

Summary of Consultation Responses

Revised Congestion Management Procedures (CMP)

Business Rules

Industry Version 1.0

6th July 2015



Matter/Subject	Comments	TSOs Response
Activation Test for CMP Mechanisms	Activation Test for CMP Mechanisms	Activation Test for CMP Mechanisms
Surrender of IP Entry Capacity	<p>Given the current regulatory arrangements around ROI / annual the income of the TSO's, AES agrees with the proposals as presented in the Paper.</p> <p>AES would seek further clarity around what liabilities a surrendering Shipper has on assumption all capacity offered for Surrender is resold.</p> <p>For example, if a Shipper has purchased at Auction as five year product and surrenders after one year, if the remaining 4 years are re-sold at a lower price, is the surrendering Shipper liable for the difference or is it absorbed by the Market / TSO (in which case all Shippers may be liable for the difference in the form of an element of any bullet payment).</p>	<p>The TSOs welcome this support.</p> <p>The Surrendering Shipper shall retain its rights and obligations under the Capacity contract, including the obligation to pay all Capacity related charges, until the Capacity Offered for Surrender is subsequently resold to another Shipper.</p> <p>If the surrendered capacity has successfully been re-sold to a new shipper, the shipper who sold its capacity is relieved from its payment obligation.</p> <p>In the NI regime, capacity is only paid for after the month in which it has been used/available for use. If a Shipper bought capacity four years previously, the payable price for the month in which it is used will be the NI reserve price plus the auction premium at the time it was first bought.</p> <p>If it is subsequently resold as a result of the surrender, the surrendering Shipper will not pay for it at all, and the Shipper who buys the (surrendered) capacity will be liable to pay the NI reserve price plus any auction premium payable in the auction in which it bought the (resold) capacity.</p> <p>The reserve price payable by the Shipper who finally holds the capacity in the utilisation month is the applicable reserve price for that product in the year the capacity is</p>

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		<p>utilised.</p> <p>Any auction premium bid by the surrendering Shipper is then irrelevant in terms of charging, as it will be the premium bid (if any) by the purchasing Shipper (in the most recent auction in which the capacity was bought) which will be payable, and that amount will flow through into the revenue reconciliation calculations.</p>
LTUIOLI proposals	AES broadly agrees with proposals presented in the Paper with the same query as raised above.	Please see response above.
Oversubscription and Buyback proposals	AES agrees with proposals presented in the Paper.	The TSOs welcome this support.