Response to

Introduction of South North Entry Point to BGE (NI) Network (Business Rules)

30 April 2012

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<u>General</u>

Airtricity welcomes the fact of an underlying principle to guide the proposed introduction of the South North Entry Point to the BGE (NI) network. With the overarching tenet that processes existing in the BGE (NI) Code will be retained and only modified insofar as is necessary to accommodate the introduction of multiple contract paths, changes required to facilitate introduction of the entry point ought to be minimal and tightly-focused on satisfying the infringement conditions.

For example, we welcome whereby rather than author a new process, the proposed business rule is to amend the existing Exit Point registration process to accommodate the requirement on shippers to specify each Contract Path along which they intend to transport gas.

<u>Business Rules</u>

The business rules proposed for registration, firm capacity, nominations, allocations and capacity reduction and emergencies in general appear consistent with the principle outlined for introducing the South North entry point to the BGE (NI) network. However we observe what we believe to be an incorrect treatment in one of the rules for allocation.
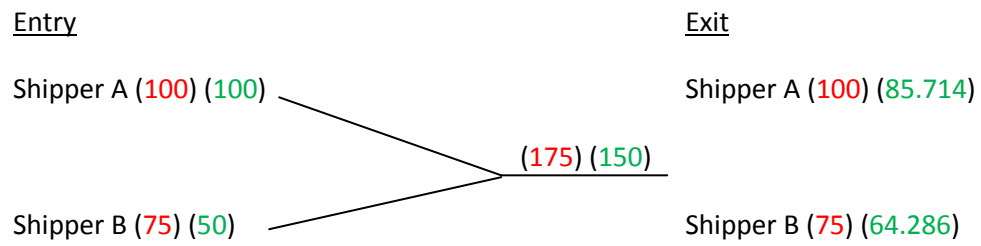
<u>Treatment of Exit Allocations</u>

Section 6.5 proposes that '**Exit Allocations with respect to a particular Contract Path will be made pro rata to Nominations, based on metered quantities at that Exit Point'**. This mirrors the proposed treatment of Entry Allocations at the South North Entry Point outlined in section 6.4.

We agree with the proposed treatment of Entry Allocation at the South North Entry Point. **We however believe that the proposed pro rata treatment of Exit Allocations on the basis of metered quantities at a relevant Exit Point is incorrect.** With the prevailing single Entry Point into the NI network, this would be a correct treatment as the state of every Exit Point on the network is directly related to the state at that single Entry Point.
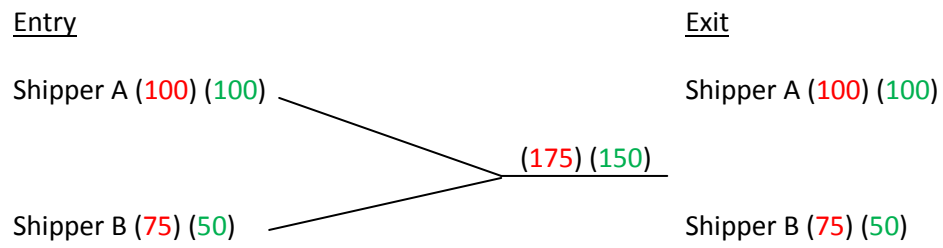
With multiple Entry Points however, the state of each Exit Point would now be dependent on the state of two independent Entry Points. Hence Exit Allocations cannot be just dependent on the metered quantities at relevant Exit Points, but must also take into account the metered and nominated quantities at the Entry Points.

To illustrate (next page):

Under the proposed rule

Entry   Exit

Shipper A (100) (100)   Shipper A (100) (85.714)

(175) (150)

Shipper B (75) (50)   Shipper B (75) (64.286)

Correct treatment

Entry   Exit

Shipper A (100) (100)   Shipper A (100) (100)

(175) (150)

Shipper B (75) (50)   Shipper B (75) (50)

Red – Nominations

Green – Metered Quantities