Enduring Access charge arrangements for the Corrib Linkline

Consultation Paper

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RESPONSES TO:	bhussey@cer.ie

The Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

www.cer.ie

Contents

1.0 Introduction 3
1.1 Purpose of this paper 3
1.2 Customer impact 3
1.3 Responding to this paper 3
2.0 Background 4
2.1 Scope of the project 4
2.2 The Corrib Gas Field project 5
2.3 Interaction between the Linkline arrangements and the Entry Tariff reform project 7
2.4 Conduct of this project to date 7
3.0 Framework for the determination 9
3.1 A notional commercial arrangement 9
Question..11
3.2 When to calculate the WACC 11
Question..12
3.3 Access prices should seek to provide a long term stable revenue stream for the pipeline company 12
Question..13
4.0 Tariff calculation inputs..14
4.1 Target Revenue Regime..14
4.2 Access charge design 14
Question..15
4.3 Capital cost information 16
4.4 Operating cost information 16
4.5 Economic life and Depreciation profile 17
4.6 Allowed cost of capital 17
4.7 Corrib Linkline Access Charge..18
4.8 Bellanaboy Entry Tariff 19
Question..20
5.0 Post-Corrib arrangements 21
Question..21
6.0 Conclusion and Next steps 22

1.0 Introduction

1.1 Purpose of this paper

The purpose of this consultation paper is to set out the CER's initial view on a number of issues relating to access charge arrangements for the Mayo-Galway Pipeline, hereon the Linkline. The CER outlines the background of the project; the issues taken into consideration when deliberating on the appropriate access regime, and identifies a proposed access charge based on an annuitised target revenue regime.

1.2 Customer impact

Setting the right price for access to the Linkline will ensure that future gas production companies are not discouraged from underwriting gas infrastructure as the Corrib Partners did in the case of the Linkline. This means that if other gas fields are brought onshore in Ireland, Irish gas customers should not bear any risk associated with similar infrastructure.

1.3 Responding to this paper

Responses to this paper should be in the format of email or post and marked for the attention of:

Barry Hussey
The Commission for Energy Regulation
Belgard Square North
Tallaght
Dublin 24

bhussey@cer.ie

2.0 Background

The Corrib Gas field was discovered in 1996 by Enterprise Oil and is located approximately 83km off the North West coast of Ireland, at a depth of 3000m under the sea bed. Shell acquired their stake in the field in 2002 and instigated the development of the field. The Corrib co-venture partners are Shell E&P Ireland (45%), Statoil Exploration Ireland (36.5%) and Vermilion Energy Ireland Limited (18.5%). Shell is the operator for the field. First commercial flows from the facility are expected sometime in late 2015.

2.1 Scope of the project

In 2004, the Corrib Partners commissioned the construction, under contract by Bord Gais Networks, now Gas Networks Ireland (GNI), of a c.150km transmission pipeline from Bellanaboy to the existing ring main at Cappagh South to deliver flows of gas from the Corrib field to the Irish market. As the pipeline's construction was funded by the Corrib Partners, it is not underwritten by Irish gas consumers. This distinguishes it from other assets which form part of GNI's system. In the case of the Linkline the Corrib Partners bear the commercial risk of the Linkline being used[1].

The Linkline is part of the GNI transmission system. The GNI Code of Operations has effect from the Bellanaboy Connected System Point (CSP) and the pipeline is owned and operated by GNI. Operationally, the pipeline is no different from other transmission pipelines on the GNI system. The Linkline is also covered by the ownership and operation licences granted to GNI by the CER. While clearly a part of GNI's system, the Linkline is a commercially distinct asset.

The CER's requirement to set an access charge stems from Directive 2009/73/EC. Article 32 requires NRAs to publish a tariff, or the methodology for calculating a tariff, for all transmission and distribution pipelines. This was transposed by Section 10A of the 1976 Gas Act (as Amended).

The Linkline has allowed the connection of a number of new towns to the natural gas grid. The cost of providing gas to these towns is not considered in this paper and is not effected by the charges set by this consultation paper. These customers are subject to the same terms and conditions as those connected elsewhere on the system. As such,

1 In other words, if the volume of gas that flows though the GNI system is lower in a year than expected, in later year's tariffs for all users increase to cover the shortfall in revenues from that year. In contrast to this underwriting by all users, all risks associated with flows on the Linkline lie with the Corrib Partners. If a molecule of gas never flows on the Linkline, the full cost of the line will have been fully borne by the Corrib Partners.

for the current purposes, these towns are not relevant to the task of setting an appropriate access charge for the Linkline.

To summarise -

- The Linkline is a component part of the Irish gas system.
- The Linkline is underwritten by the Corrib Partners
- The Linkline is not underwritten by the general customer.

As flows are expected soon, it is appropriate to clarify the access regime which will apply for shippers entering gas at Bellanaboy from the Corrib field onto the Linkline.

For clarity, this CER Consultation considers the approach to setting charges for access to the Linkline. In order to understand the full cost of moving gas from Bellanaboy to the IBP, shippers will need to consider the charges considered in this paper in conjunction with the “Corrib” Entry tariff that will result from the Gas Entry Reform process. More details regarding this are given in Section 5.7.

2.2 The Corrib Gas Field project

Discovered in 1996 by Enterprise Oil, the Corrib field is about 83km off the north west coast of Ireland (see figure 2.1 for the location) and lies about 3,000 metres under the sea bed. Shell acquired their stake in the field in 2002 and undertook the development of the field. The offshore sub-sea infrastructure, the offshore pipeline, and the terminal at Bellanaboy are now complete. The laying of the offshore umbilical between the landfall at Glengad and the Corrib subsea manifold was completed in the Summer of 2013.

To deliver the gas to market it was necessary to develop both off-shore (from the field to landfall) and on-shore transmission pipelines. An onshore pipeline, from Bellanaboy to Cappagh South was built, connecting the terminal to the main transmission network, South East of Galway City, to an above ground installation (AGI) at Cappagh South. The map below (Figure 2.1) shows the route taken by the pipeline along with the towns on the Linkline that have been connected to the gas grid. The construction project began in 2004 and was completed in 2006. For clarity, it should be noted that the project undertaken here relates only to this onshore pipeline i.e. from the exit of the terminal at Bellanaboy to Cappagh South AGI.

Figure 2.1: The transmission network in Ireland

Source: **Amended from Gaslink's Network Development Plan 2014**

The Corrib field has estimated reserves of approximately 28.3 billion standard cubic meters and will have a peak day supply capacity of approximate 10 million standard cubic meters in its first full year of operation, declining thereon. Corrib is expected to account for approximately 58% of total Irish demand in its first full year of commercial operation according to Gaslink's Network Development Plan 2014[2].

[2] Available at - http://www.gaslink.ie/media/17702_Gaslink_ND_V8_web1.pdf

2.3 Interaction between the Linkline access arrangements and the Entry Tariff reform project

The CER is currently in the process of reforming the Entry Tariff calculation methodology relating to GNI's regulated revenues. This reform is primarily led by expected changes in booking patterns at Irish entry points over the coming years, and also from EU Third Energy Package requirements, specifically the Draft EU Network Code on Tariff Harmonisation. The CER recently published a draft decision in relation to this (CER\15\057)[3] with a consultation closing date of May 19th, 2015.

The Gas Entry Reform modelling used the point of Cappagh South AGI for the purpose of calculating the "Corrib" Entry tariff. Cappagh South broadly represents the point on the system where the assets underwritten by producers meet the assets underwritten by gas customers.

To reiterate, this CER Consultation considers charges for access to the Linkline. In order to understand the full cost of moving gas from Bellanaboy to the IBP, shippers will need to consider the charges considered in this paper in conjunction with the "Corrib" tariff that will result from the Gas Entry Reform process. More details regarding this are given in Section 5.7.

Question

Do stakeholders have a view on this approach?

2.4 Conduct of this project to date

With Corrib flows relatively imminent, in early Summer 2014, the CER had the first of a series of meetings with the Corrib Partners and GNI to discuss issues relating to the charges that will apply to gas entering the Linkline at Bellanaboy.

These meetings focused on high-level principles on how best to approach the regulation of access to the Linkline, the appropriate approach to creating an access regime at

[3]Available at - http://www.cer.ie/document-detail/Future-of-Gas-Entry-Regime/1020/7573,7520,7521,7511,7512,7513,7514,7515,7517,7518,7519,7508,7509,7510,7507,7548

Bellanaboy, and the interaction between this project and the wider reform of the Gas Entry Tariff Regime.

While the different parties raised a range of issues, consensus was reached on one key principle; whatever the arrangements put in place at Bellanaboy, shippers should not be inconvenienced by the arrangements. In other words, while there may ultimately be two sets of charges applied at Bellanaboy (the Linkline access charge and the GNI regulated tariff calculated from the end of the Linkline), shippers would see only one charge as with other Entry Points on the system.

In late November 2014, the CER issued a notification to Industry clarifying the tariff to apply at Bellanaboy for Gas Year 2014/15. This tariff was the Nominal Entry Tariff that had been set in December 2009 and was €100.00 MWh peak day capacity; and €0.10 MWh commodity charge. The Notification informed industry that the CER would be consulting on the enduring access charge arrangements in the coming months, and that a decision on these arrangements would be made roughly in line with a CER decision on the reform of the gas entry tariff regime.

In early 2015, the CER commissioned consultancy support for the provision of advice on the enduring access pricing regime for the Corrib Linkline. In April 2015, the CER received a draft of its consultant's report on the appropriate approach to the Linkline access arrangements. As part of the pre-consultation process, a draft of the FTI Report was circulated to the Corrib Partners and GNI in late April and a meeting was held with the parties to discuss the contents of the report.

3.0 Framework for the determination

On the basis of the points set out above (notably Section 2.1), the CER, working in conjunction with its consultants, has developed a proposed approach to setting an access charge for the Linkline. The CER and its consultants propose calculating an access price as if standing when the pipeline was completed. As noted earlier, the pipeline was completed in October 2006, the CER proposes to set the access charge as if it were doing so at that time.

As with any price determination of a regulated transmission system operator, the rate of return should be calculated based on an efficient set of notional arrangements that would underpin the construction of the pipeline. These arrangements are set out in detail in the accompanying report to the CER from FTI Consulting, but are summarised here.

It should be noted that this approach broadly is intended not just to address the arrangements for the Linkline but also to provide a regime for any such future developments.

3.1 A notional commercial arrangement

The notional arrangement considered by the consultants is between a standalone Gas-Field company and a standalone Pipeline Company. The framework for setting the access charge attempts to clarify what the CER would have done were it 'standing in' 2006. On this basis, it is appropriate to clarify how the commercial arrangements between the two parties to the agreement would be expected to operate.

The CER's consultants have assumed that a notional Pipeline Company makes an agreement with a Gasfield Company to construct and operate a gas pipeline in order to bring gas commodity to market. The Gasfield Company guarantees a set of revenues so that the asset would be remunerated over a set number of years. For the purpose of the determination, the CER and its consultants proceed on the basis that the Pipeline Company would not enter into an agreement in the absence of a revenue guarantee – either in the form of a long-term capacity booking, or a 'take or pay' clause in the contract[4]. In this way, we assume that the Pipeline Company has no exposure to the risk that the pipeline is used or not, referred to as throughput risk.

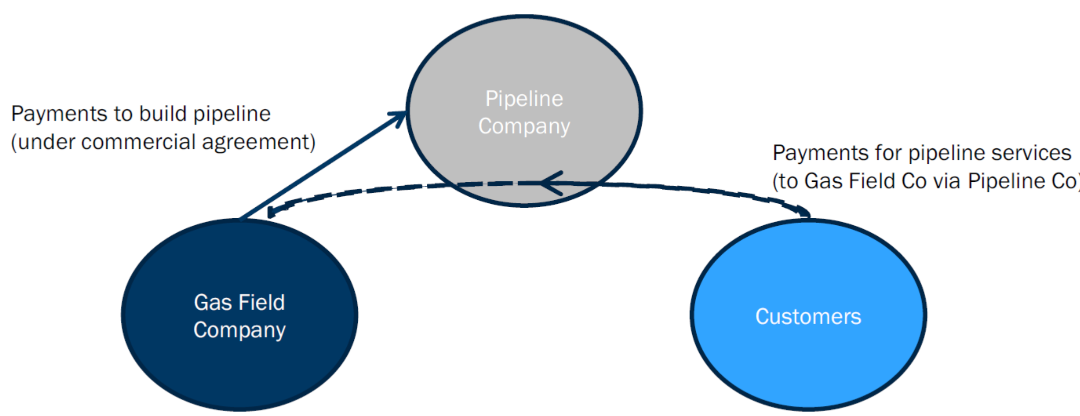
4 This could be implemented in a number of different ways but for the purpose of the notional arrangements developed by the CER and its consultants, how this operates (long-term capacity booking, 'take or pay' clause or some other mechanism) is not of importance; regardless of the mechanism, the Pipeline Company has no throughput risk as its revenues for the pipeline are contractually guaranteed.

The only major risk the Pipeline Company is exposed to is that the Gasfield Company either chooses, or is forced (goes out of business) to stop its repayments to Pipeline Company – referred to as counterparty risk.

It is important to note in relation to this, that the actual commercial arrangement between the counterparties does not affect the CER's access charge-setting process. As the FTI Report notes in Section 2.7, 'it is important to note that the actual commercial arrangements in place between the parties will remain entirely unaffected by the CER's decisions... The approach to access charges does, however, determine how much a party other than the Pipeline Company or the Gasfield Company (such as another Gasfield Company which wanted to use the pipeline in the future) would pay for using the pipeline'. In order to make decisions in relation to this access charge, it is necessary to establish the parameters for calculating the rate of return for the Pipeline Company.

It should be noted, as per Figure 3.1 (p. 5) of the FTI Report and reproduced below, revenues associated with the pipeline would be collected from customers of the Pipeline Company and these would be transferred to Gasfield Company. Gasfield Company separately pays Pipeline Company for its services. Regardless of whether revenues from customers arise or not, Gasfield Company pays Pipeline Company the agreed revenues. In this way, Gasfield Company is Pipeline Company’s only counterparty and is confident that it will recover its revenues in the long run.

Figure 3.1 – Illustration of notional transaction structure



Source – Figure 2.1, p. 5 of FTI Report

Question

Do stakeholders view this notional commercial arrangement as an appropriate framework for considering the WACC for the Corrib Linkline?

3.2 When to calculate the WACC

The Linkline was completed in the Autumn of 2006, and gas flows were expected relatively soon after this point. At various intervals, gas flows have been thought to be imminent over the past decade. Due to various factors, gas flows did not arise but are now expected in late 2015. As detailed in the FTI Report (Section 2.8 – 2.14), the time at which the access charge arrangements are determined could have a major impact on the parameters used in calculating the charges.

When abstracting from the specific case of the Linkline to the notional set of arrangements, it is possible to imagine a scenario where the coming on-stream of the field is, for various reasons, delayed. Due to movements in exchange rates or interest rates, this could have a major impact on the return seen by the pipeline investor. This does not seem appropriate as the Pipeline Company has fulfilled its side of the commercial agreement – i.e. the pipeline's availability. Should gas flows not arise for a number of years after the pipeline's completion, Pipeline Company should not be affected by this (so long as the pipeline remains available).

On this basis, the CER's consultants have recommended setting access charges reflective of when the pipeline was completed. The CER's consultants consider that this would be a factor in future access-charge setting exercises as it would incentivise Gasfield Company to ensure that their field begins production as soon as possible after the pipeline is completed by Pipeline Company. Setting the rate of return for investments at their completion date makes it easier for future potential investors to make decisions on such investments also.

Based on the CER's consultants' advice, returning to the specific case of the Linkline, the CER proposes to consider the access charge arrangements as if it were standing in October 2006, when the pipeline was completed.

Question

Do stakeholders view this as the appropriate time period at which to calculate the WACC for the Corrib Linkline access charge?

3.3 Access prices should seek to provide a long term stable revenue stream for the pipeline company

As noted in Section 3.1, under the notional commercial arrangement used as the framework for this determination, the Gasfield Company has guaranteed a set of revenues to Pipeline Company in the form of either a long-term capacity booking or a 'take or pay' clause in their contract.

Under the traditional 'building blocks' approach to setting tariffs, tariffs are set by dividing an agreed series of revenues by throughput. With assets that have an expected throughput for the full lifespan of the asset, tariffs would generally be expected to decline over time as the asset is depreciated, or remain relatively stable as throughput and asset value decline through time.

In the case of the Linkline, applying the standard tariff-setting approach to an asset which in many ways is tied to the off-shore gas field would be likely to lead to tariff instability as throughput is not guaranteed; and in any case, is expected to decline at a rate far quicker than a regulated asset would normally be depreciated. From Pipeline Company's perspective, while guaranteed in the long run, instability of its revenues could ultimately be reflected in its WACC.

To address these issues, the CER's consultants have advised annuitising the access charge for the Linkline. Annuitising the charge involves flattening the tariff across time in such a way that it accounts for the time value of money across the depreciation profile. One possible approach to calculating an annuitised tariff is proposed in the accompany Excel spreadsheet. This proposed approach would not be dissimilar from Ofgem's recent decision to annuitise the tariff for off-shore electricity transmission assets and for electricity interconnectors[5].

[5] Ofgem's decision on a similarly annuitized charge is set out here - https://www.ofgem.gov.uk/publications-and-updates/decision-cap-and-floor-regime-gb-belgium-interconnector-project-nemo

Question

Do stakeholders view this annuitisation approach as reasonable?

Are there alternatives to this approach that are consistent with the notional arrangements developed here, and what justification is there for using an alternative approach?

4.0 Tariff calculation inputs

4.1 Target Revenue Regime

As already stated, while the pipeline is part of the GNI system, the Linkline is not underwritten by general gas customers and the revenues that might arise from those accessing the pipeline will not comprise part of GNI's regulated revenues. As such, the CER is of the view that whilst a tariff for shippers accessing the Linkline may be appropriate, the basis of this tariff will be a price cap regime, or hereon a target revenue regime.

This means that, for example, if throughput on the pipeline is lower than expected, there is normally no reconciliation of the tariff for under-recovery of revenues in a previous year or years.

4.2 Access charge design

In the first instance, the tariff design is based on a standard 'building blocks' calculation whereby every year a set of revenues is calculated.

In this instance, the target revenue of the Linkline will be identified by taking the opening capital value of the pipeline (€200 million – see Section 4.3) and depreciating it over its economic lifespan (19 years). To this figure will be applied a return on capital, which is proposed at 7% (see Section 4.5) in line with the Consultant's point recommendation on WACC. In addition to this, the CER will allow annual operating costs.

The sum of these will then be divided by a capacity booking figure in MWh\day (what capacity denominator to use is considered further below). This will provide an access charge per MWh\day for each Year of the asset's economic life. The formula for these steps could be put into words as follows :

Yearly revenue = Depreciation + (RAB*WACC) + Operating Expenditure
Tariff calculation = Yearly revenue/Throughput

As noted in Section 3.3, the access charge will be annuitised, meaning the calculated annual tariff will be flattened across time in such a way that it accounts for the time value of money across the depreciation profile.

FTI propose using the maximum technical capacity of the line to calculate the tariff, on the basis that Gasfield Co would be likely to book all the capacity available on the pipeline. In this scenario, in the notional set of arrangements, this would provide Pipeline

Company with a guarantee of revenues out for the economic life of the pipeline. In this approach, should another party seek access to the pipeline, they could purchase secondary capacity from Gasfield Company. The benefit of any additional capacity sales to a new field would sit with Gasfield Company.

As part of the preconsultation process, the Corrib Partners raised some concerns with regard to this. Further to this discussion an alternative capacity booking regime was considered where the capacity bookings would reflect the expected flow profile of the gas field (i.e. close to full capacity in the early years with bookings declining as the field output declines). In this approach, should another party seek access to the pipeline, they could purchase capacity from Pipeline Company. The benefit of any additional capacity sales to a new field would sit with Pipeline Company. A justification for using the expected flow profile might be where the customers of Gasfield Company might be expected to make capacity bookings in line with the production profile of the gas field, and Gasfield Company might underwrite the revenues for the pipeline in the event that these bookings did not materialise.

The annuitised tariff calculated using the maximum technical capacity of the pipeline is significantly lower than the tariff calculated when the expected flow profile is used, however the revenue to Pipeline Company stays the same (assuming no other party seeks access to the pipeline). Should a third party seek access to the pipeline, Gasfield Company would receive additional revenues from these other users, but the amount it pays to Pipeline Company would stay the same.

In Section 4.8 tariffs are calculated using both of the above approaches.

Question

Do stakeholders have a view on the choice between using the maximum technical capacity and the expected flow profile for the purpose of the tariff calculation, and why?

Are there alternative approaches that might be used? What are the merits of any alternative approach?

4.3 Capital cost information

The first step in creating any tariff or access charge is the identification of an opening asset value. As with most regulated network tariffs, the most important input to the access charge formula will be the capital costs for the construction of the asset. The key elements of the capital cost are:

- the construction cost
- plus financing cost of the project; and
- any additions (net investment) to the pipeline over the life of the asset.

While the final capital cost of the project has not yet been finalised, GNI and the Corrib Partners have indicated that the preliminary capital cost figure for the pipeline is €200 million. This figure will only be finalised sometime after commercial flows have begun from the Corrib field.

As part of an earlier examination of the parameters for an access charge at Bellanaboy, the CER received advice on the appropriateness or otherwise on the capital and operating costs of the Linkline. At that time, it was agreed that a capital cost in the order of €200m was reasonable. While marginally higher than other similar pipelines, due to the generally difficult, often boggy terrain in which the pipeline was constructed, a slightly higher than usual capital cost would be expected.

For the purpose of this consultation the CER has used this €200 million asset value. The CER will revisit this as part of the PC4 project which will begin in the Autumn of 2016, at which point, it is expected that the final capital cost of the pipeline will have been finalised.

4.4 Operating cost information

Based on information provided by GNI, the forecast operating cost for the pipeline is €1.7 million per annum. More accurate information will be available once commercial flows have begun.

As with the capital cost of the project, the CER's view on the efficient operating cost of the pipeline will be finalised as part of the PC4 project. At that point, the efficient operation of the system will be evaluated in its entirety and this will be an opportune time to consider the appropriate final Opex input to the Linkline access charge.

Any reconciliation required will be addressed at that point.

4.5 Economic life and Depreciation profile

When determining the appropriate depreciation charge to use there are two basic variants of the straight-line approach that can be used. These are to depreciate over the technical life of the asset or the economic life of the asset. The CER currently applies a 50-year lifespan to transmission pipelines in the TSO's RAB.

The Corrib Linkline presents a change with respect to the economic life of the asset. The economic life of the Corrib field is expected to be in the range of 15-20 years with more recent forecasts focusing on the higher end of this range. Accurate lifespan information will not be available until after production has begun at the field.

Furthermore, it is possible that further gas fields will be developed beyond the Corrib field and they would in all probability use the Bellanaboy pipeline. Applying depreciation over the life of the Corrib field would ignore the fact that the asset (the pipeline) will still be used far beyond the possible 20 to 25-year lifespan of the field. While there is uncertainty about the use of the asset beyond the lifespan of the Corrib field, it may be appropriate to give the investors the opportunity to receive a return on the asset in line with the usual asset life of a transmission pipeline.

For guidance on this matter, the CER requested advice on the appropriate approach to depreciation for the Linkline access charge. Under the notional commercial arrangements developed by the CER's consultants, the pipeline is recommended to be depreciated in line with the expected life of the gas field. This makes sense in so far as the Pipeline Company will agree to its revenues being stretched out over the lifespan that the Gasfield Company will continue to need access to the pipeline; they would be unlikely to agree to revenues after the gas field is expected to be exhausted as their services may no longer be required. Thus, the depreciation profile proposed to be used is straight-line depreciation over a 19 year period.

The question of the possible continued use of the Linkline after this initial period is considered in Section 6.

4.6 Allowed cost of capital

The FTI report sets out a detailed consideration of the inputs to the appropriate WACC for the Corrib Linkline. The estimated input ranges are set out in Section 3.93 of the FTI report and reproduced below.

Table 4.7.1 – Parameters for WACC calculations

Parameter	Minimum	Maximum
Gearing	40%	45%
Real risk-free rate	2.0%	2.5%
Equity risk premium	5.0%	5.25%
Asset beta	0.5	0.6
Equity beta	0.8	1.1
Cost of equity (real, post-tax)	6.2%	8.2%
Debt risk premium	1.5%	2.0%
Cost of debt (real, pre-tax)	3.5%	4.5%
Tax rate	12.5%	
Cost of capital (real, vanilla)	5.1%	6.6%
Cost of capital (real, pre-tax)	**5.6%**	**7.2%**

Based on these ranges, FTI recommend 7%. FTI take this view on the basis that the consequences of underestimating the WACC could lead to access charges which are lower than efficient, thus potentially discouraging future efficient investment in the system. The consequences of over-estimating the WACC is an access charge that is higher than efficient costs, which could lead to inefficient investment. As a key aspect of this project is to not discourage other parties from underwriting infrastructure in future, a point higher in the upper range is considered appropriate.

FTI does note that any point in the upper-range of the WACC estimate would be appropriate.

A WACC of 7% is broadly consistent with the approach of French LNG facilities where 200 base points are added to the TSO WACC – 5.25% + 200BPS = 7.25%. A WACC of 7% is also consistent with the CER's determination of the 'Best New Entrant Price 2006' (CER/05/110), although this report was not used as a source for the WACC estimation undertaken by the CER's consultants.

4.7 Corrib Linkline Access Charge

Based on the framework developed by FTI and information provided by GNI and Corrib Partners, the CER has now calculated two initial, illustrative access charges – a charge based on the maximum technical capacity of the Linkline, and a forecast of expected bookings. The calculation of the two illustrative charges can be seen in the accompanying Excel spreadsheet[6].

[6] While Corrib flows are expected late in 2015, for simplicity the access charge model assumes a full year's depreciation and operating expenditure in the first year of production.

In the case of the approach based on maximum technical capacity, the fixed charge is calculated at €200.32 per MWh peak-day capacity.

In the case of the approach based on the expected flow profile, the fixed charge is calculated at €441.07.

These access charges will be index-linked to HICP.

Annuitised tariff Options	€\MWh
Max. pipeline capacity	200.32
Expected flow profile	441.07

4.8 Bellanaboy Entry Tariff

As noted earlier in the document, the Corrib Linkline access charge is proposed to be part of a Bellanaboy Entry Tariff, comprising two elements. Using the illustrative tariffs from the CER's Draft Decision (CER\15\057), the two possible approaches to the access charge are presented below.

Table 4.9.1 - Comparison

	Bellanaboy Entry Tariff (Max. pipeline capacity)	Bellanaboy Entry Tariff (Expected flow profile)	Moffat	Inch
GNI element[7]	485	485	639	502
Linkline element	200	441	N/A	N/A
Entry Tariff	685	926	639	502

[7] See Table 6.2, CER/15/057 – Tariffs calculated using current policy with regard to an exit discount for storage.

Question

What do stakeholders think of the approach outlined here – in particular the approach to the depreciation, WACC and annuitisation of the access charge?

5.0 Post-Corrib arrangements

On the basis that the Corrib field will be in production for approximately 20 years and the pipeline will be fully depreciated at that point under the proposed arrangements, it is not settled how the CER would approach throughput in the years after Corrib production.

There is a possibility that another field may enter production during the normal 50 year useful life of the asset and come onshore into the Linkline. In that case, the impact of having a negligible tariff from Years 20 to 50 say (reflecting the absence of flows from Corrib), might greatly favour users of the second gas field. If a second field was to be captured in the methodology however, and it does not come to fruition, the basis of the approach could be inaccurate from the outset.

Question

What would be the appropriate approach to the access charge regime in the period after the Corrib field has been exhausted?

6.0 Conclusion and Next steps

The CER intends to produce a Decision Paper on the appropriate access charge regime to prevail from the beginning of flows from the Corrib field. As stated in the CER's Notification to Industry, the CER's intention is to make a final decision in relation to the Corrib Linkline roughly in parallel with a decision on the reform of the Gas Entry Tariff reform process. On this basis, the CER intends to reach a decision in relation to the access charge regime for the Linkline in mid to late June 2015.

Stakeholders are invited to comment on any and all aspects of the paper; their attention is particularly drawn to the number of highlighted questions in the text.

The consultation period will last 4 weeks. Comments are invited by close of business June 10th 2015. Responses in electronic format are preferred and may be sent to

bhussey@cer.ie

Alternatively, responses can be sent to
Barry Hussey
The Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght, Dublin 24