NI Virtual Reverse Flow

Draft Business Rules for Consultation

Prepared by BGE(NI) and MEL

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Introduction

These Business Rules have been produced by PTL and BGE (NI) to set out the way in which they intend to introduce Virtual Reverse Flow (VRF) Services on their respective Gas Transmission Networks in Northern Ireland. The TSOs on each of the NI Networks will modify their respective Codes to provide for VRF Services.

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 in respect to the subject matter of this paper.

The location of the Interconnection Point on the South-North Pipeline is to be designated at Gormanston as directed by the CER and NIAUR therefore with regards to this document any mention of South North (SN) Entry, Exit or Virtual Exit Point means Gormanston.

Assumptions

- The SN Point is to be an Entry Point to the NI System and incorporated into the NI Codes as such
- BGE (NI) intends to provide a service to Shippers to deliver physical quantities of Natural Gas at the South-North interconnection point, pursuant to the BGE (NI) Transportation Network Code.
- The NI Codes will be amended to reflect the availability of new Contract Paths to relevant Exit Points and/or introduction of the South-North relevant point.
- Tariffs for VRF will be defined by UREG.
- No amendments to the existing Codes are proposed in respect of the arrangements for a Capacity Shortfall or Emergencies as a result of the introduction of VRF. Discussions between the TSOs and also with SONI are anticipated and any changes arising will be made separately from the implementation of these VRF Business Rules.
- The VRF Business Rules assume that arrangements are agreed between the relevant parties to accommodate VRF at the Moffat Virtual Exit Point. Discussions are ongoing regarding this issue and any delay in discussions relating to the implementation of these arrangements may lead to a delay in the availability of the VRF Service in respect of the Moffat Virtual Exit Point.

Background and General Approach to Virtual Reverse Flow

The TSOs are required to introduce virtual reverse flow (VRF) at Moffat and at the new SN point. Currently the NI arrangements pursuant to each TSOs Code constitute a 'point to point' regime, and there is a streamlined balancing arrangement under which the TSOs co-ordinate the balancing of the two networks, in order that Shippers can have a single NI balance position on each of their Contract Paths.

Under the NI Codes, Shippers make one nomination to the TSO in respect of an Exit Point on each network. Currently all natural gas delivered to the BGE (NI) Network is delivered through the PTL network. Where Shippers are required to use both Networks (i.e. Shippers exiting from the BGE (NI) Network) Shippers are incentivised to nominate the same quantities on both networks, otherwise they risk incurring balancing and scheduling charges.

Shippers' entry allocations into the BGE (NI) network at Carrickfergus are deemed to be the same as their entry allocations at Moffat[1], and Shippers exit allocations from the PTL network at Carrickfergus are deemed to be the same as their Moffat Entry Allocations.

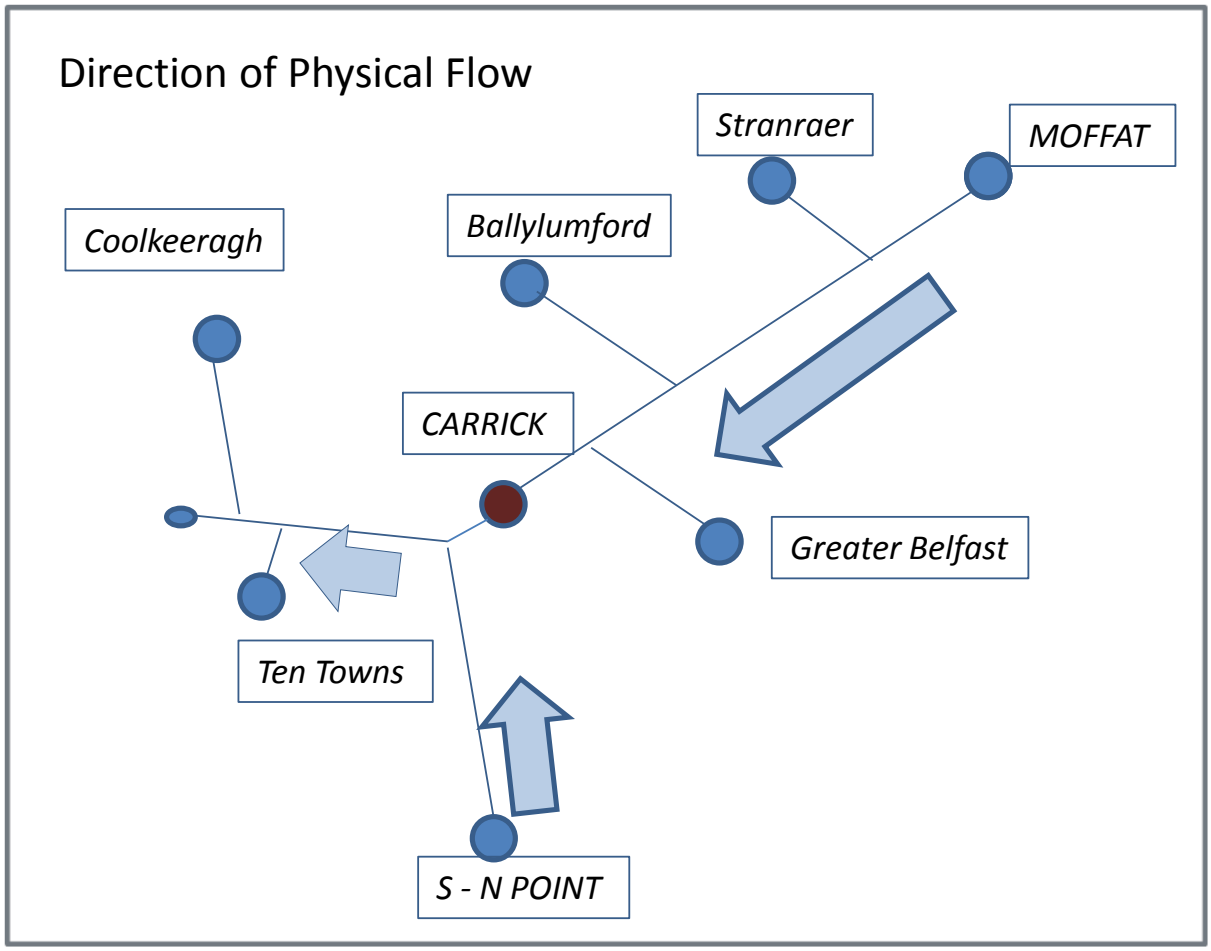
This co-ordination also facilitates the operation of the postalised charging regime, whereby Shippers pay for their use of the systems with respect to the relevant Exit Point, charges are collected by the relevant TSO at the Exit Point and transferred into a NI postalised 'POT' account. The funds are then re-distributed between the TSOs to ensure that each recovers its allowed revenue. Shippers therefore pay only once for a Contract Path, even though they may have made use of both TSOs networks. There is also a single disbursements account for the collection and redistribution of energy balancing charges.

Streamlined balancing and postalised charging are central features of the NI arrangements and are enabled by licence conditions in the TSO and Shipper licences, as well as by the terms of the NI Codes and the Operators Agreement between the TSOs.

In order to introduce VRF at Moffat it is necessary to have a source of natural gas for offtake at Moffat. Accordingly, the TSOs propose to facilitate VRF at Carrickfergus which will be a Virtual Exit Point from the BGE (NI) System and a Virtual Entry Point to the PTL System thus facilitating Virtual Reverse Flow to Moffat and a number of PTL Exit Points.

As illustrated below, the direction of physical flow at Carrickfergus is from the PTL network into the BGE(NI) network. This means that for a streamlined service between Moffat and SN, there are elements of both forward and reverse flow on each of the TSO's networks.

[1] PTL's system connects with BGE (UK)'s at Twynholm. An Agreement between PTL and BGE (UK) provides for (amongst other things) PTL to offer a transportation service to NI Shippers between Moffat and Twynholm under its Code. Twynholm is not subject to booking procedures and the PTL Code bundles the service offered by PTL from Moffat to Twynholm with the service from Twynholm to its Exit Points. Currently, PTL Shippers may therefore book capacity and nominate in respect of Exit Points and the relevant firm and interruptible service is deemed to be provided from Moffat.



The proposed reverse flow services will depend on virtual flows at one or more points and hence their availability depends, amongst other things, on the presence of physical forward flows at the relevant point(s). Therefore on each Contract Path containing a VRF element, the service available will be interruptible only (albeit in practice a combination of forward flow on one network and VRF on the other). The VRF services will therefore be aligned with the existing terms for interruptible transportation under the NI codes, where an interruptible nomination is deemed to be an application for interruptible capacity.

BGE (NI) will publish a separate paper addressing the introduction of the South-North Point. The following tables set out current and anticipated Contract Paths on each of the TSOs networks and for illustrative purposes the Contract Paths across the NI Network (comprising the PTL Network and the BGE (NI) Network. The final table also shows where Shippers nominate in relation to each Path (along with the relevant entry point) and the entry/exit components of the Path on each TSOs network.

Existing and New Contract Paths on each NI Network

Existing PTL Contract Paths

ENTRY	EXIT
Moffat	Ballylumford
Moffat	Stranraer
Moffat	BGEP 1 (Greater Belfast)
Moffat	BGEP 2
Moffat	BGEP 3

Proposed New PTL VRF Contract Paths

ENTRY	EXIT
Carrickfergus Virtual Entry	Ballylumford
Carrickfergus Virtual Entry	BGEP 1 (Greater Belfast)
Carrickfergus Virtual Entry	Stranraer
Carrickfergus Virtual Entry	Moffat Virtual Exit
Moffat	BGEP 4

BGE (NI) System Existing Contract Paths – BGE (NI) Code

ENTRY	EXIT
Carrickfergus	Coolkeeragh
Carrickfergus	TenTowns

Anticipated New Contract Paths (on introduction of South-North)

ENTRY	EXIT
South-North	Coolkeeragh
South-North	TenTowns

Anticipated Virtual Reverse Flow BGE (NI) Contract Paths[2]

ENTRY	EXIT
Carrickfergus	South-North Virtual Exit
South-North	Carrickfergus Virtual Exit 1
South-North	Carrickfergus Virtual Exit 2
South-North	Carrickfergus Virtual Exit 2
South-North	Carrickfergus Virtual Exit 2

***Note**: The TSOs will assess the appropriateness of establishing contract paths for the purpose of conducting balancing actions.*

The following table outlines the existing and anticipated Contract Paths on all NI Network basis indentifying the associated Nomination processes.

[2] Multiple Shippers will be accommodated on each Contract Path

		Shipper Noms (& Related Entry Point)		Nature of Entry / Exit Flows			
	Overall NI Path	**MEL**	**BGENI**	**MEL**		**BGENI**	
Current Paths				**Entry**	**Exit**	**Entry**	**Exit**
	Moffat to Ballylumford	Bally (M)	-	Physical	Physical	-	-
	Moffat to Greater Belfast	BGEP 1 (M)	-	Physical	Physical	-	-
	Moffat to Ten Towns	BGEP 2 (M)	TT (Carrick)	Physical	Physical	Physical	Physical
	Moffat to Coolkeeragh	BGEP 3 (M)	CESB (Carrick)	Physical	Physical	Physical	Physical
	Moffat to Stranraer	Stranraer (M)	-	Physical	Physical	-	-
New all-forward flow Paths	SN to Ten Towns	-	TT (SN)	-	-	Physical	Physical
	SN to Coolkeeragh	-	CESB (SN)	-	-	Physical	Physical
New VRF Services							
	SN to Ballylumford	Bally (C Vent)	C Vex 1 (SN)	VRF	Physical	Physical	VRF
Carrick Related VRF	SN to Greater Belfast	BGEP 1 (C Vent)	C Vex 2 (SN)	VRF	Physical	Physical	VRF
	SN to Stranraer	Stranraer (C Vent)	C Vex 3 (SN)	VRF	Physical	Physical	VRF
	SN to Moffat	Moffat V Ex (C Vent)	C Vex 4 (SN)	VRF	VRF	Physical	VRF
SN Related VRF	Moffat to SN	BGEP 4 (M)	SN Vex (Carrick)	Physical	Physical	Physical	VRF

The new VRF services will be made available in the Codes via a new type of interruptible nomination, an Interruptible VRF Nomination. Shippers will be able to register at an Exit Point or Virtual Exit Point to make Interruptible VRF Nominations and these will accordingly be deemed to be supplied from a particular entry or virtual entry point on each network as illustrated in last section of the table above. Entry nominations at the relevant points will be deemed by the TSOs, and allocation information will similarly be deemed by the TSOs to maintain a single NI balance for each Contract Path/Exit Point and the postalised charging approach.

The following section sets out the Business Rules for the streamlined VRF services which will be incorporated into BGE (NI) and MEL's Codes.

Business Rules for VRF Services

1. Definition of Service

1.1. MEL will describe Moffat as a Virtual Exit Point and Carrickfergus as a Virtual Entry Point in its Codes. MEL will designate those Exit Points on the MEL System at which Shippers may register for VRF Services.

1.2. MEL Shippers may register for Virtual Reverse Flow at the Virtual Exit Point on its System and at the designated Exit Points (which will be Ballylumford, Stranraer and BGEP1)

1.3. BGE(NI) will describe SN and Carrickfergus as Virtual Exit Points in its Code.

1.4. Shippers on the BGE (NI) System may register for Virtual Reverse Flow Services at Virtual Exit Point (Carrickfergus Virtual Exit) only.

1.5. Shippers will be able to make Interruptible VRF Nominations where they have registered to make Interruptible VRF Nominations on the BGE (NI) System and the MEL System respectively. Shippers will be able to make Interruptible VRF Nominations on the overall NI Contract Paths shown below by making corresponding nominations on the TSOs Systems. The corresponding Exit Points at which Interruptible VRF Nominations can be made are shown below:

Overall NI Path	**Relevant Exit Points for Interruptible VRF Noms**	
	MEL Int VRF Nom	**BGE (NI) Int VRF Nom**
• SN to Ballylumford	Ballylumford	Carrick V Ex 1
• SN to Greater Belfast	BGEP 1	Carrick V Ex 2
• SN to Stranraer	Stranraer	Carrick V Ex 3
• SN to Moffat	Moffat Virtual Exit	Carrick V Ex 4
• Moffat to SN	BGEP 4	SN Virtual Exit

1.6. In relation to the SN-Ballylumford, SN-Greater Belfast and SN-Stranraer Contract Paths;

- On BGE(NI)'s network the paths have a physical entry point (SN) and a virtual exit point (Carrick virtual exit)
- On MEL's network the paths have a virtual entry point (Carrick virtual entry) and a physical exit point

1.7. In relation to the SN - Moffat Contract Path;

- On BGE(NI)'s network the paths have a physical entry point (SN) and a virtual exit point (Carrick virtual exit)
- On MEL's network the paths have a virtual entry point (Carrick virtual entry) and a Virtual Exit Point at Moffat

1.8. In relation to the Moffat -SN Contract Path;

- On MEL's network the path has a physical entry point (Moffat) and physical exit point (Carrick)
- On BGE (NI)'s network the path has a physical entry point (Carrick) and a virtual exit point (SN virtual exit).

1.9. Both Exit Points on BGE (NI) System are physical Exit Points and there is no non-physical service available to them accordingly, VRF Services on the BGE (NI) System will be available at the Carrickfergus Virtual Exit Point only.

2. Registration for Interruptible VRF Nominations

2.1. There will be variations to the registration process as between the two NI Codes. The PTL Code will facilitate registration for VRF at Exit Points and at Virtual Exit Points; the BGE (NI) Code will facilitate registration of VRF at Virtual Exit Points only. This is strictly due to the fact that VRF Services require at least one element of VRF on the Shipper's Contract Path and there are no VRF Entry Points to the BGE (NI) System to facilitate VRF Services at the BGE (NI) Exit Points (which are physical).

2.2. A Shipper shall be required to be appropriately registered in respect of an Exit Point and a Virtual Exit Point before it may utilise Interruptible VRF Capacity in respect of that Exit Point or Virtual Exit Point as the case may be.

2.3. For the Avoidance of doubt, a Registration in respect of a Virtual Exit Point shall only permit the submission of Interruptible VRF Nominations. Firm and Interruptible Nominations may not be made in respect of a Virtual Exit Point.

3. PTL Registration Process

3.1. Section 3 shall apply with respect to the PTL System only and references to an Exit Point shall include a Virtual Exit Point.

3.2. A Shipper may, from time to time, and a Prospective Shipper shall apply to be registered in respect of an Exit Point .

3.3. A Shipper or Prospective Shipper wishing to obtain an Exit Point Registration in respect of an Exit Point shall provide the relevant TSO with the following information in relation to the Exit Point, in the prescribed form (an "Exit Point Registration Application"):

(a) the Exit Point in respect of which it requires an Exit Point Registration

(b) the Entry Point or Points from which it intends to supply the Exit Point. For the avoidance of doubt where a Shipper is registered to supply an Exit Point from more than one Entry Point, it shall be considered to be registered in respect of multiple 'Contract Paths'.[3]

(c) whether or not it wishes to be registered to make Interruptible VRF Nominations [4]

(d) the date from which it wishes to offtake gas taking into account the 20 days which the TSOs require to confirm the Exit Point Tolerance (in accordance with 17.5 in PTLs code.

(e) the information required (as currently required in the code) relating to emergency contacts

(f) evidence or confirmation of the presence of downstream supply contracts, in accordance with the existing terms of the code

3.4. A Shipper or Prospective Shipper wishing to obtain an Exit Point Registration in respect of an Exit Point;

(a) shall or may as required by the TSOs provide in addition to an Exit Point Registration Application, a Downstream Load Statement in relation to the Exit Point;

(b) shall provide the TSO with a copy of its Gas Supply Licence, except as currently defined in the PTL Code, where the Shipper has prior consent from Ureg to hold capacity or exit gas from the NI network as if it had a Supply Licence.

3.5. A Shipper may, from time to time, apply to the relevant TSO to extend an existing Exit Point Registration in respect of further Entry Points or in respect of Interruptible VRF Nominations, in the prescribed form, an "Exit Point Registration Extension Application" and in accordance with 3.6 below.

3.6. An Exit Point Registration Extension Application shall contain the information required in 3.3 updated to include

(a) a new Entry Point and/or;

(b) whether or not the Shipper wishes to be registered to make Interruptible VRF Nominations.

[3] The precise definition of 'Contract Paths' will be developed to accommodate the arrangements for forward flow from the new SN Entry point which are the subject matter of a paper to be published by BGE (NI).

[4] For the avoidance of doubt, Shippers may not be registered to make Interruptible VRF Nominations in respect of Ten Towns and Coolkeeragh/BGEP2 and BGEP 3 as an Interruptible VRF service is not required/available in respect of these points.

3.7. A Shipper applying to extend its Registration may be required by the TSO to submit a revised Downstream Load Statement in relation to the Exit Point.

3.8. The TSO shall within twenty (20) Business Days of receiving an Exit Point Registration Application and/or an Exit Point Registration Extension Application and any Downstream Load Statement notify the Shipper of the Exit Point Tolerance in respect of the Exit Point.

3.9. The TSO shall reject an Exit Point Registration Application or an Exit Point Registration Extension Application if it receives a Direction from the Credit Committee that it should do so.

3.10. The existing Code terms for De-registration of an Exit Point and/or Retirement from the code will apply

4. Registration process for VRF pursuant to the BGE (NI) Code

4.1. For the purpose of the BGE (NI) Code the existing registration process pursuant to the BGE (NI) Code shall continue to apply with respect to Exit Point registration and provisions of the remainder of paragraph 4 below shall apply with respect to registration at a Virtual Exit Point on the BGE (NI) System.

4.2. A Shipper may from time to time, and a prospective Shipper may apply to be registered in respect of a Virtual Exit Point.

4.3. A Shipper or prospective Shipper wishing to register in respect of a Virtual Exit Point shall provide BGE (NI) with the following information in relation to the Virtual Exit Point in the prescribed form (a VRF Registration Application):

(a) the Virtual Exit Point in respect of which requires the registration;

(b) the Entry Point from which it intends to supply the Virtual Exit Point;

(c) where the Virtual Exit Point specified is Carrickfergus Virtual Exit Point [the Shipper shall be required to identify whether the registration required is in respect of Carrick VExitP 1, Carrick VExitP 2 Carrick VExitP 3 or Carrick VExitP 4.

4.4. Multiple Shippers may be registered at the South-North Virtual Exit Point (and each shall be given a unique identification).

4.5. BGE (NI) shall reject a VRF registration application if it receives a Direction from the Credit Committee that it should do so.

4.6. The existing Code terms for deregistration of an Exit Point and/or retirement from the Code shall apply mutatis mutandis with respect to registration at the pressure exit points.

5. Interruptible VRF Capacity – General

5.1. The Available Interruptible VRF Capacity will depend upon the level of forward flow nominations at Carrickfergus and the SN Entry Point and at the Moffat Entry Point, as well as also on the forward flow Firm and Interruptible Nominations at a physical Exit Point

5.2. "Available Interruptible VRF Capacity" will be defined in both Codes so as to encompass all the relevant variables which could affect its availability.

6. Interruptible VRF Capacity at the Carrickfergus Virtual Exit Point (BGE (NI) Code)

6.1. In order to minimise the need for interruption of VRF Nominations on a day at Carrickfergus, it is proposed that the Maximum Available Interruptible VRF Exit Capacity from the BGE (NI) Network at Carrickfergus on a day shall be set at

(i) In Summer: an initial low level of 90% of the Ten Towns summer demand.

(ii) Further consideration will be given to the quantity available during the other seasons.

6.2. These may be revised at a later date / in an enduring situation where systemisation of the interruption process has been developed.

6.3. The Maximum Available Interruptible VRF Capacity will be published by the TSOs on their websites.

6.4. Shippers will be entitled to make Interruptible VRF Nominations ahead of the day in accordance with section 9.

6.5. Interruptible VRF Nominations will be deemed to be an application for the equivalent amount of Available Interruptible VRF Capacity.

6.6. The Available Interruptible VRF Capacity will be allocated to Shippers according to Interruptible VRF Nominations in respect of the relevant Virtual Exit Point.

6.7. For the avoidance of doubt, Shippers rights to use Interruptible VRF services in respect of a particular Exit Point may not be transferred to another Shipper or another Virtual Exit Point.

7. Interruptible VRF Capacity – South – North Virtual Exit Point (BGE (NI) Code)

7.1. It is proposed that the Maximum Available Interruptible VRF Exit Capacity from the BGE (NI) Network on a day at the South North Virtual Exit Point shall be updated by [12:00 D-1]. This initial quantity shall be based upon the level of forward flow nominations on D-1 at the South North Entry Point for the day. [The actual Available Interruptible VRF Capacity which will be allocated is determined by the Transporter between 22:00 and 23:00 on D-1 and may be equal to, or less than, the declared Maximum Available Interruptible VRF Exit Capacity, depending on the latest level of forward flow renominations for the day.] This methodology may be revised in an enduring situation where systemization of the interruption process has been developed.

7.2. The Maximum Available Interruptible VRF Capacity will be published by the TSO on its websites.

7.3. Shippers will be entitled to make Interruptible VRF Nominations ahead of the day in accordance with section 9.

7.4. Interruptible VRF Nominations will be deemed to be an application for the equivalent amount of Available Interruptible VRF Capacity.

7.5. The Available Interruptible VRF Capacity will be allocated to Shippers according to Interruptible VRF Nominations in respect of the relevant Virtual Exit Point.

7.6. For the avoidance of doubt, Shippers rights to use Interruptible VRF services in respect of a particular Exit Point may not be transferred to another Shipper or another Virtual Exit Point.

8. Interruptible VRF Capacity – at the Moffat Virtual Exit Point[5]

8.1. The Availability of Interruptible VRF Capacity at Moffat Virtual Exit Point depends on the forward flow nominations at Moffat and the Available VRF Capacity at the Carrickfergus Exit Point from BGE (NI). The applicable constraint in relation to the Moffat Virtual Exit Point is therefore the Availability of VRF Capacity at Carrickfergus. Since this is proposed to be limited (as described above) this limit shall also apply in respect of Moffat Virtual Exit Point.

8.2. The Maximum Available Interruptible VRF Capacity will be published by the TSOs on their websites.

8.3. Shippers will be entitled to make Interruptible VRF Nominations ahead of the day in accordance with section 9.

8.4. Interruptible VRF Nominations will be deemed to be an application for the equivalent amount of Available Interruptible VRF Capacity.

8.5. The Available Interruptible VRF Capacity will be allocated to Shippers according to Interruptible VRF Nominations in respect of the relevant Exit Points.

8.6. For the avoidance of doubt, Shippers rights to use Interruptible VRF services in respect of a particular Exit Point may not be transferred to another Shipper or another Exit Point.

[5] Discussions are ongoing regarding arrangements at Moffat to accommodate VRF for NI Shippers between PTL & BGE(UK). Any delay relating to the implementation of these arrangements may lead to a delay in the availability of the VRF Service in respect of the Moffat Virtual Exit Point.

9. Interruptible VRF Nominations

9.1. Once appropriately registered, Shippers may make Interruptible VRF Nominations to the TSOs for an Interruptible VRF Nominated Quantity in respect of the relevant Exit Point or in the case of the BGE (NI) System in respect of the relevant Virtual Exit Point at which they wish to deliver gas.

9.2. In the instance that the VRF Nominations exceed the available Interruptible VRF Capacity, each Shipper will share the Available Interruptible VRF Capacity pro-rata.

9.3. The TSOs may share details of Interruptible VRF Nominated Quantities and Available Interruptible VRF Capacity information for the purposes of managing the nominations (and where necessary the interruptions) processes.[6]

9.4. A Shippers Aggregate Nominated Quantity in respect of a point (whether an Exit Point, Virtual Exit Point, Moffat Entry Point and/or the SN Entry Point will be the sum of its Firm, Interruptible and Interruptible VRF Nominations at the point.[7]

Deemed Entry Noms

9.5. In MEL's Codes a Shipper making an Interruptible VRF Nominated Quantity at the Exit Points shown below shall be deemed to have a corresponding Interruptible VRF Nominated Quantity at the Entry Points shown;

Exit Point at which Shipper has Int. VRF Nom Q	***Deemed Entry Point Interruptible VRF Nom Q***
Ballylumford	Carrick Virtual Entry
Stranraer	Carrick Virtual Entry
BGEP 1 (Belfast)	Carrick Virtual Entry
Moffat Virtual Exit Point	Carrick Virtual Entry
BGEP 4 (SN Virtual Exit)	Moffat Entry

[6] Appropriate inter-operator arrangements will be required to facilitate this.

[7] The only way a Shipper can nominate at a Virtual Exit Point is to make an Interruptible VRF Nomination. Therefore its Aggregate Nomination at the Virtual Exit Point will be the same as its Interruptible VRF Nomination.

In BGE (NI)s Code a Shipper making an Interruptible VRF Nominated Quantity at the Virtual Exit Points shown below shall be deemed to have a corresponding Interruptible VRF Nominated Quantity at the Entry Points shown[8];

Exit Point at which Shipper has Int. VRF Nom Q	***Deemed Entry Point Interruptible VRF Nom Q***
Carrick Virtual Exit 1 (Ballylumford)	SN Entry
Carrick Virtual Exit 2 (Stranraer)	SN Entry
Carrick Virtual Exit 3 (Belfast)	SN Entry
Carrick Virtual Exit 4 (Moff Vex)	SN Entry
SN Virtual Exit Point	Carrick Entry

Contents of Interruptible VRF Nominations

9.6. An Interruptible VRF Nomination shall specify:

(a) the Gas Flow Day or Days to which it relates;

(b) the Interruptible VRF Nominated Quantity;

(c) the Exit Point in the case of BGE (NI) System or Virtual Exit Point to which it relates;

(d) if required by the TSO, the identity and contact details of the counterparty Shipper or Downstream Supplier which shall deliver or offtake, as the case may be, the corresponding quantity of gas at the corresponding point and where there is more than one such shipper the quantity which is attributable to each such shipper;

(e) the identity of the Shipper making the Daily Interruptible VRF Nomination Request.

Submission of Interruptible VRF Nominations

9.7. Shippers may submit an Interruptible VRF Nomination not later than 22:00 on D-1.

9.8. Shippers are advised to make matching Interruptible VRF Nominations on both networks on the corresponding Contract Paths (as described in the introduction and section 1) or they risk imbalance and scheduling charges.

9.9. Shippers may not make renominations in respect of an Interruptible VRF Nomination at any time

9.10. The TSOs may, but shall not be required to, carry out matching of Interruptible VRF Nominations on any Day.

[8] Multiple Shippers will be accommodated.

9.11. A Shipper may only submit an Interruptible VRF Nomination;

(a) if it relates to a single Exit Point or Virtual Exit Point and in the case of the BGE (NI) System it relates to a Virtual Exit Point;

(b) if it has an appropriate Exit Point Registration in respect of the Exit Point or Virtual Exit Point to which the Interruptible VRF Nomination relates;

(c) in the Prescribed Form; and

(d) in accordance with the approved means of communication under the relevant TSOs code, so that an Interruptible VRF Nomination not so submitted will not be valid (whether or not the TSO received it).

Rejection of an Interruptible VRF Nomination

9.12. An Interruptible VRF Nomination will be rejected by the relevant TSO by 23:00 on D-1;

(a) If the Aggregate Nominated Quantity at an Exit Point does not equal the Daily Profile nominated;

(b) If the Shipper does not have sufficient credit and/or if the credit committee advises that Interruptible VRF Nominations should not be accepted;

(c) In relation to MEL's Codes, if there is a substantial mismatch between the nomination on the PTL System and the BGTL system;

(d) in relation to PTL's Code, If the nomination of the corresponding entry quantity (made to the Moffat Agent) is rejected;

9.13. Interruptible VRF Nominated Quantities in respect of a VRF shall be deemed to have a flat Daily Profile.

9.14. The existing rules in the NINOA concerning the availability and notification of Daily Profiles at Carrickfergus shall be retained, although the Downstream Operator shall in addition be permitted to amend its Profile Nomination by the aggregate amount of the Shipper's Interruptible VRF Nominated Quantities.

10. Interruption: Reduction of Interruptible VRF Nominated Quantities

10.1. Where necessary the TSOs shall interrupt Interruptible VRF Nominations by reducing the Interruptible VRF Nominated Quantities and informing the Shipper, in accordance with this section.

D-1 Interruption

10.2. On D-1 where Interruptible VRF Nominations exceed the Available Interruptible VRF Capacity, the Interruptible Nominated Quantities will be reduced pro-rata by the TSO to the level of the Available VRF Capacity and Shippers will be informed by 23:00 on D-1.

Interruption on D

10.3. During Day D where Interruptible VRF Nominations exceed the Available Interruptible VRF Capacity;

[OPTION 1:

Interruptible VRF Nominated Quantities will be reduced to zero, regardless of any flow which may be deemed to have taken place at the time of Interruption].

[OPTION 2:

Interruptible VRF Nominated Quantities will be reduced pro-rata, to the level reflecting the quantity of gas which may be deemed to have physically or virtually flowed on day D by the time of the hour bar following the time at which the Interruption took place.]

10.4. [In both Option 1 and Option 2,] Shippers will be informed by the TSO of the reduction [within 1 hour of the next hour bar].

10.5. Where the TSO makes any reduction of Interruptible VRF Nominated Quantities in respect of multiple Interruptible VRF Nominations they shall be reduced pro-rata.

11. Allocations

Note: BGE (NI) Code has VRF Virtual Exit Points only accordingly 11.2 to 11.5 will not apply to the BGE (NI) Code.

11.1. [Interruptible VRF Nominations in respect of a Virtual Exit Point shall be 'held whole' (ie allocation = Interruptible VRF Nominated Quantity, NB this includes any reduction of the nom) – this to be subject to further consideration]

11.2. In line with current code rules, Interruptible VRF Nominations in respect of a physical Exit Point shall be allocated a share of the metered quantity at the Exit Point, pro-rata to end of day nominations or in accordance with any allocation agreement between Shippers as notified to the TSO pursuant its Code.

11.3. In line with current code rules the TSOs will agree in their Codes to accept the information from the other TSO relating to Entry allocations at Carrickfergus/Carrickfergus Virtual Entry Point, such that Shippers have a single NI Entry Quantity and a single NI Exit Quantity in respect of each Exit Point or Virtual Exit Point at which they have made an Interruptible VRF Nomination.

11.4. The existing timescales for Initial and Final Allocations shall apply.

11.5. The Final Allocations of gas quantities (the MQ) at an Exit Point which is not a Virtual Exit Point under the NI codes are currently allocated first between the Shippers pro-rata to their aggregate nominated quantity (firm + interruptible) or otherwise in accordance with pre-agreed inter-shipper allocation arrangements. Where a Shipper has an allocation in respect of an Exit Point which exceeds its Firm nomination, the excess is allocated to its Interruptible Nomination.

11.6. In relation to VRF [and as a result of the new SN Entry Point] it is proposed that Allocations at a physical Exit Point will be made:

(a) firstly between Shippers pro-rata to their aggregate nominated quantities at an Exit Point

(b) secondly, allocations for an individual Shipper will be made pro-rata between the aggregate nominated quantities on each relevant Contract Path relating to the Exit Point

(c) thirdly, an individual Shippers allocations on each forward flow Contract Path will be allocated first to the level of the Firm nomination, and any excess allocated as an Interruptible Allocated Quantity.

12. Balancing and Scheduling Charges

12.1. A negative or positive imbalance for each Shipper in relation to each Contract Path will be calculated (as now). NB Shippers may have an imbalance on a VRF Contract Path if it also incorporates an element of physical offtake or delivery from/to the NI network.

12.2. Scheduling charges will be payable in respect of the difference between the end of day Interruptible VRF Nominations and the Allocations on that Contract Path in respect of an Exit Point [but not a Virtual Exit Point] in accordance with the Codes.

12.3. Scheduling charges will not be calculated or payable in respect of a Virtual Exit Point, since the [Allocation= Nomination] (including any reduction required by the TSO)

13. Financial Security

13.1. In line with current code rules, Shippers will be required to provide forecasts of their quantity of Interruptible VRF flows for planning purposes and forecast charges will be estimated for the purposes of determining the Required Level of Credit Support.

13.2. Shippers will be required to ensure they have sufficient credit in place to cover their VRF charges (and also any energy balancing charges = 'PS Code Charges' incurred in relation to Interruptible VRF), otherwise they will be rejected. NB Details of the operational procedures for making this check will be developed, but will probably sit largely outside code.

14. Tariffs & Billing

14.1 UREG will determine the appropriate tariffs for the VRF service.

15. Transitional Rules

15.1. Shippers who are already registered at an Exit Point may contact the TSOs (following the introduction of these rules into the Codes) to extend their existing registration so that they may nominate Interruptible VRF at that Exit Point.