

Moffat Designated Arrangements – explanatory note and consultation

This note accompanies the draft Moffat Designated Arrangements (MDA), established as part of the EU Code implementation. It sets out (i) the purpose of the MDA and (ii) the process by which the MDA will be designated. It is issued (together with the draft MDA) for consultation, and invites representations on the draft MDA.

1. Purpose of MDA

The MDA address the following factors which complicate the arrangements at Moffat:

- the company which owns and operates the interconnector at Moffat, GNI (UK) Limited, does not enter into transportation arrangements with gas shippers; instead Gas Networks Ireland Limited (GNI) and Premier Transmission Limited (PTL) are the companies which enter into transportation arrangements with gas shippers;
- there are two separate interconnectors (for NI and ROI respectively) taking gas through a single NTS Exit Point at Moffat; and
- the LDZ at Stranraer is supplied with gas which is taken from the NTS at Moffat and transported in the PTL pipeline to Stranraer on behalf of Scotia Gas Networks which is the DNO for the LDZ.

These arrangements are reflected in various documents including the Interconnection Agreement and two Tripartite Agreements for Moffat. The purpose of the MDA is to draw together these arrangements and set out how impact the UNC in a single document. Legally, the MDA operate at the level of the UNC, and vary the generic rules in the UNC to take account of the Moffat arrangements.

Modification 0525 introduced the idea of a Primary Interconnection Point and Subsidiary Interconnection Points, to allow for certain provisions of the EID to operate, at Moffat, separately in relation to the GNI and PTL interconnectors. The MDA elaborates on how this works.

The annex to this note contains an explanation of the MDA.

2. Process for designation of MDA

Under Modification 0525, Section A 1.4 of the European Interconnection Document provides for NGG to establish and designate the MDA either by code modification or with Condition A11(18) Approval. The latter approach is proposed.

Condition A11(18) Approval is an approval by Ofgem under the GT licence of a decision by a Transporter to take a particular action under the UNC. The process for obtaining Condition A11(18) Approval is set out in the General Terms Section C at GTC 2.8: the Transporter must give an initial notice that it may take the relevant action (2.8.2(a)); it must then decide to take that action (2.8.3(a)) and (not less than 10 Business Days after the initial notice) give a further notice of that decision (2.8.3(b)(i)); and it may not implement that decision until Ofgem has granted approval (2.8.3(b)(ii)).

The process which NGG intends to follow for finalising and designating the MDA is as follows:

- Representations are invited on the draft MDA by 27th August 2015. Unless requested otherwise, representations will be posted on the Joint Office website. All representations will be provided to Ofgem.

- Following its review of such representations NGG will establish the final form of the MDA by 4th September 2015.
- In order to comply with the Condition A11(18) process under the UNC, NGG will then give initial notice of its intention to designate the MDA, on or about 4th September 2015. This notice will attach the final form of the MDA. All representations made under this consultation will be provided to Ofgem at this time.
- Not less than 10 Business Days after that (on or about 21st September 2015) NGG will make the decision to designate the MDA and give notice of that decision.
- Upon (and subject to) receiving Ofgem's approval, NGG will designate the MDA, on or about 1st October 2015.
- Each of these notices will be given by posting on the Joint Office website.