

Mr Stephen English
Gas Market Operator (NI),
Fourth Floor,
The Arena Building,
85 Ormeau Road,
Belfast,
BT7 1SH

Ref: NET/G/JF/741
23 October 2023

Dear Stephen,

RE : NI Network Gas Transmission Code (the Code) – Final Modification Report for Modification No 18

Thank you for your submission of the Final Modification Report (FMR) No 18 in respect of “Introduction of Entry Point Switching Agreement and minor ‘housekeeping’ changes” dated 20 September 2023. The purpose of the modification is to introduce the arrangements for an Entry Point Switching Agreement (EPSA) into the NI Network Code.

This modification is required to help manage potential constraints in relation to Moffat IP Entry Point, as forecasts are indicating an increasing number of days in which nominations at the Moffat IP Entry Point will be at or approaching the maximum capacity available. These modifications would enable the Transporter to direct the counterparty to the EPSA to switch their Nominations from the Moffat IP Entry Point to the South North IP Entry Point, avoiding and/or minimising the need to curtail the Moffat IP Entry Point Nominations of all Shippers in response to a constraint. Introducing an EPSA will better enable the efficient and economic operation of the NI Network.

The modification also makes some minor housekeeping changes to the Code in relation to balancing contracts.

UR consideration of the Modification Report

The Utility Regulator has considered the information provided in this FMR. We note that the Transporter did not receive any responses to the Initial Modification Report (IMR).

We note the Transporter advises that condition 2.4 of the Transporter Licences will be better facilitated by the NI Network Gas Transmission Code as a result of the proposed modifications, as they introduce an EPSA, which will better enable the efficient and economic operation of the NI Network.

We note the Transporter's reasons for recommending approval of this Proposed Modification, summarised as follows:

- The anticipated use of the Moffatt IP Entry point, sensitivity of flows on the NI Network to pressure, and Shipper nomination behaviour are expected to lead to occasions when it will be challenging to move all nominated/renominated gas at Moffatt.
- The EPSA tool will help to avoid or alleviate System Constraints.
- The use of the EPSA would minimise the number of occasions on which Moffat IP Entry Point Nominations are curtailed, for all Shippers, and minimise the impact on Shippers when curtailment is still required.
- EPSA costs would form part of the Disbursement Amounts for all Shippers in line with the existing basis for calculating such charges.

We are content that the proposed modification would better facilitate the 'relevant objective' as outlined in condition 2.4 of the applicable licences. We agree that these modifications should improve the economic and efficient operation of the NI Gas Transmission Network as described in the FMR.

Decision

As provided for in condition 2.4D.9(c) of the relevant licences we direct the Transporter to implement the modification as set out in FMR No 18 dated 20 September 2023. The modification shall become effective as of the date of this letter.

Yours sincerely,



Jillian Ferris
Head of Networks