



# **Reshuffling Rules for 2015 Reshuffling Process**

## 1 Introduction

These are the Reshuffling Rules applicable to the 2015 Reshuffling Process held in accordance with paragraph 9.1 of Section B of the IUK Access Code.

## 2 Qualifying Shippers

Qualifying Shippers that may participate in this Reshuffling Process are STA Shippers that have eligible Capacity Rights under the STA for the period from 6:00 CET on 1 January 2016 to 6:00 CET on 1 October 2018 and that have executed the IUK Access Agreement or execute and submit an original of the IUK Access Agreement together with a binding bid document under this Reshuffling Process.

## 3 Reshuffling Window

The Reshuffling Window during which Qualifying Shippers may submit binding bids under this Reshuffling Process is **Thursday 17 September 2015** to **Thursday 15 October 2015** or such other dates as IUK shall notify.

## 4 Eligible Bids

A Qualifying Shipper's binding bid to reshuffle capacity will be eligible under this Reshuffling Process where it complies with:

- (a) these Reshuffling Rules;
- (b) applicable provisions of any notice issued by IUK in respect of the re-designation of Capacity Rights; and
- (c) applicable provisions of the Second 2015 Subscription Process Subscription Rules, with respect to the allocation of Capacity Products under the IUK Access Agreement.

A binding bid a Qualifying Shipper submits to reshuffle capacity under this Reshuffling Process must consist of:

- (a) a request for the re-designation of its Capacity Rights under the STA to the IUK Access Agreement;
- (b) a binding bid to release its Firm Registered Capacity that has been re-designated from the STA to the IUK Access Agreement; and
- (c) a binding bid to be allocated Capacity Products under the IUK Access Agreement.

A binding bid must be made by completing and submitting the binding bid document for this Reshuffling Process.

IUK has the right to reject any binding bid that does not comply with the above requirements.

Where a Qualifying Shipper submits a bid to reshuffle capacity under this Reshuffling Process, that bid must also be for the allocation of Capacity Products under the Second 2015 Subscription Process. This will be held at the same time as this Reshuffling Process.

A Qualifying Shipper need only submit the Reshuffling Process binding bid document to reshuffle capacity under this Reshuffling Process and be allocated Capacity Products under the Second 2015 Subscription Process.



***Qualifying Shippers submitting a binding bid need only complete the binding bid document that applies to the Reshuffling Process.***

## **5 Release of Capacity**

A Qualifying Shipper's binding bid under this Reshuffling Process to release to IUK (in exchange for a rebate from IUK) Firm Registered Capacity must be in respect of the Firm Registered Capacity that the Qualifying Shipper will hold under the IUK Access Agreement following a re-designation of its Capacity Rights under the STA. The Firm Registered Capacity the Qualifying Shipper bids to release must be for the same volumes, held for the same whole months and be in the same direction of flow as the STA Capacity Rights the Qualifying Shipper has requested be re-designated to the IUK Access Agreement.

## **6 Time Reshuffle**

A Qualifying Shipper's binding bid for the allocation of Capacity Products from 1 October 2018 shall be made in respect of Annual Capacity Products. A Qualifying Shippers' binding bid may also be made for Quarterly Capacity Products where the Qualifying Shipper has bid for Annual Capacity Products under the Second 2015 Subscription Process or has been allocated Annual Capacity Products under the First 2015 Subscription Process.

The binding bid may only be made for Annual Capacity Products and/or Quarterly Capacity Products for the Gas Years specified in the Second 2015 Subscription Process Subscription Rules.



***Qualifying Shippers submitting a binding bid should read the Second 2015 Subscription Process Subscription Rules and ensure that their binding bid complies with such rules.***

## **7 Location Reshuffle**

A Qualifying Shipper's binding bid for the allocation of Capacity Products from 1 October 2018 can be made in respect of Capacity Products at the same Entry Point or Exit Point or at a different Entry Point or Exit Point to the Firm Registered Capacity the Qualifying Shipper has bid to release to IUK.

## 8 Conditions applicable to Location Reshuffle and Time Reshuffle

Where a Qualifying Shipper bids to reshuffle its capacity under this Reshuffling Process:

- (a) it must bid to release all of the Firm Registered Capacity referred to in paragraph 5 in exchange for the rebate (to be notified by IUK) (**Rebate**) to apply in respect of such capacity; and
- (b) it must bid under the Second 2015 Subscription Process to be allocated Annual Capacity Products and/or Quarterly Capacity Products such that:

- (i) the sum for  $N=1$  to 12 of  $AC_N$  times  $RF_N$  is greater than or equal to  $R$  where:

$AC_N$  is the value of the Capacity Charges for all the Annual Capacity Products bid for by a Qualifying Shipper for a period of  $N$  years;

$RF_N$  is a factor, less than 1, notified by IUK (the value of which varies depending on the value of  $N$ , i.e. the number of Gas Years that volume has been bid for); and

$R$  is the total value of the Rebate for all of the Qualifying Shipper's released capacity.

For example if a shipper releases capacity to a rebated value of £3 million and purchases (i) annual capacity for single year at a value of £1 million plus (ii) annual capacity for a period of 5 years to a value of £5 million (i.e. £1 million per annum) plus (iii) annual capacity for a period of 10 years to a value of £2 million (i.e. £0.2 million per annum) then:

$1 \times RF_1 + 5 \times RF_5 + 2 \times RF_{10}$  must be equal to or exceed 3.

- (ii) the period(s) for which the Annual Capacity Products are to be held are the Gas Year(s) specified in the Second 2015 Subscription Process Subscription Rules;
    - (iii) where the Qualifying Shipper wishes to effect a location reshuffle the Capacity Products bid for must be at a different Entry Point and/ or Exit Point to the Firm Registered Capacity the Qualifying Shipper has bid to release.

## 9 Deadline

Qualifying Shippers must complete and send to IUK the binding bid document by no later than **5:30 pm GMT on Thursday 15 October 2015** or such other date as IUK shall notify, to participate in the Reshuffling Process.



***Qualifying Shippers must ensure that their binding bids also comply with the Subscription Rules for the Second 2015 Subscription Process otherwise risk their bids being rejected.***

## **10 Allocation and notification**

IUK will notify a Qualifying Shipper whether it has been successful in its binding bid and shall issue a Capacity Transaction Confirmation(s) for any resulting Capacity Transaction(s). The Capacity Transaction Confirmation(s) shall set out and confirm the terms and conditions applicable to such Capacity Transaction(s).

IUK shall for any resulting Capacity Transaction(s) confirm the amount of the Rebate for Released Capacity and the SP Clearing Price for allocated Capacity Products. Capacity Charges payable for Capacity Products allocated will be based on the SP Clearing Price.

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