP Renomination in accordance with the process for calculation of the INFR in respect of an Exit Renomination as contained in the Code
- (c) The INFR in respect of Firm Entry Nominations/Renominations shall be calculated in accordance with Part D Section 1.4.1. of the Code.

2.15.5 Interruptible VExitP Renomination Notice Periods

2.15.5.1 The Renomination Effective Time in respect of a Valid Interruptible VExitP Renomination shall be on the hour which is after the expiry of the notice period(s) as follows:

- (a) five (5) hours after the hour (which is not less than 15 minutes after the time the Interruptible VExitP Renomination is received by the Transporter), where the difference between the Renominated Quantity and the quantity specified in the previous Valid Nomination or Valid Renomination is greater than or equal to fifty (50) per cent;
- (b) three (3) hours after the hour (which is not less than 15 minutes after the time the Interruptible VExitP Renomination is received by the Transporter), where the difference between the Renominated Quantity and the quantity specified in the previous Valid Nomination or Valid Renomination is less than fifty (50) per cent and greater than or equal to twenty five (25) per cent;
- (c) two (2) hours after the hour (which is not less than 15 minutes after the time the Interruptible VExitP Renomination is received by the Transporter), where the difference between the Renominated Quantity and the quantity specified in the previous Valid Nomination or Valid Renomination is less than twenty five (25) per cent; or

- (d) subject in the case of a Valid Interruptible VExitP Renomination to the relevant ramp rates, offtake rates and VExitP specific items which shall be in accordance with the relevant VExitP Capacity Booking or otherwise as notified by the Transporter to the Shipper from time to time.

2.15.6 Calculation of End of Day Quantity (“ENDQ”)

2.15.6.1 The EODQ at an Entry Point which is also a VExitP shall be calculated as a Net EODQ.

2.15.6.2 The aggregate quantity of all Forward Flow Nominations and the aggregate quantity of Valid Reverse Flow Interruptible VExitP Nominations shall be used in the calculation of the Net EODQ.

2.15.6.3 The Transporter shall calculate the Net EODQ. The Net EODQ shall be calculated as follows:

$$\text{NetEODQ} = \text{FFEODQ} - \text{RevEODQ}$$

Where:

NetEODQ – Net EODQ reflecting required physical Forward Flow

FFEODQ – Forward Flow EODQ reflecting aggregate Forward Flow Nominations as received from the Shipper’s Agent or where the Shipper’s Agent does not notify such quantity as derived from the Shipper’s Entry Nominations.

RevEODQ Reverse Flow EODQ reflecting aggregate VExitP Nominations received from the Shipper’s Agent or where the Shipper’s Agent does not notify such quantity as calculated using VExitP Nominations or on a day of interruption the lower of the quantity calculated as aforesaid and quantity equal to the Available Revised Utilizable Daily Interruptible Capacity Quantity.

2.15.6.4 The Transporter may use the Net EODQ figure to create the Offtake Profile Notice and/or may provide information to an affiliate or to a Connected System Operator or otherwise in accordance with any applicable CSA.

2.15.7 Failure to interrupt and Overruns

- 2.15.7.1 Interruptible VExitP Nomination in excess of the Shippers Available Interruptible VExitP Capacity will be rejected.
- 2.15.7.2 Where a Shipper receives an Interruptible Capacity Interruption Notice from the Transporter then it shall be required to reduce its Interruptible VExitP Nomination/Renomination so that it is not in excess of the Revised Utilisable Daily Interruptible Capacity.
- 2.15.7.3 If a Shipper does not reduce its Interruptible Nomination/Renomination such that it is in excess of the Revised Utilisable Daily Interruptible Capacity then the Shipper will incur a Failure to Interrupt charge.
- 2.15.7.4 Where a Shipper's VExitP Allocation in respect of a Day exceeds its revised Booked Utilisable Capacity in respect of the Day the Shipper shall incur an Overrun Charge.

2.16 Commissioning New End User Facilities

- 2.16.1 The Gaslink Code includes provision for additional tolerance for new End User Facilities downstream of LDM Offtakes during the commissioning period of such new facilities. It is anticipated these provisions will be reflected in the CAG Code.

2.17 Plant Trip(s)

- 2.17.1 The Gaslink Code includes provision for additional tolerance in the event of a plant trip at an LDM Offtake and where the Shipper has endeavoured to Renominate to take account of the plant trip. It is expected these will be reflected in the CAG Code.

2.18 Interruptible CSEP Nominations

- 2.18.1 The Gaslink Code currently includes provisions which address Interruption at a CSEP where a Shipper submits Interruptible Nominations without having booked Interruptible Capacity.

2.18.2 These Rules will be reflected in the CAG Code. For the avoidance of doubt additional rules will be developed with respect to Interruptible Capacity (e.g. Interruptible Entry and VExitP).

2.18.3 Failure to Interrupt Charges at CSEPs

2.18.3.1 The Gaslink Code currently applies at CSEP where Interruptible Nominations are submitted without the necessity for prior Interruptible Capacity Booking. These will be included in the CAG Code. For the avoidance of doubt further rules and charges may be developed with respect to Interruptible Entry Capacity and Virtual Exit Capacity.

2.18.4 Failure to Interrupt Quantity

2.18.4.1 These provisions of the Gaslink Code currently address the Connected System Exit Points at which Interruptible Nominations are submitted without the requirement to book Interruptible Capacity.

2.19 Nominations for the Distribution Interface

2.19.1 The arrangements for Nominations at the Distribution Interface will depend on the decision with respect to the approach to Capacity.

2.19.2 If LDM/DM/NDM categories of Exit Capacity are utilised, then it is anticipated that:

- (a) The Rules as described above for Nominations in relation to each of those categories would generally apply.
- (b) Nomination advices with respect to the NDM sector would be calculated by the Distribution System Operator. PNG currently provides such advices pursuant to the PNG Code at 08:00 on D – 1; 16:00 on D – 1 and 12:00 on D and at other times as appropriate.
- (c) It is anticipated that the Transporter will communicate to Shippers the Nomination Advice as calculated by the Distribution System Operator.
- (d) Shippers offtaking gas from the Transportation System at the Distribution Interface would accept NDM Nomination Advices

and make their own LDM Nominations for the Distribution Interface along with an aggregate DM Exit Nomination in accordance with the CAG Code.

- (e) It is anticipated that Shippers following NDM Nomination Advices from the Distribution System Operator would benefit from the relief from scheduling charges in the same manner as NDM Shippers to Distribution Systems operating within the CAG Code.
- (f) If a specific CAG Capacity Product is designed for the Distribution Interface then further work will be required to define the Nomination Rules.

2.20 Nominations for Stranraer

2.20.1 The arrangements for Nominations at Stranraer will depend on the decision with respect to the approach to Capacity.

2.20.2 If LDM/DM/NDM categories of Exit Capacity are used then it is anticipated that the Rules as described above for Nominations in relation to each of these categories would apply.

2.20.3 If a dedicated Capacity Product is defined or if for example, the structure which applies at the Sub-Sea I/C Offtake pursuant to the Gaslink Code is applied, then it is anticipated that a Nomination Process would be developed and if appropriate would broadly follow that which applies at the Sub-Sea I/C Offtake.

PART 2: Allocations

3 Allocations Business Rules

3.1 Overview

3.1.1 An “Allocation” means one or more of the following:

- 3.1.1.1 an Entry Allocation (Firm or Interruptible);
- 3.1.1.2 an Exit Allocation;
- 3.1.1.3 a Supply Point Allocation;
- 3.1.1.4 an AIBP Allocation;
- 3.1.1.5 a CSEP Exit Allocation;
- 3.1.1.6 VIP Allocation;
- 3.1.1.7 Sub-Sea I/C Offtake Allocation;
- 3.1.1.8 Virtual Exit Allocation,

In respect of a Shipper on a day made in accordance with the Code. If and to the extent that new capacity products are made available, then further forms of Allocations may be required.

3.1.2 An “Entry Allocation” shall refer to the quantity of Natural Gas that is allocated to a Shipper at an Entry Point (including an Entry Point configured within a Bi-Directional Connected System Point) for a Gas Day.

3.1.3 An “Exit Allocation” shall refer to the quantity of Natural Gas that is allocated from the Transportation System to a Shipper on a Day and includes a LDM Exit Allocation (Initial or Final), a DM Exit Allocation (Initial or Final), an NDM Exit Allocation (Initial or Final), CSEP Exit Allocation, a Virtual Exit Point Allocation and an Exit Allocation at or in respect of LDM, DM and NDM offtakes for a Gas Day.

3.1.4 An “Initial Allocation” is an allocation made at 16:00 on D + 1.

3.1.5 A “Final Allocation” is an allocation made at 16:00 on D + 5.

3.1.6 A “Supply Point Allocation” is an allocation at a Supply Point in respect of Day.

3.1.7 An “AIBP Allocation” is an AIBP Buy Allocation or an AIBP Sell Allocation (i.e. a quantity of gas which a Shipper is deemed to have bought (AIBP Buy Allocation) or a quantity of gas which a Shipper is deemed to have sold (AIBP Sell Allocation).

- 3.1.8 A “CSEP Exit Allocation” is an Exit Allocation at the Connected System Exit Point.
- 3.1.9 A “VIP Allocation” is either a VIP Injection Allocation where a quantity of gas is injected into the Virtual Inventory Point or a VIP Withdrawal Allocation where a Shipper withdraws gas from the Virtual Inventory Product.
- 3.1.10 A “Sub-Sea I/C Offtake Allocation” is a quantity of gas allocated at the Sub-Sea I/C Offtake.
- 3.1.11 A “Virtual Reverse Flow Allocation” is an Exit Allocation at a Virtual Reverse Flow Exit Point.
- 3.1.12 An “Interruptible Allocation” will either be Interruptible Entry or Interruptible Virtual Exit Allocations as the case may be.
- 3.1.13 An “Allocable Quantity” is the term which describes the positive quantity of Natural Gas available for allocation to Shippers at an Entry Point (other than at an Entry Point configured within a Bi-Directional CSP). This is effectively the quantity metered as delivered at the Entry Point adjusted to exclude any non-compliant gas delivered at the Entry Point on the Day and also adjusted to take account of any applicable Operational Balancing Agreement at the Entry Point.
- 3.1.14 A “Net Metered Quantity Entry” is a quantity at a Bi-Directional CSP on a Day representing the excess of the quantity of Natural Gas metered as delivered at an Entry Point over the quantity of natural gas metered as offtaken (which may be zero) at that Point on the day and which may be quantities notified pursuant to any applicable CSA.
- 3.1.15 A “Net Metered Quantity Exit” shall mean in respect of a Bi-Directional CSP the quantity notified as such to the Transporter pursuant to any applicable CSA or the excess of the quantity metered as offtaken at the Connected System Exit Point over the quantity metered as delivered (which may be zero) at the Entry Point on that day and which may be quantities notified pursuant to any applicable CSA.
- 3.1.16 A “Virtual Allocation Quantity Entry” shall mean in respect of Bi-Directional CSP on a day in which there is a Net Metered Quantity Exit the quantity notified as such to the Transporter pursuant to any Bi-Directional CSP Procedures or the applicable EODQ in respect of the day or the quantity nominated or delivered to the System at the Bi-Directional CSP pursuant to any applicable CSA.
- 3.1.17 A “Virtual Allocation Quantity Exit” shall mean in respect of a Bi-Directional

CSP on a day on which there is a Net Metered Quantity Entry a quantity notified as such to the Transporter pursuant to any applicable procedures or the aggregate of the nominated quantities of all Valid CSEP Exit Nominations at the CSEP on that day.

3.1.18 A “Zero Flow Day” shall mean a day on which the Net Metered Quantity Entry is equal to the Net Metered Quantity Exit including a day upon which there has been no gas metered as delivered to or offtaken from the Transmission System at the Bi-Directional CSP.

3.1.19 It should be noted that Business Rules are currently under development with respect to the Virtual Exit Point for the purpose of the Code drafting. Some of these definitions may be reconciled to come within the existing definitions associated with Bi-Directional CSP however; the concepts will be as reflected in these Business Rules.

3.1.20 Allocations shall form the basis of determining, inter alia, the following:

- (a) Transportation commodity charges for the Transmission System;
- (b) Transportation commodity charges for the Distribution System;
- (c) Capacity Overrun charges;
- (d) Supply Point Overrun charges;
- (e) Imbalance charges;
- (f) Scheduling charges; and
- (g) Transmission Shrinkage charges.

3.1.21 The Transporter will carry out Allocations for each Shipper in respect of its deliveries to and offtakes from the Transportation System⁶. Allocations will also be made in respect of transactions at the AIBP.

3.1.22 The total Entry Allocation shall be equal to the Allocable Quantity in respect of

⁶ Where an Allocation Agent is in place then the Transporter will only make Allocations under the default arrangements.

an Entry Point other than an Entry Point configured within a Bi-Directional CSP where the total Entry Allocation shall be in accordance with 3.14. It is anticipated that the process at an Entry Point which is also a Virtual Exit Point will reflect the process at a Bi-Directional CSP and where the Net Metered Quantity Exit will always be zero.

3.1.23 Exit Allocations shall include:

- a) Individual LDM Allocations to each Registered Shipper at a LDM Offtake where the total of the Allocations to all Shippers at that LDM Offtake shall be equal to the total quantity of gas as metered at the LDM Offtakes;
- b) Aggregate DM Allocations where the allocation for each Shipper shall be equal to the sum of the metered gas offtaken at all DM Offtakes at which the Shipper is registered for the Gas Day; a Shipper shall receive a separate DM Exit Allocation for each Offtake Zone and
- c) Aggregate NDM Exit Allocations where the allocation for each Shipper shall be equal to the sum of all gas deemed to be offtaken at NDM offtakes at which the Shipper is registered for the Gas Day, in accordance with the methodology set out in section 3.4.4.3. A Shipper shall receive a separate NDM Exit Allocation with respect to each Offtake Zone.

3.1.24 Allocations at Entry Points and Offtakes will be made separately and independently of each other.

3.1.25 Shippers shall be required to update any After the Day Trades in the event of any Revised Allocations.

3.1.26 Shippers will receive separate Entry Allocations for Natural Gas flowed pursuant to standard service Entry Capacity, Back-up Capacity and Interruptible Capacity bookings.

3.2 Transporter Default Entry Allocations

The following provisions shall apply with respect to an Entry Point (other than an Entry Point configured within a Bi-Directional CSP).

3.2.1 Where an Entry Point Allocation Agent is in place then it shall provide Entry Allocations. Where there is no Entry Point Allocation Agent in place or no Entry Allocation is provided within the timescales outlined then the Transporter shall apply the following default rules.

3.2.2 By 16:00 on the day following the Gas Day (D+1), the Transporter shall allocate the total Allocable Quantity at an Entry Point pro rata to all Shippers Gas Nominations at the Entry Point on the Gas Day. This shall be the "Initial Entry Allocation".

3.2.3 The total Allocable Quantity at each Entry Point on a Gas Day, will be allocated among Shippers in proportion to their final Entry Nominations made for that Gas Day according to the following formula:

$$SQ = Q * SNQ/ANQ$$

where:-

SQ	=	The quantity allocated to the Shipper at the Entry Point.
Q	=	The Allocable Quantity in respect of the Entry Point in respect of the Day.
SNQ	=	The individual Shipper's final Nomination at the Entry Point for the Gas Day.
ANQ	=	The aggregate of all the Shippers' final Nominations at the Entry Point for the Gas Day.

3.2.4 During the period between 16.00 D+1 and 16.00 D+4, the Transporter may, where required, adjust the Initial Entry Allocation.

3.2.5 During the period between 16.00 D+1 and 16.00 D+4, Shippers may agree on a different Entry Allocation from the Initial Entry Allocation, as between themselves, of their aggregate allocated quantity of Natural Gas for D. Such agreed Entry Allocation shall be notified in writing to the Transporter by all

affected Shippers and shall be accepted by Transporter subject to the Transporter being satisfied that the total amount of Natural Gas to be allocated in respect of Gas Day D is equal to the Allocable Quantity.

3.2.6 If the Transporter accepts a Final Entry Allocation which is different from the Initial Entry Allocation, the Transporter will not have any liability in respect of such Entry Allocation.

3.2.7 If the Transporter rejects a Final Entry Allocation which is different from the Initial Entry Allocation, the Transporter will not have any liability in respect of such Entry Allocation and the Initial Entry Allocation will stand.

3.2.8 A Shipper may submit an "Initial Entry Allocation Adjustment Request" between 16:00 D+1 and 16:00 D+4 if the Shipper believes that the Initial Entry Allocation requires adjustment. The Initial Entry Allocation Adjustment Request must contain inter alia, the following:

- a) the identity of the Shipper;
- b) the Entry Point subject to the Initial Entry Allocation Adjustment Request;
- c) the Gas Day on which the Shipper believes that the Initial Entry Allocation Adjustment Request is based; and
- d) the nature of the Initial Entry Allocation Adjustment Request.

3.2.9 The Transporter may reject the Initial Entry Allocation Adjustment Request if it is not submitted in accordance with 3.2.8, or with any other published requirements

3.2.10 Where the Transporter determines that the Initial Entry Allocation Adjustment Request is valid, the initial allocation will be reviewed and where it is found that an adjustment to the Initial Entry Allocation is required, this adjustment will be made: the "Revised Entry Allocation".

- 3.2.11 Where the Transporter does not agree with the Initial Entry Allocation Adjustment Request no amendment will be made to the Initial Entry Allocation.
- 3.2.12 The Transporter will not accept any Initial Entry Allocation Adjustment Requests from Shippers after 16:00 on D+4.
- 3.2.13 The Initial Entry Allocation shall become a “Final Entry Allocation” at 16:00 on D + 5.
- 3.2.14 The Final Entry Allocation will take into account any Revised Entry Allocations along with any Initial Entry Allocation adjustments made by the Transporter.
- 3.2.15 The Final Entry Allocation shall be used for the purposes that are set out in 3.1.20.

3.3 **Entry Point Allocation Agents**

- 3.3.1 The Transporter will accept an Entry Allocation from an Entry Point Allocation Agent appointed by all Shippers at an Entry Point, and accepted by the Transporter, in accordance with the Code of Operations.
- 3.3.2 An Entry Point Allocation Agent shall be obliged to comply with the provisions of the appointment of the Agent.
- 3.3.3 The Transporter must be notified in writing of Allocations submitted by an Entry Point Allocation Agent including inter alia, the following:
 - a) the Gas Day;
 - b) the Entry Point;
 - c) the Shippers affected;
 - d) the Entry Allocation for each Shipper; and
 - e) the identity of the Entry Point Allocation Agent.
- 3.3.4 The Initial Entry Allocations must be received from an Entry Allocation Agent by 16:00 on D+1:
- 3.3.5 A revision to the Entry Allocation from an Entry Allocation Agent can be submitted to the Transporter between 16:00 D+1 and 16:00 D+4.
- 3.3.6 The total quantity of Natural Gas to be allocated for Gas Day D under the Initial

and Revised Entry Allocations must be equal to the Allocable Quantity.

3.3.7 The Transporter may reject an Entry Allocation from an Entry Point Allocation Agent if it is not submitted in accordance with the requirements outlined in 3.2.15.

3.3.8 The Transporter will not accept any Revised Entry Allocations from Entry Point Allocation Agents after 16:00 on D+4.

3.3.9 Where either an Entry Allocation from an Entry Point Allocation Agent is rejected, or where no valid Entry Allocation is received from an Entry Point Allocation Agent, the default Entry Allocation that will apply will be that as determined by the Transporter in accordance with section 3.2.

3.3.10 Queries with respect to Allocations made by an Entry Point Allocation Agent are between the relevant Shippers and Entry Point Allocation Agents, and are to be made directly to the relevant Entry Point Allocation Agent.

3.3.11 The Transporter shall not be liable in respect of any consequences arising from the acceptance or rejection by the Transporter of an Allocation from an Entry Point Allocation Agent.

3.4 **Exit Allocations**

3.4.1 The following “Exit Allocations” shall be made for each Shipper by the Transporter by 16:00 on D+1:

- a) “LDM Exit Allocation” A Shipper shall receive an LDM Exit Allocation in respect of each LDM Offtake at which it is a Registered Shipper;
- b) “DM Exit Allocation” A Shipper shall receive a single aggregate DM Exit Allocation in respect of each Offtake Zone;
- c) “NDM Exit Allocation” A Shipper shall receive a separate NDM Exit Allocation in respect of each Offtake Zone .
- d) Sub-Sea I/C Offtake Allocation;
- e) VExitP Allocation

f) Bi-Directional CSP Allocations.

Each of these shall be the “Initial Exit Allocation”

3.4.2 LDM Exit Allocations

3.4.2.1 If there is a single Shipper registered as supplying all the Natural Gas to an LDM Exit Point or LDM Supply Point, all Natural Gas metered shall be allocated to that Shipper.

3.4.2.2 If there is more than one Shipper at an LDM Exit Point (a “Multiple Shipper LDM Exit Point”) or LDM Supply Point (a “Multiple Shipper LDM Supply Point”) all Natural Gas metered shall be allocated to the Shippers according to the following formula:

$$SQ = Q * SNQ/ANQ$$

where:

SQ = The quantity allocated to a Shipper at the LDM offtake.

Q = The aggregate metered quantity on a Gas Day.

SNQ = The individual Shipper’s confirmed Nomination for the Gas Day.

ANQ = The aggregate of all the Registered Shippers' confirmed Nominations for the Gas Day.

3.4.2.3 All Shippers offtaking from the Multiple Shipper LDM Exit Point and/or Supply Point and the Transporter may agree to make allocations in a different manner to that set out in Section 9.3.2.2 provided that any additional administrative costs incurred by the Transporter associated with implementing such alternative arrangements shall be for the account of such Shippers, and the Transporter shall have no liability in respect of, or arising out of, such Exit Allocations.

3.4.3 DM Exit Allocation

- 3.4.3.1 DM Exit Allocations shall be made in aggregate for each Shipper separately in each Offtake Zone.
- 3.4.3.2 The aggregate DM Exit Allocation for a Shipper on a Gas Day shall be equal to the sum of the actual metered consumptions for each of the DM offtakes in the relevant Exit Zone at which the Shipper is the Registered Shipper on the Gas Day.
- 3.4.3.3 Where a valid meter read is unavailable at a DM Offtake on a Gas Day, the Shipper will be allocated:
 - a) in the case of a Business Day, the quantity of Natural Gas offtaken on the preceding Business Day for which a valid meter read is available; and
 - b) in the case of a Non-Business Day, the quantity of Natural Gas offtaken on the preceding Non-Business Day for which a valid meter read is available.
- 3.4.3.4 Where a valid meter read is unavailable for more than 5 consecutive days, the Transporter will reasonably determine the most appropriate Allocation methodology or allocation as the case may be and inform the Shipper within 2 days.

3.4.4 NDM Exit Allocation

- 3.4.4.1 NDM Exit Allocations shall be made in aggregate for each Shipper and separately in respect of each Exit Zone.
- 3.4.4.2 The aggregate NDM consumption for a Gas Day (D), is derived as follows:
 - a) The total consumption downstream of the City Gate is calculated following receipt of City Gate meter reads by 08:00 on D+1;
 - b) The LDM and DM consumptions are calculated following receipt of LDM and DM meter reads by 08:30 on D+1;

- c) Distribution System consumption is calculated as being equal to the City Gate meter consumption less the Transmission Connected LDM and DM consumptions that are downstream of the City Gate meters⁷; and
- d) Distribution System Shrinkage is calculated by applying the Shrinkage Factor to the Distribution System consumption.

3.4.4.3 The aggregate NDM Exit Allocation in respect of each Exit Zone for all Shippers shall be calculated by the Transporter and determined by the following formula:

$$\text{NDM} = \text{CG} - (\text{DS} + \text{LDM} + \text{DM})$$

Where:

CG = Consumption metered at the City Gate

DS = Distribution System Shrinkage (Reference Section 3.4.4.2))

LDM = LDM consumption downstream of City Gate meters (both Transmission and Distribution connected)

DM = DM consumption downstream of City Gate meters (both Transmission and Distribution connected)

The aggregate NDM Exit Allocation at the Distribution Interface will be subject to the relevant arrangements at the Distribution Interface.

3.4.4.4 The aggregate daily NDM Exit Allocation quantity determined above shall be apportioned between Shippers by the Transporter in accordance with the Forecasting Allocation and Reconciliation Procedures (published by the TSOs).

3.4.4.5 The NDM Apportionment process may be outlined in a procedure published by the TSOs pursuant to the CAG Code and will involve:

- a) calculating the aggregate NDM Exit Allocation as per section 3.4.4.3;

⁷ Metering by difference: Distribution System Consumption = City Gate Meter Read – the sum of all Transmission connected DM and LDM Meter Reads downstream of the City Gate Meter.

- b) calculating the bottom up estimates of the NDM demand for each Gas Point with reference to the Actual adjusted Weighted Degree-Day (AWDD) and the total A⁸ and total B for each Shipper's NDM portfolio on Day D as recorded on the Gas Point Register at day D: ($D = A + B \cdot AWDD$);
- c) scaling the bottom up estimates of demand, so that in total they match the NDM Exit Allocation as calculated in section 3.4.4.3. This scaling process produces the NDM Allocations for each Gas Point.

3.4.4.6 The output of the NDM Allocation process is an aggregate Allocation (in kWh) for each Shipper's NDM portfolio, broken down to Gas Point level, giving the allocations for individual Gas Points. These estimates are reconciled to NDM Gas Point meter readings in the reconciliation process.

3.4.4.7 NDM Supply Point Allocations will be based on the Gas Point Allocations and the configuration of the Supply Points as per the Gas Point Register.

3.4.4.8 Initial NDM Exit Allocations will be calculated by 16:00 on D+1. Final NDM Exit Allocations will be calculated by 16:00 on D+5.

3.4.4.9 A Shipper may contact the Transporter and submit an "Initial Exit Allocation Query" between 16:00 D+1 and 16:00 D+4 if the Shipper believes that the Initial Exit Allocation requires adjustment. The Initial Exit Allocation Query must include inter alia, the following:

- a) the identity of the Shipper;
- b) the Exit Allocation subject to the Initial Exit Allocation Query;
- c) the Gas Day that the Initial Exit Allocation Query relates to; and
- d) the nature of the Initial Exit Allocation Query.

⁸ The A and B parameters are used to model the demand characteristics at each NDM gas point. The values of A and B are determined by solving a pair of simultaneous equations: 1. $AQ = A \cdot 365 + B \cdot \text{total degree-days in an average year}$; 2. $\text{Peak Load} = A + B \cdot DD_{\text{peak}}$, where AQ is Annual Quantity, and DD_{peak} is the degree-day value corresponding to the design peak condition

- 3.4.4.10 The Transporter may reject the Initial Exit Allocation Query if it is not submitted in accordance with 3.4.4.9, or any other published requirements.
- 3.4.4.11 Where the Transporter determines that the Initial Exit Allocation Query is valid, the Initial Exit Allocation will be reviewed, and where required, an adjustment will be made: the “Exit Reallocation”.
- 3.4.4.12 Where the Transporter does not agree with the Initial Exit Allocation Query, no amendment will be made to the Initial Allocation.
- 3.4.4.13 The Transporter will not accept any Initial Exit Allocation Queries from Shippers after 16:00 on D+4.
- 3.4.4.14 The Initial Exit Allocation shall become a “Final Allocation” at 16:00 on D+5 taking account of any Revised Exit Allocations and any Initial Exit Allocation adjustments made by the Transporter.
- 3.4.4.15 The Final Exit Allocation shall be used for the purposes that are set out in 3.1.20.

3.5 Supply Point Allocations

These will be made for Distribution Systems operating within the CAG Code.

- 3.5.1 NDM Supply Point Allocations shall be calculated in accordance with Section 3.4.4.
- 3.5.2 DM Supply Point Allocations shall be equal to DM Exit Allocations and shall be calculated in accordance with Section 3.4.3.

3.6 AIBP Allocations

- 3.6.1 AIBP Sell Allocations will be equal to valid and accepted AIBP Sell Nominations.
- 3.6.2 AIBP Buy Allocations will be equal to valid and accepted AIBP Buy Nominations.
- 3.6.3 AIBP Allocations will be issued by 16:00 on D+1. These will be the AIBP Final Allocations and may not be adjusted.

3.6.4

3.7 **VIP Allocations**

3.7.1 “VIP Allocation” shall include VIP Injection Allocations and VIP Withdrawal Allocations.

3.8 **VIP Injection Allocation**

3.8.1 A Shipper’s VIP Injection Allocation shall be equal to the Shipper’s Valid VIP Injection Nomination or Valid VIP Injection Renomination in respect of the Day.

3.9 **VIP Withdrawal Allocation**

3.9.1 A “Shipper’s VIP Withdrawal Allocation” shall be the Nominated Quantity and the Shipper’s Valid VIP Withdrawal Nomination or Valid VIP Withdrawal Renomination in respect of the Day.

3.10 **Sub-Sea I/C Offtake Allocation**

3.10.1 Where only one Shipper is registered at the Sub-Sea I/C Offtake on a Day the Metered Quantity of gas determined as having been offtaken in accordance with the Code on the day at the Sub-Sea I/C Offtake will be allocated to that Shipper for that Day.

3.10.2 If there is more than one Shipper registered at the Sub-Sea I/C Offtake then the Aggregated Metered Quantity of gas determined as having been offtaken shall be allocated by the Transporter to the Shippers registered at the Sub-Sea I/C Offtake pro rata to the Shipper’s Valid Nominations or Valid Renominations as the case may be subject to any procedure which may have been proposed by the Shippers registered at that Offtake and accepted by the Transporter.

3.11 **Virtual Reverse Flow Allocation**

3.11.1 Where an Agent has been properly appointed to undertake Entry Allocations and/or VExitP Allocations the Transporter shall accept Entry Allocations and VExitP Allocations from the Agent provided those allocations comply with the Code and where the difference between the Forward Flow Allocations and

the Reverse Flow Allocations on a Day is a positive forward flow number which is equal to the metered delivered quantity at the Entry Point in respect of that Day.

- 3.11.2 Where the Agent does not provide VExitP Allocations or where the Transporter rejects those allocations, VExitP Allocations will be made 'whole' with respect to the VExitP, such that a Shipper's VExitP Allocation shall be equal to such Shippers final Valid Interruptible VExitP Nomination (or final Valid Interruptible VExitP Renomination as the case may be) on the Gas Day save and except for a day on which Interruption has taken place.
- 3.11.3 Details of the Allocation Procedure and calculation of overrun charges on a day of interruption will be addressed in the Business Rules consultation published by Gaslink for the development of Virtual Reverse Flow. Interested parties are invited to respond to that consultation.
- 3.11.4 For the avoidance of doubt, VExitP Allocations will be Final VExitP Allocations and may not be adjusted. VExitP Allocations shall be made available by the Transporter by 16:00 hours on D+1.

3.12 Interruptible Entry Allocation

- 3.12.1 Where a Shipper has made an Interruptible Entry Nomination and/or an Interruptible Entry Renomination at an Entry Point then the Shipper shall have an "Interruptible Entry Allocation" determined in accordance with section 3.13.2.
- 3.12.2 At each Entry Point an Allocated Entry Quantity shall be determined per shipper and this Allocated Entry Quantity shall be further split between Firm Entry Allocations and Interruptible Entry Allocations at a Shipper level in accordance with sections 3.13.3 and 3.13.4.
- 3.12.3 At an Entry Point, where Shippers have appointed an Allocation Agent then the Allocated Entry Quantity of gas allocated to an individual Shipper shall be determined by the Agent and shall then be split according to Firm and Interruptible Allocations in accordance with the process set out in section 3.13.5.
- 3.12.4 Where there is no Agent in place at an Entry Point, then the Transporter shall apply default allocation rules that will allocate the Allocable Quantity to

Shippers based on a pro rata calculation relative to the aggregate of the Shipper's Firm and Interruptible Nominations according to the following formula:

$$SQ = Q * (SNQ/EODQ)$$

Where:

SQ = the quantity of Natural Gas (in kWh/day) allocated to an individual shipper at the Entry Point on the Day (Allocated Entry Quantity)

Q = the Allocable Quantity

SNQ = the aggregate of the Shipper's final valid Firm Entry Nomination/Renomination and Interruptible Entry Nomination/Renomination at the relevant Entry Point

EODQ = the End of Day Quantity (aggregate of all Shipper's Firm and Interruptible Entry Nominations) in respect of the Entry Point on the Day.

- 3.12.5 The Allocated Entry Quantity for each Shipper as determined either by the Agent or the Transporter shall be split between Firm and Interruptible Entry Allocations as follows:
- 3.12.6 Where the Shipper has made both Firm and Interruptible Entry Nominations, the Allocated Entry Quantity shall be allocated first against Firm Entry Nominations (i.e. kept whole if sufficient gas to allocate) with the remainder (if any) being allocated against Interruptible Entry Nominations.
- 3.12.7 Where there is no Firm Entry Nomination made by the Shipper on the Day then the Interruptible Entry Allocation shall be equal to the Shipper's Allocated Entry Quantity. The Firm Entry Allocation shall be zero.
- 3.12.8 Where there is no Interruptible Entry Nomination made by the Shipper on the Day then the Firm Entry Allocation shall be equal to the Shipper's Allocated Entry Quantity. The Interruptible Entry Allocation shall be zero.

3.13 **Bi-Directional CSP Allocation**

- 3.13.1 Allocations at an Entry Point and Connected System Exit Point configured within a Bi-Directional CSP shall be made in accordance with the following Rules:
- 3.13.2 The Transporter may accept Entry Allocations and CSP Exit Allocations made by an Agent (a Bi-Directional CSP Agent) appointed in accordance with the CAG Code;
- 3.13.3 Where a Bi-Directional CSP Agent has been appointed the Transporter shall accept Allocations at the Bi-Directional CSP submitted by the Bi-Directional CSP Agent. Such Allocations shall comply with the Code; and
- 3.13.4 If a Bi-Directional CSP Agent has not been appointed or where a Bi-Directional CSP Agent has been appointed but where the Agent fails to submit appropriate Allocations in accordance with the Code then the Allocations shall be determined by the Transporter.
- 3.13.5 Where the Agent has been appointed to make Allocations on behalf of Registered Shippers at the Entry Point and the Connected System Exit Point Shippers shall procure that the Agent complies with the provisions of the Code with respect to Allocations.
- 3.13.6 The Bi-Directional CSP Agent on behalf of the Shippers shall specify required information to the Transporter to enable the Transporter to process the Entry Allocations and the CSEP Exit Allocations, including:
 - 3.13.6.1 The day that the Allocations relate to;
 - 3.13.6.2 The Bi-Directional CSP in respect of which the Allocation relates.
 - 3.13.6.3 The quantity of gas in kWh allocated to each Shipper at the relevant Entry Point.
 - 3.13.6.4 The quantity of natural gas allocated to each Shipper at the Connected System Exit Point.
 - 3.13.6.5 The identity of the Registered Shippers and the identity of the Agent.
- 3.13.7 The Agent shall ensure that the difference between the total quantities of gas

to be allocated in respect of Day at the Entry Point and the total quantity of natural gas to be allocated in respect of the Day at the Connected System Exit Point remains or is equal to the Net Metered Quantity (Entry) or the Net Metered Quantity (Exit) as the case may be.

3.13.8 A Bi-Directional CSP Agent may submit Reallocations to the Transporter after 16:00 on D + 1 and up to 16:00 on D + 4. Final Allocations will be published at 16:00 on D + 5.

3.13.9 Where Allocations are submitted by an Agent the Transporter shall have no responsibility with respect to those Allocations.

3.14 Allocations at Bi-Directional CSP by the Transporter

3.14.1 Where the Transporter is required to make Entry Allocations and Bi-Directional CSP Allocations will do so in accordance with the formulae as outlined in the Gaslink Code. A copy of the relevant extracts from the Gaslink Code is included as Annex 1 to these Business Rules.

3.15 Allocations for the Distribution Interface

3.15.1 In arrangements for allocation at the Distribution Interface will depend on the determination of the approach to Capacity and Nominations.

3.15.2 If LDM, DM and NDM categories of Exit Capacity and associated Nomination processes are used then it is anticipated that the Rules as described above for Allocations in respect of each of these categories would generally apply.

3.15.3 The total NDM, DM and LDM Allocations at the Distribution Interface would be required to equate to aggregate quantity metered as offtaken from the Transmission System at the Distribution Interface.

3.15.4 DM and LDM Allocations would be in accordance with the relevant metered quantities.

3.15.5 It is anticipated that the Distribution System Operator would determine the NDM Exit Allocations for the Shippers and submit them to the Transporter. The Transporter would notify the Allocations as received from the Distribution System Operator to Shippers.

3.15.6 If a specific capacity product is designed for the purpose of the Distribution Interface then further work will be required to define the Allocation Rules.

3.16 Allocations for Stranraer

3.16.1 The arrangements for Allocations at Stranraer will depend on the determination of the approach to Capacity.

3.16.2 If LDM, DM and NDM categories of Exit Capacity are utilised then it is anticipated that the Rules as described above for Allocations in relation to each of these categories would apply.

3.16.3 If a dedicated Capacity Product is defined or if for example, the structure which applies at the Sub-Sea I/C Offtake pursuant to the Gaslink Code is applied, then it is anticipated that an Allocation Process would be developed and if developed would broadly follow that which applies at the Sub-Sea I/C Offtake.

ANNEX 1

Extract from Gaslink Code of Operations – Part D, Section 2.14

2.14 Allocations at a Bi-Directional CSP by the Transporter

2.14.1 Where the Transporter is required to make an Initial Entry Allocation(s) and an Initial Exit Allocation(s) in accordance with Section 2.12.3 it shall make such Allocation in accordance with the following formulae:

- (a) On a Day in respect of which there is a Net Metered Quantity (Entry) a Shipper's Initial Entry Allocation shall be calculated in accordance with the following formulae:

$$SQ = Q \times (SNQ/EODQ)$$

where:

SQ = the quantity of Natural Gas (expressed in kWh) allocated to an individual Shipper at the Entry Point on the Day;

Q = the Net Metered Quantity (Entry) plus the Virtual Allocation Quantity (Exit);

SNQ = the individual Shipper's Valid Entry Nomination or Valid Entry Renomination on the Day in respect of the Entry Point; and

EODQ = the End of Day Quantity in respect of the Entry Point;

and the Shipper's Initial CSEP Exit Allocation in respect of that Day shall be equal to the Shipper's Valid CSEP Exit Nomination or Valid CSEP Exit Renomination for the Day as the case may be.

- (b) On a Day where there is a Net Metered Quantity (Exit) then a Shipper's Initial Entry Allocation shall for that Day: be equal to the Shipper's Valid Entry Nomination or Valid Renomination (as the case may be); and

the Shipper's Initial CSEP Exit Allocation shall be calculated in accordance with the following formula:

$$SQ = Q \times (SNQ/AGG_{nex})$$

where

SQ = the Shipper's Initial CSEP Exit Allocation;

Q = the Net Metered Quantity (Exit) plus the Virtual Allocation Quantity (Entry);

SNQ = the Shipper's Valid CSEP Exit Nomination or Valid CSEP Exit Renomination in respect of the Day;

and

AGG_{nex} = the aggregate of all Shippers' Valid CSEP Exit Nominations or Valid CSEP Exit Renominations at the Connected System Exit Point on the Day.

(c) On a Zero Flow Day a Shipper's Initial Entry Allocation and a Shipper's Initial CSEP Exit Allocation shall be calculated as follows:

(1) where no Valid Nominations (other than deemed zero Nominations) have been received by the Transporter at the Entry Point and at the CSEP configured within the Bi-Directional CSP all Allocations shall be zero;

(2) where the aggregate of the Nominated Quantities in respect of the Entry Point is equal to the aggregate of the Nominated Quantities at the CSEP configured within the Bi-Directional CSP the Shipper's Entry Allocation shall be equal to the Shipper's Valid Entry Nomination or Valid Entry Renomination and the Shipper's CSEP Exit Allocation shall be equal to the Shipper's Valid CSEP Exit Nomination or Valid CSEP Exit Renomination; and

(3) in all other circumstances the Shipper's Initial CSEP Exit Allocation and Shipper's Initial Entry Allocation shall be calculated as follows:

$$SQ = Q \times SNQ / AGG_{nom}$$

where:

SQ = a Quantity of Natural Gas (expressed in kWh) allocated to an individual Shipper at the Entry Point or the Connected System Exit Point (as the case may be) on the Day;

Q = the lesser of the EODQ or the aggregate of the Nominated Quantities in all Valid CSEP Exit Nominations or Valid CSEP Exit Renominations at the Connected System Exit Point on the Day;

SNQ = the individual Shipper's Valid Entry Nomination, Valid Entry Renomination or Valid CSEP Exit Nomination or Valid CSEP Exit Renomination (as the case may be) and

AGG_{nom} = in the case of calculation of Entry Allocations mean the EODQ and in the case of calculation of CSEP Exit Allocation the aggregate of all Shippers' Valid CSEP Exit Nominations or Valid CSEP Exit Renominations (as the case may be).

The Transporter shall notify each Shipper of such Shipper's Initial Entry Allocation(s) and such Shipper's Initial CSEP Exit Allocation in respect of the Entry Point or the CSEP Exit Point within the Bi-Directional Connected System Exit Point at which the Shipper is registered by 16:00 hours on D + 1, or where the Transporter is required to make such Allocations in accordance with Section 2.12.3(b) by the later of 16:00 hours on D + 1 or two hours after receipt of the Initial Allocations from the Bi-Directional CSP Agent.

2.14.2 During the period between 16:00 hours on D + 1 and 16:00 hours on D + 4 the Transporter may, including following acceptance by the Transporter of an Initial CSP Allocation Adjustment Request or adjustment by the Transporter of the Net

Metered Quantity (Entry) or Net Metered Quantity (Exit) (as the case may be) adjust the Initial Entry Allocation and/or the Initial CSEP Exit Allocation for a Shipper by making an Entry Reallocation or a CSEP Exit Reallocation as the case may be.

2.14.3 Where the Transporter has made Initial Entry Allocations and/or Connected System Exit Allocations in respect of a Bi-Directional CSP, Shippers at the Entry Point and Shippers at the CSEP may during the period between 16:00 hours on D + 1 and 16:00 hours on D + 4 agree on a different allocation between themselves at such Entry Point or Connected System Exit Point to the Initial Entry Allocations or the Initial CSEP Exit Allocations made by the Transporter. Such agreed Entry Allocations or CSEP Exit Allocation shall be notified in writing to the Transporter by all affected Shippers by 16:00 on D + 4 and shall be accepted by the Transporter subject to the Transporter being satisfied that:

- (a) the difference between the aggregate quantity of Natural Gas allocated on such Day in respect of the Entry Point and the Connected System Exit Point is equal to the Net Metered Quantity (Entry) or Net Metered Quantity (Exit) as the case may be; and
- (b) on a Zero Flow Day there is no change in the aggregate Allocations at the Entry Point and the aggregate Allocations at the Connected System Exit Point.

2.14.4 Where the Transporter has made the Initial Entry Allocation and/or an Initial CSEP Exit Allocation at a Bi-Directional CSP, a Shipper may submit a request to the Transporter between 16:00 on D + 1 and 16:00 hours on D + 4 to adjust the Initial Entry Allocation and the Initial CSEP Exit Allocation (an "Initial CSP Allocation Adjustment Request"). The Initial CSP Allocation Adjustment Request shall specify the information necessary to enable the Transporter to process the request including:

- (a) the identity of the Shipper;
- (b) the Entry Point or the Connected System Exit Point subject to the Initial CSP Allocation Adjustment Request;
- (c) the Day that the Initial CSP Allocation Adjustment Request relates to; and
- (d) the quantity of the requested readjustment and the reason for the adjustment.

2.14.5 The Transporter shall reject the Initial CSP Allocation Adjustment Request if it is not submitted in accordance with Section 2.14.4.

2.14.6 Where the Transporter accepts that an adjustment to the Initial Entry Allocation or Initial CSEP Exit Allocation is required, it shall make an Entry Reallocation or a CSEP Exit Reallocation (as the case may be) by adjusting the relevant Initial Allocation in

accordance with the adjustment requested in the Initial CSP Allocation Adjustment Request or as otherwise determined by the Transporter. The Entry Reallocation or CSEP Exit Reallocation (as the case may be) shall supercede the previous Entry Allocation or CSEP Exit Allocation (as the case may be).

- 2.14.7 Where the Transporter does not accept the adjustment specified in the Initial CSP Allocation Adjustment Requested the Transporter shall not adjust the Allocation on that basis and shall provide to the Shipper submitting the Initial CSP Allocation Adjustment Request the reasons for the non-acceptance thereof.
- 2.14.8 The Transporter shall reject any Initial CSP Allocation Adjustment Request received by the Transporter after 16:00 hours on D + 4.
- 2.14.9 Where on a Day a Shipper has Valid Nominations for both Entry Capacity and Back-Up Entry Capacity at a Bi-Directional CSP the Allocations as between the two types of capacity at such Entry Point in respect of the same Day shall not be revised pursuant to an Initial CSP Allocation Adjustment Request save where an error has been made in respect of such Allocations.
- 2.14.10 The Transporter may make an Entry Reallocation or a CSEP Exit Reallocation to a Shipper where an adjustment is necessary (including as a result of a revision to the Net Metered Quantity (Entry) or the Net Metered Quantity (Exit) in respect of a Day) in respect of any previous Entry Allocation or CSEP Exit Allocation.
- 2.14.11 The Transporter shall make available to Shippers an Entry Reallocation or a CSEP Exit Reallocation made pursuant to Sections 2.14.6 or 2.14.10 prior to 16:00 hours on D + 4.

