



Bord Gáis Energy Supply

**Proposed Procedure for Offers and
Interruption of NDM Secondary
Capacity Sales**

February 2006

1. Introduction

The Commission for Energy Regulation requires Bord Gáis Energy Supply (BGES) to submit for approval the non-discriminatory mechanism BGES shall apply to govern the curtailment of inter-book and third party capacity transfers in the event that secondary capacity is needed back for use in the NDM sector.

2. Proposed Procedure for Offers of NDM Secondary Capacity Sales

- A. BGES will offer Interruptible NDM Onshore Capacity to third party Shippers on a first-come first-served basis. The amount available for sale at any time will depend on BGES's calculation of what is available on a given day or period, given the various contracts in place and the NDM demand estimates. The NDM Onshore capacity is calculated by the Transporter based on the Forecasting Allocation and Reconciliation "FAR" method of a 1 in 50 day demand.
- B. BGES will not normally have Interruptible Entry Capacity to offer, other than small quantities on an intermittent, very short term basis. This has arisen as a result of the move from a "Point to Point" to an "Entry Exit" Code Rule regime.
- C. This procedure has been developed and mirrors the approved interruption procedure in the Code of Operations.

3. Proposed Procedure for Interruption of NDM Secondary Capacity Sales

- A. In the event that BGES anticipates the need for an interruption of all or part of the Interruptible Capacity, it will first attempt to avoid making any such interruption, for example, by purchasing additional secondary capacity from the market. However, BGES will not offer to pay more for such additional capacity than the revenue it would expect to forgo from suspended payments during an interruption.
- B. BGES will initially attempt to achieve the required aggregate capacity interruption by curtailing only the capacity used by power generators. This would involve bilateral discussions between BGES and the affected parties. The resulting curtailment may not necessarily be made on a pro-rata basis, provided there was agreement among affected parties on the curtailment plan.

- C. If the required curtailment can not be achieved on a voluntary basis as described above (not experienced to date), BGES will interrupt the Secondary NDM Capacity used by power generators (excluding CHP) pro-rata to the contracted capacity held by each Shipper, including BGES. BGES will advise each appropriate Shipper, the required curtailment and the expected duration. The actual notice period will depend on specific circumstances, but BGES will give as much notice as possible subject to a minimum of 2 hours.

Should all parties subsequent to the notification of interruption agree to a new curtailment plan, BGES will implement this plan subject to compliance with the UCOP rules on within-day capacity transfers and operational constraints. BGES shall at all times endeavour to ensure that any interruption period is kept to a minimum for the benefit for all affected parties.

- D. If a complete interruption of secondary NDM capacity used by power generation sites proves insufficient, BGES will curtail the Secondary NDM Capacity being used by all Shippers, pro-rata to the contracted capacity held by each Shipper, including BGES. Each Shipper must have their own arrangements to cover any resulting consequences.