

Joint TSO Method Regarding Implementation of CAM - Article 6 of Gas Regulation (EU) 984/2013

Introduction

Article 6 of the CAM Regulation (EU) 984/2013 requires TSOs to establish and apply a joint method, setting out specific steps to be taken by the respective TSOs, to achieve optimisation of Technical Capacity at the relevant interconnection point(s). By optimising Technical Capacity this enables TSOs to maximise the offer of bundled capacity. However where more capacity is made available on one side of the IP than the other, then this may be offered on an unbundled basis.

Relevant Points

This letter sets out the process by which the following TSOs at the relevant points (IP) will comply with this Article:

- **Moffat IP**
- National Grid Gas / BGE(UK) / PTL

- **Gormanston IP**
- BGE(UK) / Gaslink

Relevant Dates

This joint process becomes effective from 4th Feb 2015 as specified by Article 6.1 (a) of the CAM Regulation.

The process is intended (where appropriate) to be incorporated in the relevant Interconnection Agreement(s) or as the case may be in a Trilateral Agreement with respect to the Moffat IP, prior to the full implementation of the CAM Regulation on the 1st November 2015.

Process / Analysis

As a minimum then the TSOs shall meet once per year, in advance of the publication of the amount of capacity to be made available in the Annual Yearly Auction, to jointly analyse the technical capacities at the relevant IPs.

The analysis of capacities shall include a detailed comparison between the relevant TSOs of:

1. Technical Capacity¹ and
2. Available capacity² for each TSO, at the Interconnection Point, for the CAM product durations.

Any differences shall be noted and quantified, and as much as possible, the reasons for differences should be identified and recorded. The analysis shall take account of assumptions made in the EU-

¹ E.g. Technical capability of Network Point (either side)

² Exchange capacity booking figures / available figures and durations of bookings

wide 10 year development plan, existing National investment plans, relevant obligations under the applicable national laws, and any relevant contractual obligations.

The TSOs shall also assess relevant parameters, including but not limited to: pressure commitments, relevant supply and demand scenarios, and calorific values. Options for adjusting these parameters will be discussed and examined. The TSOs shall also have regard to information that network users may provide with regard to expected future flows. In addition the relevant TSOs Regulatory regime and obligations will be considered as part of this process.

Actions

1. Technical Capacity

Following completion of the analysis then TSOs will identify any potential steps and actions that can be taken to increase technical capacity, and hence increase the offer of bundled capacity. For any action to increase technical capacity proposed, then the effects of that action shall be considered, and shall include but not be limited to:

- Under what timetable can the proposed action be implemented?
- Are there any increased costs associated with the proposed action, and does the Regulatory regime(s) allow for recovery of those costs (especially if there are any cross-subsidies between TSOs)?
- Does the benefit justify the cost?
- Are there any impacts, benign or detrimental, on other network points and stakeholders (terminal operators, network users, other TSOs etc.)?

2. Available Capacity

Following completion of the review of capacity quantities (sold and available) for the CAM product durations and having reviewed the available capacity that can be offered, TSOs will individually place available capacity on the PRISMA Capacity Platform prior to the applicable auction. PRISMA will then offer capacity at the relevant IP, matching to the extent possible, a bundled quantity. Where one side of the IP has more capacity than the other, then the difference would be offered via PRISMA on an unbundled basis. A TSO under its own discretion could also offer additional capacity which would be included in the quantities offered on PRISMA.

An overview of the joint process is presented in Figure 1.

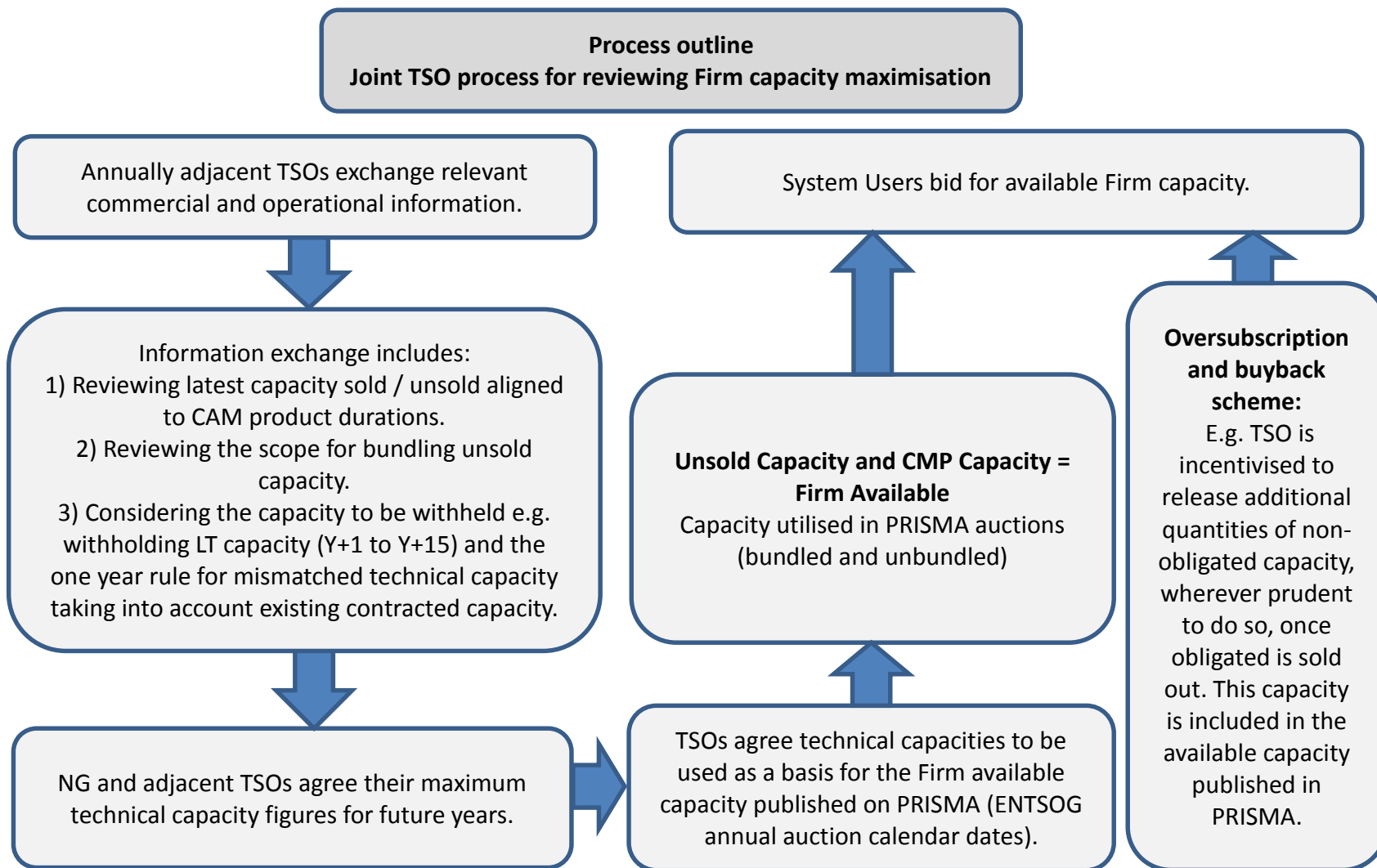


Figure 1 Overview of process for reviewing capacity maximisation