

UNC 0636[D]:

Mod Title: Updating the parameters for the NTS
Optional Commodity Charge



Proposer: Aughinish Alumina Limited

Panel Date: 15 March 2018

Why change?



- The proposer requires a change to the NTS Optional Commodity Charge (OCC) formula parameters to be more reflective of the current costs and pipeline utilisation
- This requires a change in the charging methodology contained within Section Y of the UNC and Section B3.12.10(b)
- Proposes the same changes as under 0636 but excludes all Interconnector Points (IPs) as it fails to consider TAR Compliance which is being addressed under 0621.

Options



All IPs (Entry and Exit) should be excluded from proposed changes under 0636 as:

- 0636 does not comply with TAR NC which requires NRA to consult with NRAs of all directly connected Member States and the relevant stakeholder on various matters at interconnection points
- Ofgem Consultation on TAR Implementation (closed 6 Nov'2017) proposed to align the stakeholder consultations required for 0621 and TAR by using a single consultation document that satisfies the requirements of both:
 - Mod 0621 includes a review of OCC with recommended solution for October 2019 being subject to full review by ACER and neighbouring NRAs
 - By including IPs, Mod 0636 ignores the Ofgem proposal and duplicates consultation process

Options Cont.



- Security of Supply may be compromised to adjacent connected networks:
 - TAR permits differential treatment of IPs as a homogenous group of points used for a specific purpose and permits further differential treatment of IPs to and from isolated gas networks for security of supply e.g. Moffat exit point
 - No transitional arrangements are currently proposed under 0636 and the disruptive impact of 0636 to security of supply to the island of Ireland will not be fully assessed or understood in the short timescale proposed

Solution



- This proposal would update the OCC tariff formula as proposed in Modification 0636 but it would exempt all Interconnector Points (Entry and Exit)
- Exemption of all IPs from 0636 removes the requirement for matters of TAR to be addressed with neighbouring NRAs and ACER involvement
- Removes duplication of effort as matters of TAR already being addressed under 0621

Recommended Steps



- The Proposer recommends that this modification should be:
 - Sent to Workgroup 0636 for assessment