



**Invitation to comment on the Amended and Restated
Interconnection Agreement between Fluxys Belgium S.A. (“Fluxys”)
and Interconnector (UK) Ltd. (“IUK”)**

January, 2017

In accordance with Article 4 of the COMMISSION REGULATION (EU) 2015/703 of 30 April 2015 “Network Code on Interoperability and Data Exchange”, that describes the information obligations of the Transmission System Operators with regards to the conclusion or the amendment of an interconnection agreement, stakeholders are invited to comment on the proposed text about the:

- Rules for the matching process
- Rules for the allocation of gas quantities
- Communication procedures in case of exceptional events

Stakeholders may comment on the proposed text between 16 January 2017 and 6 February 2017 by email to consultation@interconnector.com. The Transmission System Operators shall take any comments into account when concluding or amending their interconnection agreement.

Background Information

Fluxys owns and operates a high pressure natural gas transport system in Belgium. IUK owns and operates a high pressure natural gas pipeline linking Belgium with the United-Kingdom. Both infrastructures are interconnected at IZT Interconnection Point in Zeebrugge.

Fluxys and IUK entered into an agreement on 24 August 2006 (the “**Interconnection Agreement**”) to set out how they would coordinate their respective operations at the Interconnection Point.

The Parties have agreed to amend and restate the Interconnection Agreement and to sign a second agreement (the “**Amended and Restated Interconnection Agreement**”) in order to ensure compliance with certain requirements of:

- (i) Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules;
- (ii) Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks; and
- (iii) Commission Regulation (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council.

You will find hereafter the extracts of the Amended and Restated Interconnection Agreement detailing:

- Rules for the matching process
- Rules for the allocation of gas quantities
- Communication procedures in case of exceptional events

However, the structure of this document reflects the structure of the Amended and Restated Interconnection Agreement and does not follow the above list. The meanings of the terms used in the extracts of the Amended and Restated Interconnection Agreement herein mentioned can be found in appendix.

SCHEDULE I – GAS CONTROL PROCEDURE AT IZT

(...)

2. DISPATCHING PROCEDURE

2.1. OBJECTIVE

This procedure provides for the exchange of information required for the interface between IUK and Fluxys so that quantities of natural gas are delivered and/or offtaken by the IUK Shippers and/or by the FTS Shippers at the Interconnection Point in accordance with the rights and obligations of the Parties as described in their relevant agreements with respectively the IUK Shippers and the FTS Shippers.

The procedure gives rules for the notification of the daily request with related hourly rate(s) for the quantities to be delivered (Forward Flow) or offtaken (Reverse Flow) during the following Gas Day and modifications thereof.

The Parties agree that:

- (a) Fluxys is the Active TSO and IUK is the Passive TSO; and
- (b) Fluxys is the Initiating TSO and IUK is the Matching TSO.

2.2. NOTIFICATIONS BY FLUXYS

2.2.1 FLUXYS TSO CALL-UP NOTICE ("TCN")

(a) Purpose

This notice shall be used by Fluxys to notify IUK of the processed individual hourly quantities of natural gas available for offtake and/or delivery at the Interconnection Point by each (coded) FTS Shipper for each hour of Gas Day D together with the (coded) identification of the corresponding IUK Shipper(s).

For the avoidance of doubt, processed quantities shall mean the quantities the TSO is able or requesting to deliver or off-take at the Interconnection Point.

(b) Notification Procedure

The timing and content of such notice will comply with the provisions of Chapter IV of the Balancing Code and EASEE-gas CBP 2014-001/01 "Harmonisation of Nomination and Matching process".

For the avoidance of doubt, such notice shall contain the hourly quantities, processed by Fluxys, for each pair of shipper codes and shall be sent to IUK before 14:30 on Gas Day D-1.

For the avoidance of doubt, the lesser of rule (as described in the Interoperability Code) shall be applied by IUK.

(c) Message type

The EDI@'s Notice Type of the TCN will be "DELORD 26G", with a separate "DELORD ANC" notification for Single-Sided Nominations.

(d) *Revision*

Fluxys shall send a revised TCN as soon as possible at any time before or during Gas Day D in the following situations:

A quantity nominated for offtake or delivery at the IZT is revised by an FTS Shipper.

A constraint affecting an FTS Shipper entitlement or a constraint experienced by Fluxys or a change in such constraints.

The TCN shall be considered to be timely if received at the latest one (1) hour and twenty (20) minutes before the changes take effect. Fluxys shall endeavour to send the TCN within the first 5 minutes of H-2 where H is the hour during which the change takes effect.

(e) *Actions of IUK*

Upon receipt of a (revised) TCN, IUK shall check whether the listed values match the values of the latest issued TIN. In case of a mismatch, IUK shall at the latest one (1) hour and ten (10) minutes before the changes take effect issue a revised TIN in accordance with paragraph 2.3.1. If IUK receives the (revised) TCN on or just before the deadline (1 hour and 20 minutes before the change takes effect), IUK shall have the right to issue a revised TIN. This notice will be considered to be timely if received by Fluxys one (1) hour and ten (10) minutes before the changes take effect.

(f) *Fall back*

In the event that Fluxys does not issue an electronic TCN, Fluxys will transmit a manual TCN by email or facsimile.

(g) *Emergency*

In the event that an emergency situation occurs, Fluxys will contact IUK in the most appropriate way with a request for immediate action.

(...)

2.2.4 **PROPORTIONAL ALLOCATION NOTICE ("PAN")**

(a) *Purpose*

This notice shall be used by a Party in order to notify the other Party that the allocations shall be calculated on a proportional basis as described in paragraph 4.2 (iii) of Schedule III (rather than a deemed basis as described in paragraph 4.2 (i) of Schedule III) for the period indicated on the PAN.

(b) *Notification Procedure*

The PAN shall be issued by facsimile and shall be valid and timely if the Party requesting proportional allocation has sent the notice to the other Party at the latest before 11:00 hours on Gas Day D+1, provided that, in the event that a PAN is sent prior to or within an affected Gas Day, at least two hours' notice shall be given of the change to proportional allocation.

(c) *Revision*

The PAN can be revised at any time prior to 11:00 hours on Gas Day D+1. In the event that a revised PAN is sent prior to or within an affected Gas Day at least two hours' notice shall be given of the change to deemed allocation.

If the period in which allocations shall be calculated on a proportional basis is not specified on the PAN, then a revised PAN may also be used by a Party in order to request that the method of allocation shall revert from a proportional basis (as described in paragraph 4.2 (iii) of Schedule III) to a deemed basis (as described in paragraph 4.2 (i) of Schedule III), provided that, in the event that a revised PAN is sent prior to or within an affected Gas Day at least two hours' notice shall be given of the change to deemed allocation. In these circumstances, the method of allocation shall not revert from a proportional basis to a deemed basis unless or until both Parties have agreed to such change by issuing a PAN.

(d) *Actions*

The Parties shall contact each other in order to coordinate the allocation process in accordance with paragraph 4.2 of Schedule III upon receipt of a PAN.

(e) *Fall back*

Not applicable

(f) *Emergency*

Not applicable

(...)

2.3. NOTIFICATIONS BY IUK

2.3.1 IUK TSO INSTRUCTION NOTICE ("TIN")

(a) *Purpose*

This notice shall be used by IUK to notify to Fluxys of:

- (i) the accepted individual hourly quantities of natural gas available for delivery and/or offtake at the Interconnection Point by each (coded) IUK Shipper for each hour of Gas Day D together with the (coded) identification of the corresponding FTS Shipper(s);

- (ii) the confirmed individual hourly quantities of natural gas resulting from the matching process performed by IUK for delivery and/or offtake at the Interconnection Point by each (coded) IUK Shipper for each hour of Gas Day D together with the (coded) identification of the corresponding FTS Shipper(s).

(b) *Notification Procedure*

The timing and content of such notice will comply with the provisions of Chapter IV of the Balancing Code and EASEE-gas CBP 2014-001/01 "Harmonisation of Nomination and Matching process".

For the avoidance of doubt, such notice shall contain the Confirmed Quantities for each pair of shipper codes and shall be sent to Fluxys not later than 15:30 hours on Gas Day D-1.

(c) *Message type*

The EDI@s Notice Type of the TIN will be "DELRES".

(d) *Revision*

IUK shall send a revised TIN as soon as possible at any time before or during the Gas Day in the following situations:

- (i) A quantity nominated for offtake or delivery at the IZT is revised by an IUK Shipper.
- (ii) A constraint affecting an IUK Shipper entitlement or a constraint experienced by IUK or a change in such constraints.
- (iii) A revised TCN does not match with the latest TIN or revised TIN from IUK.

The TIN shall be considered to be timely if received at the latest one (1) hour and twenty (20) minutes before the changes take effect. IUK shall endeavour to send the TIN within the first 5 minutes of H-2 where H is the hour during which the change takes effect.

If IUK receives the (revised) TCN on or before the deadline (1 hour and 20 minutes before the changes take effect), IUK shall have the right to issue a revised TIN. This notice will be considered to be timely if received by Fluxys at the latest one (1) hour and ten (10) minutes before the changes take effect.

(e) *Actions of Fluxys*

Upon receipt of a (revised) TIN, Fluxys shall check whether the listed values match the values of the latest TCN issued by Fluxys. In case of a mismatch, Fluxys shall at the latest one (1) hour and twenty (20) minutes before the changes take effect issue a revised TCN in accordance with paragraph 2.2.1. If Fluxys receives the (revised) TIN on or just before the deadline (1 hour and 20 minutes before the changes take effect), Fluxys shall have the right to issue a revised TCN. This notice will be considered to be timely if received by IUK one (1) hour and ten (10) minutes before the changes take effect.

(f) *Fall back*

In the event that IUK does not issue an electronic TIN, IUK will transmit a manual TIN by email or facsimile.

(g) *Emergency*

In the event that an emergency situation occurs, IUK will contact Fluxys in the most appropriate way with a request for immediate action.

(...)

2.5. **EXCEPTIONAL FLOW INTERRUPTION**

The Parties agree to cooperate in case of a planned exceptional flow interruption.

In the case of an unplanned flow interruption the affected Party will contact the other Party as soon as possible in order to inform on cause, impact and duration of such interruption, in order to agree on the flow schedule and in order to coordinate the necessary actions to resume the flow. Contact should be by telephone if possible. The contact should be followed by the issuance of the relevant notices in accordance with this Schedule I if appropriate.

(...)

SCHEDULE III – OPERATIONAL BALANCING AGREEMENT AT IZT

(...)

2.6 SYSTEM EMERGENCIES

The Parties agree to cooperate at times of system emergencies and arrange to flow at levels outside the previously notified Confirmed Quantities in the following circumstances:

(a) *System Emergency affecting the Fluxys Transmission System*

In case of an emergency affecting the Fluxys Transmission System (but not an adjacent system), Fluxys may request IUK to modify (or to cease) flow quickly. Where IUK is able to accommodate such short notice flow change IUK will agree to modify flows outside the normal lead times.

Note: In the event of a system emergency, allocation shall be in accordance with paragraph 4.2 (ii).

(b) *System Emergency affecting the IUK Transmission System*

In case of an emergency affecting the IUK Transmission System (but not an adjacent system), IUK may request Fluxys to modify (or to cease) flow quickly. Where Fluxys is able to accommodate such short notice flow change, Fluxys will agree to modify flows outside the normal lead times.

Note: In the event of a system emergency, allocation shall be in accordance with paragraph 4.2 (ii).

(...)

4. ALLOCATION AT THE INTERCONNECTION POINT

4.1 ELEMENTS FOR THE ALLOCATION

The allocation will be based on the following data:

- the Confirmed Quantities for each pair of shippers
- the metered quantities

4.2 ALLOCATION PRINCIPLES

Each Party shall allocate the quantities delivered and offtaken at the Interconnection Point among each Party's respective Shippers based on the Confirmed Quantities. The allocation shall be performed as follows:

- (i) In the event that the absolute value of the ASD has not exceeded ____ MWh during the Gas Day, then the hourly allocation for a particular FTS Shipper and IUK Shipper pair will be equal to the hourly Confirmed Quantities for that particular FTS Shipper and IUK Shipper pair.
- (ii) In the event that the absolute value of the ASD has exceeded ____ MWh during the Gas Day, and neither of the Parties has notified the other thereof by issuing a PAN in

accordance with paragraph 2.2.4 of Schedule I, then the hourly allocation will be as in paragraph 4.2 (i) above.

- (iii) In the event that the absolute value of the ASD has exceeded ____ MWh during a Gas Day, and one of the Parties has notified the other thereof by issuing a PAN for one or more hours in that Gas Day, then:
- (a) for those hours so notified and for those (deemed) quantities delivered or offtaken in the opposite direction to the intended flow, the allocation for a particular FTS Shipper and IUK Shipper pair will be equal to the hourly Confirmed Quantities for that particular FTS Shipper and IUK Shipper pair;
 - (b) for those hours so notified and for quantities delivered or off taken in the direction of the intended flow, the allocation for a particular FTS Shipper and IUK Shipper pair will be equal to the total of the quantities defined in paragraph 4.2 (iii)(a) above plus the hourly metered quantity, multiplied by the ratio of the hourly Confirmed Quantities of that particular FTS Shipper and IUK Shipper pair to the total hourly Confirmed Quantity for all Shippers in the direction of the intended flow;
 - (c) for any hours other than those so notified, the hourly allocation will be as in paragraph 4.2 (i) above

For the avoidance of doubt, if the absolute value of the ASD has exceeded ____ MWh during Gas Day D and one of the Parties has notified the other thereof by issuing a PAN for one or more hours in Gas Day D, then Fluxys will supply to IUK by email not later than 11:00 hours on Gas Day D+1 the hourly metered quantities for Gas Day D to be used for allocation in paragraph 4.2 (iii) b above. (It is envisaged that the hourly metered quantities supplied by Fluxys and to be used for allocation will be the Telemetered quantities and that these hourly metered quantities will not change when Checked Metered quantities are available. Any difference between the aggregated monthly Telemetered quantities and the aggregated monthly Checked Metered quantities will be dealt with in accordance with paragraph 2.8).

4.3 CLOSE OUT PERIOD

The Parties agree that the quantities allocated to their respective shippers for a Gas Day will be final after a period of 12 months after that Gas Day.

APPENDIX

1. DEFINITIONS

In this Agreement the following terms shall have the following meanings (the singular shall include the plural and vice versa):

- 1.1 "**Accumulated Steering Difference**" (**ASD**) shall mean the difference between the Aggregated Accumulated Delivery and the Aggregated Accumulated Notified Delivery accumulated at any relevant moment in time (i.e., $ASD = AAD - AAND$). The Accumulated Steering Difference shall be reset to zero at the beginning of each Gas Day;
- 1.2 "**Active TSO**" shall mean the transmission system operator receiving Single-Sided Nominations;
- 1.3 "**Aggregated Accumulated Delivery**" (**AAD**) shall mean the aggregate net quantity of natural gas delivered (Forward Flow) or offtaken (Reverse Flow) at the Interconnection Point, accumulated at any relevant moment in time during a Gas Day;
- 1.4 "**Aggregated Accumulated Notified Delivery**" (**AAND**) shall mean the aggregate net quantity of natural gas, notified for delivery (Forward Flow) or offtake (Reverse Flow) at the Interconnection Point in accordance with paragraph 2.3.1.2, accumulated at any relevant moment in time during a Gas Day;
- 1.5 "**Balancing Code**" shall mean Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks;
- 1.6 "**CAM Code**" shall mean Commission Regulation (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council;
- 1.7 "**Checked Metered**" quantity, value or information shall mean any measured quantity, value or information verified and validated by Fluxys for its correctness;
- 1.8 "**Confirmed Quantities**" for a particular Gas Day and for a particular FTS Shipper and IUK Shipper pair shall mean the lesser of (i) the hourly quantities on the last valid and timely TIN and (ii) the corresponding hourly quantities on the last valid and timely TCN for that Gas Day and for that particular FTS Shipper and IUK Shipper pair, or any other quantity that may be agreed in writing between the Parties;
- 1.9 "**EASEE-gas**" shall mean the European Association for Streamlining of Energy Exchange-gas as created in Paris on March 14th, 2002;
- 1.10 "**EDig@s**" shall mean the electronic data interchange protocol (version as agreed between Fluxys and IUK), used for the purpose of exchanging data and dispatching information;
- 1.11 "**Fluxys Transmission System**" or "**FTS**" shall mean the natural gas transportation system operated by Fluxys;
- 1.12 "**Forward Flow**" shall mean the physical flow of natural gas from the IUK Transmission System to the Fluxys Transmission System (FTS);

- 1.13 **"FTS Shipper"** shall have the meaning given in Recital (A) to this Agreement;
- 1.14 **"Gas Day"** shall mean the period beginning at 06:00 hours on a calendar day and ending at 06:00 hours on the following calendar day. (This usually equates to a period of 24 hours but may be 23 or 25 hours due to the effect of seasonal clock changes);
- 1.15 **"Gas Day D"**: shall mean the Gas Day for which any nomination or renomination is made;
- 1.16 **"Gas Day D-1"**: shall mean the Gas Day immediately preceding Gas Day D;
- 1.17 **"Gas Day D+1"**: shall mean the Gas Day immediately following Gas Day D;
- 1.18 **"Initiating TSO"** shall have the meaning given to 'initiating transmission system operator' in the Interoperability Code;
- 1.19 **"Interconnection Point"** shall mean the point in Zeebrugge where the IUK Transmission System is connected to the Fluxys Transmission System;
- 1.20 **"IUK Transmission System"** shall mean the natural gas transportation system linking Bacton and Zeebrugge operated by IUK, including IZT;
- 1.21 **"Interconnector Zeebrugge Terminal" (IZT)** shall mean the plant located at Zeebrugge, and forming part of the IUK Transmission System, which is used for the delivery and offtake of natural gas at the Interconnection Point;
- 1.22 **"Interoperability Code"** shall mean Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules;
- 1.23 **"IUK Shipper"** shall have the meaning given in Recital (B) to this Agreement;
- 1.24 **"Joule" (J)** shall be identical with the definition of the derived "SI unit of quantity of heat J" as defined in ISO 1000 SI units and recommendations for the use of their multiples and of certain other units;
- 1.25 **"Kilowatt-hour" (kWh)** shall mean 3.6 (three point six) Megajoules (MJ). The combustion reference temperature will be 25°C;
- 1.26 **"Matching TSO"** shall have the meaning given to 'matching transmission system operator' in the Interoperability Code;
- 1.27 **"Month"** shall mean a period beginning at 06:00 hours on the first Gas Day of a calendar month and ending at 06:00 hours on the first Gas Day of the following calendar month;
- 1.28 **"Passive TSO"** shall mean, for the purposes of Single-Sided Nominations, the transmission system operator on the other side of the Interconnection Point from the Active TSO;
- 1.29 **"Reverse Flow"** shall mean the physical flow of natural gas from the Fluxys Transmission System to the IUK Transmission System;
- 1.30 **"Single-Sided Nomination"** shall mean a nomination or renomination that:
- (a) is made by a person who is both an FTS Shipper and an IUK Shipper;
 - (b) is made by that person in its capacity as an FTS Shipper to Fluxys; and

- (c) takes effect as both a nomination to IUK in respect of the IUK System and as a corresponding nomination to Fluxys in respect of the Fluxys System;
- 1.31 **"Telemetered"** quantity, value or information shall mean any quantity, value or information, as measured by Fluxys without any verification or validation;
- 1.32 **"TCN"** shall mean a Fluxys TSO Call-up Notice given in accordance with paragraph 2.2.1 of this Schedule;
- 1.33 **"TIN"** shall mean an IUK TSO Instruction Notice given in accordance with paragraph 2.3.1 of this Schedule;
- 1.34 **"Transmission System"** shall mean the IUK Transmission System or the Fluxys Transmission System as appropriate; and

Note 1: Any reference to time shall be construed as whatever time shall be in force at Zeebrugge.