



CODE OF OPERATIONS

NOTICE TO SHIPPERS

PURSUANT TO THE CODE OF OPERATIONS

APPROVAL OF MODIFICATION

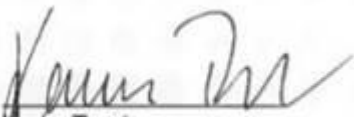
CODE MODIFICATION A100 'OFFTAKE OF NATURAL GAS AT HAYNESTOWN'

COMMISSION INSTRUCTION

Pursuant to Section 13(1) of the Gas (Interim) (Regulation) Act 2002, the Commission approves Code Modification A100 'Offtake of Natural Gas at Haynestown'.

This modification amends Part A (Definitions and Interpretation), part G (Technical) and Part H (Operations) of the Code of Operations in light of the Use of System Agreement which is being developed between GNI and GNI (UK) for GNI's access to the South North Pipeline. The approved modification will come into effect on the effective date in the Use of System Agreement.

Signed:



Karen Trant
Director, Energy Networks

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CODE MODIFICATION A100 'OFFTAKE OF NATURAL GAS AT HAYNESTOWN'

COMMISSION RATIONALE

Pursuant to Section 13(1) of the Gas (Interim) (Regulations) Act 2002, the Commission approves Code Modification A100 'Offtake of Natural Gas at Haynestown'. This approved modification will come into effect on the effective date to be defined in the Use of System Agreement between GNI and GNI (UK) Ltd for access to the South North Pipeline ("**SNP**"). The background and rationale are set out below.

BACKGROUND

The SNP is part of the Northern Ireland Gas Transmission System and is owned by GNI (UK) Ltd. The SNP connects to the Gas Networks Ireland ("**GNI**") Transportation System at the South North Interconnection Point which is located at Gormanston, Co. Meath. The SNP was primarily built for security of supply for Northern Ireland.

The technical capacity of the SNP at the South North Interconnection Point is c. 66 GWh/day and the direction of physical flow at the South North Interconnection Point can only be from the GNI Transportation System at Gormanstown into the SNP. An offtake pipeline is shortly to be connected to the SNP at Haynestown Co. Louth. The pipeline is to connect the SNP to the GNI Transportation System at Haynestown and facilitate gas flows up the SNP to the Dundalk area.

A Use of System Agreement ("**UOSA**") is being developed between GNI and GNI (UK) Ltd, under which GNI will contract for a portion of the capacity on the SNP. This is to allow gas to flow up the SNP and be offtaken at Haynestown in order to supply ROI customers in the Dundalk area. The UOSA will contain the operational agreements for GNI's use of the SNP and for the offtake of gas from the SNP at Haynestown. It will also contain the commercial arrangements for GNI's access to the SNP, which arrangements are subject to regulatory approval.

BRIEF OUTLINE OF THE CODE MODIFICATION

The modification is technical in nature. It will recognise the capacity reserved under the UOSA as forming part of the GNI Transportation System and incorporate the operational arrangements for GNI's use of the SNP and the offtake of gas at Haynestown. It has no direct bearing on the daily Shipper processes as outlined in the Code of Operations. When customers are connected at offtake points downstream of the Haynestown offtake point, Shippers will be able to book capacity and nominate flows at these offtake points in the same way as they may for other offtake points on the GNI Transportation System.

REASONS FOR THE APPROVAL OF THE CODE MODIFICATION

The aim of this Code Modification is to amend the Code of Operations to incorporate GNI's reservation of capacity on the SNP and to recognise the associated operational arrangements agreed between GNI and GNI (UK) for GNI's use of the SNP and the offtake of gas from the SNP at Haynestown into the ROI Transportation System.

To stipulate that the capacity booked under the UOSA forms part of the Transportation System, the definition of 'Transportation System' is amended in Part A (Definitions and Interpretation). Recognising the capacity as part of the Transportation System will mean that the Code of Operations will apply to this capacity and GNI will have the same duties in respect of it as it has for the rest of the Transportation System. GNI will be required, inter alia, to consider this capacity in determining if physical congestion exists on a localised part of the network and to ensure that the use of the capacity is enabled via the flow profiles, notifications and other measures of the UOSA.

In relation to operational arrangements for GNI's use of the SNP and the offtake of gas at Haynestown, part G (Technical) is amended to add 'the availability of pressure under the UOSA' to the list of factors to which availability of gas is subject. Part G is also amended to specify that the UOSA governs the operation of the capacity held under the UOSA. Part H (Operations) is amended to stipulate that gas booked under the UOSA remains in the GNI system.

Code Modification A0100
to accommodate Use of System Agreement – South North Pipeline

The Code of Operations shall be modified as follows to give effect to Code Modification 100

Definitions

1. **“Use of System Agreement”** means an agreement made between GNI (UK) Limited and the Transporter pursuant to which GNI is entitled to hold capacity in the South North Pipeline for the transportation of natural gas in the South North Pipeline as amended from time to time.
2. **“South North Pipeline”** means that section of the transmission system owned and operated by GNI (UK) Limited as part of the GNI (UK) System which is physically located in the Republic of Ireland and extends from the South North Interconnection Point to Northern Ireland.
3. **“GNI (UK) System”** means the pipelines and associated facilities owned and operated by GNI (UK) Limited extending from the South North IP to and within Northern Ireland.
4. The definition of **“Transportation System”** shall be amended as follows:

“means the Transmission System, the Distribution System and the capacity held by the Transporter under the Use of System Agreement.”

Part G (Technical)

Part G (Technical) shall be amended as follows:

1.
 - (i) By the deletion of “and/or” at the end of Section 1.2.7(f);
 - (i) By the insertion of “and/or” at the end of Section 1.2.7(g);
 - (ii) By the insertion of the following section 1.2.7.(g):

“(g) the availability of pressure under the Use of System Agreement.”
2. Section 5.1.1 shall be deleted and the following new Section 5.1.1. substituted for it:

“5.1.1 The Transporter shall operate, maintain and repair the Transportation System in accordance with the provision of this Code. The Use of System Agreement governs the operation, maintenance and repair of the GNI (UK) System and the capacity held under the Use of System Agreement and the remaining provisions of this Section 5 shall be construed accordingly.”

Part H (*Operations*)

Part H Section 7.5(3) shall be amended by inserting the words:

“Subject to section 7.5.4” at the start of it.

A new section 7.5.4 shall be inserted as follows;

“7.5.4. Section 7.5(3) shall not apply to Natural Gas transported pursuant to the Use of System Agreement and such Natural Gas shall remain in the Transportation System.”

Part I (*Legal and General*)

Part I Section 3.1.1; Force Majeure shall be amended by the inclusion of the following subsection:

“(k) any event which constitutes force majeure under the Use of System Agreement.”