Shipper's guide

Nomination in the
Danish natural gas system

2010

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1. Introduction

This is a guide to the procedures and data exchange related to nominations and allocations between the shipper and Energinet.dk. The fundamental rules, on which this guide is based, will always be described in the prevailing version of Rules for Gas Transport, in the Rules for the Balance Transfer Facility (BTF), the Capacity Transfer Facility (CTF), the Gas Transfer Facility (GTF) and in the Rules for Nord Pool Transfer Facility (NPTF).

2. The nomination and renomination procedures

2.1 Nomination

Every day before 14:00, the shipper must make his nomination for the following gas day.

A nomination must always be given as a positive integral number or zero and in kWh per hour. A nomination must contain 24 hourly values for each point in the transmission system. If Energinet.dk receives no nominations for the exit zone for the nomination round at 14:00, the approved nominations for the current gas day will be copied. At the beginning of a contract period, the nomination will be set at zero if no nomination is received from the shipper.

For all other points, **no** copying of the previous day's nominations takes place, and failure to nominate results in a nomination at zero value.

2.2 Renomination

Renominations to Energinet.dk can be made in two rounds before the gas day - at 16:00 and 18:00 - and subsequently every whole hour before and on the gas day up to 3:00 on the gas day.

Only renominations received not later than at 4:00 before the gas day will serve to change previously approved nominations for all 24 hours of the gas day.

The renomination must be sent to Energinet.dk within the above-mentioned period of time and before the relevant whole hour and will be effected subject to a two-hour lead time, ie it will be effective two hours after the start of the renomination round.

This means that a renomination received by Energinet.dk at, for instance, 20:38 before the gas day will be processed in Energinet.dk's automatic run at 21:00. The renomination will be approved at 23:00 before the gas and consequently will be effected the next gas day at 6:00 for all 24 hours.

A renomination must always contain 24 hourly values even if the changes only apply to some of the hours. If a shipper wishes to make a renomination for the last 12 hours of a given gas day, also the first 12 hours nominated for the gas day must therefore appear from the renomination although they have already passed.

Within the gas day a renomination received at 14:53 will be processed in Energinet.dk's automatic round at 15:00 hours. The renomination will be accepted before 16:00 and executed as from 17:00 hours in the gas day and will consequently be valid for the remaining 13 hours of the gas day.

3. Shipper nominations

Nominations must be made for the following points within the system, provided the shipper has the available capacity at the given point:

Entry points (per shipper code pair)

Exit zone (per consumer portfolio)

BNG Entry point (per BNG transition point)

Transit points (per shipper code pair)

Storage points (per shipper code pair) (no capacity at the given point in the transmission system)

Gas Transfer Facility/GTF (per shipper code pair) (no capacity at the given point in the transmission system)

Nord Pool Transfer Facility/NPTF (per shipper code pair) - shipper nomination is voluntary (no capacity at the given point in the transmission system)

On receipt of the nomination, Energinet.dk compares the sum of nominations for the individual point/exit zone to the shipper's total hourly capacity stipulated in his contracts in relation to the given point/exit zone, ie the sum of all capacity (annual, monthly, weekly and daily) pursuant to contracts applying to the shipper on the relevant day.

3.1 Nomination for entry, transit and storage points

Nominations for the entry and transit points of Nybro, Ellund, Dragør, DONG Storage and Energinet.dk Gas Storage are made via shipper code pairs. A nomination for an entry, transit or storage point must specify the transportation of a quantity of gas equivalent to the quantity agreed with an external counterpart for the given point.

The direction applying to the nomination, ie whether the gas is to be transported in or out of the transmission system, is defined in the nomination. The nomination can therefore only apply to one direction. The contract is constituted by the combination of the shippers' anonymised codes (shipper codes), which are put together to form a shipper code pair, e.g. BSXXXXX-DSXXXXX. The direction is contractually defined as going from the former shipper to the latter.

For all entry, transit and storage points Energinet.dk has flexible shipper codes, which means that the shipper may freely make nominations via his own shipper code in combination with the shipper code of a counterpart. This makes the shipper code pairs flexible.
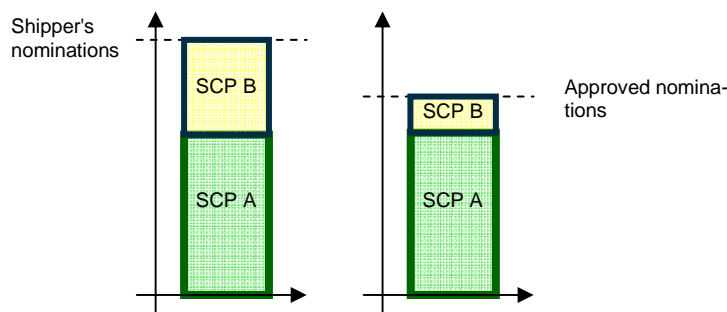
3.1.1   Prioritisation of shipper code pairs

In case a shipper orders interruptible capacity using two or more shipper code pairs in relation to an exit point, the total nomination may be reduced. The shipper can use two different principles to prioritise how the reduction of the total nomination is to be distributed on the shipper code pairs applied: 'Pro rata prioritisation' and 'Prioritised order'.

The priority is indicated per hour for each shipper code pair. The field can be filled out in three ways to indicate the priority, ie by indicating the value '1', the value '2' or no value (blank).
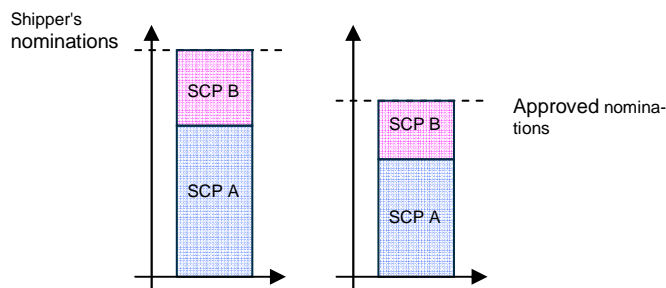
A shipper code pair for which no prioritisation has been given is reduced before a shipper code pair with priority '2', which again is reduced before a shipper code pair with priority '1'. For shipper code pairs with identical priorities, the reduction is made pro rata.

It is optional to include the priority field in the nomination message. The confirmation of a nomination will include the priority field if the field was included in the pertaining nomination message, otherwise not.

Prioritised shipper code pairs

Pro rata prioritisation of shipper code

Principle for priority when nominations are reduced (SCP: Shipper Code Pair)

The priority field must be filled in for all hours or for none.

Example with priority (Value 1):

"DS123456-BSYYYYYY";"571515198325489005";"12.09.2008 06:00";"405242";"1"

3.2   The exit zone

3.2.1   Nomination in relation to active consumer portfolios

Nominations can only be made in relation to active consumer portfolios (portfolios constituted by active consumers of natural gas). Every month, Energinet.dk will send an email to the shipper with information about the coming month's active consumer portfolios. The shipper must acknowledge receipt of this email.

3.2.2   Consumer portfolios

For the register of players the gas supplier has reported a number of consumer portfolios to which he delivers gas. The consumer portfolios consist of a combination of daily metered (DM) consumers and non-daily metered (nDM) consumers. Each of the directly connected consumers (Avedøre II, H. C. Ørsted and Skærbæk power stations) also constitutes one consumer portfolio.

Subsequently the gas suppliers and shippers have reported/accepted a number of player relationships, i.e. combinations of shippers supplying gas to specific consumer portfolios. These reported/accepted consumer portfolios are called *active*.

For each player relationship,

- the shipper accepts
    - to supply gas to active consumer portfolios and
    - to nominate to these *active* consumer portfolios.

- the gas supplier accepts
    - to receive gas from the related shipper.

3.3   BNG Entry point

3.3.1   BNG transition point nomination

For each particular BNG transition point the Shipper shall forecast the quantities of BNG, expressed in kWh/Hour, that are forecasted to be delivered every Hour of the following Gas Day

A BNG Transition Point is a virtual point facilitating delivery of BNG into the Danish Natural Gas System. The BNG Transition Point is connected to the Transmission System by relating to a single BNG Metering Point. Each BNG Transition Point will be assigned a GLN. The BNG Entry Point shall consist of all active BNG Transition Points. BNG may physically be transported in the Danish Natural Gas System through the Distribution Network.
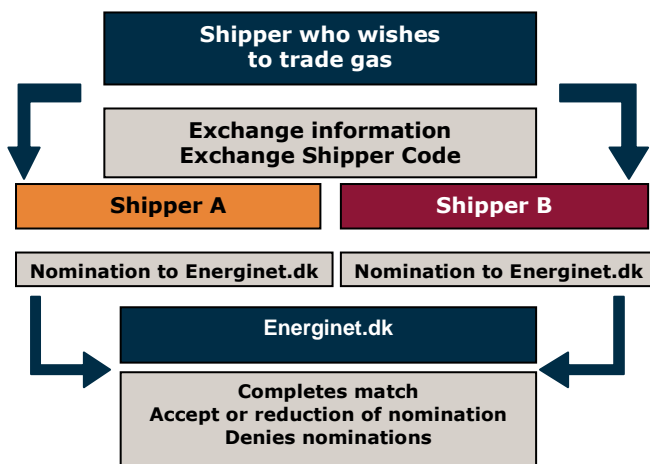
3.4   Gas Transfer Facility

If a shipper uses Energinet.dk's gas transfer facility he must use the given shipper code pair and add the point definitions GTF_POINT and the 24 hourly nominations including the volumes for the transfer on the nomination tool.

To use the GTF the two shippers have to exchange shipper codes. The shipper code is a unique key consisting of two letters (DS for Danish Shipper) and 6 digits, which is supplied by Energinet.dk to all new shippers. In our example the shipper codes are: **DS000123** for shipper A and **DS000321** for shipper B. The two shipper codes in unison form the correct shipper code pair and should be put together in the following way for both shippers:

- **DS000123-DS000321** (Shipper A transfers gas to Shipper B)

Since trade on the GTF is a procedure handled bilaterally between the two shippers in question and not by Energinet.dk. Therefore Energinet.dk does not expect nominations on the GTF at 14:00 hours before the gas day.

Shippers will therefore have the opportunity to send a renomination, both before and in the gas day, even if the shipper has not previously sent a nomination on the GTF to Energinet.dk. It should be emphasised though that the shipper will receive a 0 on the confirmation until the GTF counterpart has made his nomination.

For further information, please refer to Energinet.dk's GTF guide.

3.5   Nord Pool Transfer Facility

Nomination for the NPTF point is not obligatory on a shipper even though he has concluded a gas transaction on the exchange. However, he may nominate if he wishes to do so.

When a shipper has concluded a gas transaction on the Nord Pool Gas exchange (NPG), Energinet.dk will automatically receive a matched nomination from NPG. This means that, pursuant to the matching principle of 'NPG is always right', the shipper cannot change the matched nomination by sending a nomination/renomination.

In case the shipper wishes to proceed with sending a nomination to Energinet.dk, it must be made per shipper code pair, NPG being the counterpart:

For the sale of gas at the exchange, the shipper code pair must be combined as: **DS0000XX-NP000001**.

For the purchase of gas at the exchange, the shipper code pair must be combined as: **NP000001-DS0000XX**.

Whether a nomination has been made or not, the shipper will receive a confirmation in accordance with section 6.

3.6   Nomination via reversely directed shipper code pairs at Ellund

If a shipper wishes to transport gas via two reversely directed shipper code pairs (DS00000x-BS00000x and BS00000x-DS00000x) at Ellund, he must have available to him both entry and transit capacity at Ellund and moreover observe the following rules:

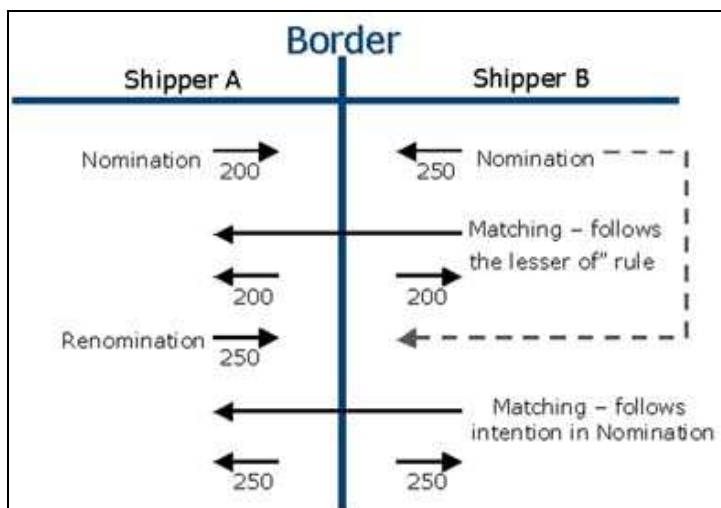Nominations can only be made for transport in one direction per hour

A renomination for transport in a new direction compared with the previous nomination will change the nomination direction so that the most recent nomination (most recent hourly nomination) and nomination direction will now apply

To cancel a previous nomination for a given hour, the value nominated should be 0.

4.   Matching - The use of the 'Lesser of' principle

When Energinet.dk receives nominations/renominations on the Entry, Transit, GTF or storage point, the transmission system operators will carry out a matching of two nominations for a given point. If a mismatch between the nominations of two counterparts occurs in a given hour, the 'lesser of' principle will come into effect, and Energinet.dk will execute the lowest of the two nominations.

The principle is as follows (see also the illustration overleaf): If the original nomination from a shipper (shipper B) has been reduced by a previously made match due to the 'lesser of' principle, the original nomination will form the basis of the nomination, if the counter-party (shipper A) sends a renomination matching the original nomination sent from shipper B.

5. Nominations sent to Energinet.dk

Nominations can be sent to Energinet.dk in two ways:

As a semi-colon separated file. If the shipper returns the sheet sent out by Energinet.dk, the file is preset to use this file format. If the shipper wishes to make the files from his own it systems, the shipper is requested to contact Energinet.dk for further information.

By using Energinet.dk Online. To be able to nominate via Energinet.dk online portal, the shipper must sign an access agreement in this respect. For further information, see Rules for Gas Transport. For guidance in the use of the nomination tools available on Energinet.dk online, please consult the User Manual for Energinet.dk online.

6. Confirmation of a nomination/renomination

Every day before 18:00 Energinet.dk forwards a confirmation. The file contains the approved nominations after check of contract data and a possible matching procedure. The approved nominations (hourly values) appear in a level of detail corresponding to the forwarded nomination.

The file containing the nomination confirmation has below mentioned name:

TPA_DNS_<CONTRACT_ID>_<DATE>_<VERSION>_<W/WO CHANGES>.<TK EAN NR>

The indication informs if the status of the nomination is with or without changes.

The status indication <W/WO CHANGES> may have these values:

- **NOM-ACC**, indicating that the nomination has been **approved without changes** or
- **NOM-CHG**, indicating that the nomination has been changed compared to the shipper's nomination.

The name of the file is to be found in the subject line of the email.

Following each renomination the shipper will receive a confirmation. A similar file format will be received upon confirmation of a renomination. The confirmations are managed by version numbers.

7. Allocation/Balancing

Every day before 12:00 after the gas day Energinet.dk sends allocations and status of the energy balances to the shipper. This requires delivered data from the distribution companies before 11:00. The number of files equals the number of nomination files. The files are semi colon devided text files and have the following names:

TPA_ALS_<CONTRACT-ID/POOL-ID>_<YYYYMMDD>_<VERSION>.txt

ALS means ALLOCATION REPLY (SVAR in Danish) and is the name of the daily energy balance account.

Likewise the monthly validated values are sent in files called:

TPA_ALSV_<CONTRACT-ID/POOL-ID>_<YYYYMM01>_<VERSION>.txt

ALSV means for ALLOCATION REPLY (SVAR) VALIDATED DATA and is the name of the monthly energy balance account i.e. fiscal data.

8. Energinet.dk's system is automatic

Energinet.dk does not have the possibility to enter or re-enter the shipper's nominations/renominations. It is the shipper's own responsibility to correct any errors he may have discovered by sending a new renomination.