

Mr Paul McGuckin
MIL Interconnector Ltd
First Floor, The Arena Building
85 Ormeau Road
Belfast
BT7 1SH

25 July 2014

Dear Paul,

Re: Approval of the Access Rules and Charging Methodology Statement for the Moyle Interconnector

This letter gives notice of the approval by the Utility Regulator (UR) of the Access Rules and Charging Methodology Statement submitted by Moyle Interconnector Limited (MIL) on 13 May 2014¹.

This approval follows considerations by the SEM Committee of the amended Access Rules and Charging Methodology Statement as submitted by MIL. The effective date of this approval is 29 August 2014.

The Access Rules have been submitted under Condition 17 of the Moyle Interconnector Licence granted to MIL. The UR has the power to approve Access Rules for the Moyle Interconnector under Condition 17, paragraph 4 of the Moyle Interconnector Licence, which states that:

'Revisions to the relevant access arrangements proposed by the licensee and sent to the Authority pursuant to paragraph 3 shall require to be approved by the Authority.'

A consultation was carried out jointly by MIL and EirGrid Interconnector Limited (EIL) and ran from 31 March to 30 April 2014. MIL reviewed its charging methodology alongside its access rules and concluded that no modifications are currently necessary. The proposed changes to Moyle Access Rules are outlined in the consultation paper are summarised below.

The Utility Regulator acknowledges that no responses from stakeholders were received to the proposed changes to the Access Rules.

¹ A copy of the MIL Access Rules submission letter will be published on the All Island Project website, alongside this letter.

Consultation on Access Rules and Charging Methodology

The proposed changes to the Access Rules fall into two broad categories:

1. Capacity Usage Rules (Rule E5.2.4, E5.2.5 and E8.4);
2. Definitions (Schedule 1, Part 1);

The proposed changes to Rule E5.2.4 and E5.2.5 provide clarity on the compensation arrangements for capacity holders should curtailment apply. These changes provide that capacity curtailment compensation is not due for Unused Units which did not result in Modified Interconnector Unit Nominations (MIUNs). The clarification was necessitated due to a customer dispute, which is now closed, and which suggested that unused capacity should be compensated in curtailment events. This proposed change provides explicit guidance on this issue in the Access Rules and is in line with current IFA and BritNed Access Rules which provide for compensation for curtailed nominations and not for non-nominated volumes². These changes were reinforced in proposed legal drafting changes to Rule E8.4 emphasising that no compensation will be due for Unused Units that have not been nominated.

Definitions

One minor change was proposed to Schedule 1 with respect to the definition of “Unused Units” to align with changes discussed above.

Charging Methodology

It should be noted that no changes have been proposed by MIL to the Charging Methodology and that accordingly the Charging Methodology is approved as it stands in Issue 2.0 of the Moyle Charging Methodology Statement.

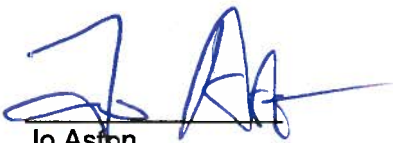
Further action in respect of Access Rules

Having provided our approval for both the revised Access Rules and Charging Methodology Statement we request MIL to publish the approved updated Access Rules and Charging Methodology Statement together with this letter on its website.

² See: Rule E8.6 of IFA Access Rules v9: <http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=28127> and the BritNed Access Rule D9: http://www.britned.com/BritNed/Trading/~/_media/BritNed/Files/BritNed%20Access%20Rules%2012-06-13.pdf.

We would remind MIL of its obligation under Condition 17, paragraph 3, to periodically review the relevant access arrangements which are in force from time to time and liaise with us should further amendments be required.

Yours sincerely,



Jo Aston
Director of Wholesale Markets
Utility Regulator