

2011/12 - Gas Operating Margins Provision

Below is a brief overview of the characteristics required of certain service provisions in order to be able to provide a Gas Operating Margins Service;

A = Storage facility operators,

B = Primary capacity holders at storage facilities,

C = LNG Importation (with storage) facility operators and/or Primary capacity holders at LNG importation facilities,

D = Supply increase/offtake reduction (or combination thereof) from a Shipper's portfolio

D

Demand Turn Down

- ◆ OM service could be provided by reduction in gas offtake from the NTS, either by demand deferral or use of alternative fuels
- ◆ Facilities' offtake will depend on secondary factors, impacting certainty regarding their ability to reduce offtake
- ◆ Determination of availability of service depends on commercial decisions regarding when connected load is required on
- ◆ Multiple usage should be possible

Supply Increase

- ◆ OM service provided by the delivery of additional gas to the NTS
- ◆ Note that in an emergency, supply would be directed to be maximised, however this would only affect the ability to provide OM for Orderly Rundown
- ◆ Unlike storage, deliverability would be available without OM bookings and multiple usage should be possible

A & B

Storage-Based Services

- ◆ Storage allows OM to be provided by the delivery of additional gas to the NTS
- ◆ Gas in store is reserved for OM usage
 - ◆ Guarantees physical gas is available to meet all OM service needs regardless of other commercial considerations
- ◆ Ability to replenish stock following usage depends on site capabilities

C

LNG I&S (existing OM source)

- ◆ OM service provided by the delivery of additional gas to the NTS
- ◆ Gas in store is reserved for OM usage
 - ◆ Guarantees physical gas is available to meet all OM grouping needs regardless of other commercial considerations
 - ◆ Ability to replenish stock following usage depends on site capabilities/deliveries

Gas Operating Margins Tender User Flow Chart

Before using this flow chart all providers should ensure they can meet the minimum mandatory requirements for the provision of the Gas Operating Margins service – these requirements are set out under **section 6** of the **Explanation and Tender Guidance Document**:

A = Storage facility operators, **B** = Primary capacity holders at storage facilities, **C** = LNG Importation (with storage) facility operators and/or Primary capacity holders at LNG importation facilities, **D** = Supply increase/offtake reduction (or combination thereof) from a Shipper's portfolio.

