



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**Transmission Code of Operations,
Modification 4: Flexible Capacity Services at
Entry Points**

**Proposed Decision by the Commission for
Energy Regulation**

**CER/03/018
30th January 2003**

1. Introduction

The following document contains the details of a proposed Decision on Modification 4: Flexible Capacity Services at Entry Points. The Commission for Energy Regulation proposes to make the Decision under Section 21.10 of the Transmission Code of Operations.

Interested parties are invited to comment on the issues raised in this paper by close of business on Friday 7th February 2003. Submissions should be forwarded to:

Claire Madden
Commission for Energy Regulation
Plaza House
Belgard Road
Tallaght
Dublin 24

[Mailto:cmadden@cer.ie](mailto:cmadden@cer.ie)

2. Background

On the 5th of September 2002, Modification 4 to the Transmission Code of Operations (“the Code”), concerning Flexible Capacity Services at Entry Points, was referred to the Commission for Energy Regulation (“the Commission”). The Transporter had declined to support this Modification pursuant to Section 21.5 of the Code. The CER, as the relevant regulatory authority referred to under paragraph 21.10 of the Code was asked for a decision on the Modification.

This document sets the Commission’s proposed decision concerning Modification 4. This document is issued in conjunction with an explanatory document *‘Transmission Code of Operations, Modification 4: Flexible Capacity Services at Entry Points, Background Paper on a Proposed Decision by the Commission for Energy Regulation’,* ([CER 03/019](#)).

2. The Commission’s Proposed Decision

The Commission’s proposed decision under Section 21.10 of the Transmission Code of Operations and following a valid referral of a dispute Concerning *‘Modification 4: Flexible Capacity Services at Entry Points* by Synergen on the 5th of September 2002, is as follows:

In relation to Modification 4a:

- That a Shipper may transfer capacity between entry points both physically and financially.
- That such transfer will be subject to the payment of (or receipt of) a weighted differential (rebate) to (from) the Transporter, this rebate/differential to be calculated in accordance with the methodology proposed in Section 4.1 of [‘CER 03/019, Transmission Code of Operations Modification 4: Flexible Capacity Services at Entry Points. Background Paper on a Proposed Decision by the Commission for Energy Regulation’](#).
- That Shippers may transfer between entry points either on a phased or on a one-off basis, as appropriate.
- That Shippers shall be entitled to switch entry points within six months of flowing of first gas from the new entry point, with this transfer to be completed within twelve months of first gas flows.
- That the transferring Shipper will be liable for a cost-reflective administration fee, which will be determined by the Transporter and approved by the Commission.

In relation to Modification 4b:

- That the Transporter should offer a back-up service.

- That the back-up service offered must not risk the service to existing firm Shippers at the back-up point.
- That, without prejudice to the preceding point, the service offered should be a firm service.
- That any back-up service offered be for operational outages only.
- That justification for planned or unplanned outages is required ex-ante, or ex-post where that is not feasible.
- That the Shipper requesting back-up will pay a reservation charge, equivalent to the cost of ten days capacity at the beginning of the STA year. This reservation charge shall confer on the Shipper the right to seek back-up, but will not confer any rights to capacity.
- That where an outage occurs, the Shipper seeking back-up will be subject to a further variable capacity charge on a pay-as-you-go basis.
- That the amount of this charge varies according to whether or not the Transporter has received prior notification of a planned outage and according to the time of year at which the outage occurs. Multipliers used to calculate the amount of these charges are outlined in Section 6.1 of '*CER 03/016, Transmission Code of Operations, Modification 4: Flexible Capacity Services at Entry Points. Background Paper on a Proposed Decision by the Commission for Energy Regulation*'.
- That where a planned outage is brought forward as a result of an unplanned outage, and where this rescheduling does not impose incremental costs on the Transporter, then this may be deemed to be a planned outage for charging purposes. This will be assessed on a case-by-case basis where it can be shown that there was sufficient economic justification for the rescheduling of the planned outage.

And, further, that the Transmission Code of Operation shall be amended to give effect to this decision.