BUSINESS RULES I
GENERAL PROVISIONS

1. General

1.1 The network code shall apply to the transmission services offered at all entry and exit points on the transmission system, irrespective of whether they are physical or virtual. Where parts of the network code are only applicable for points under the scope of the CAM NC, it shall be specified.

1.2 [Tariff structures developed on the basis of the Network Code on Tariffs shall not disincentivise entry-exit zone mergers but should, in case such a merger is considered economically efficient facilitate it.]

1.3 The Network Code shall be applied taking into account the specific nature of interconnectors.

2. Implementation and Mitigating Measures

2.1 The TAR NC shall apply to all contracts, both new and existing.

2.2 Implementation of the TAR NC shall take place:

2.2.1 by the 1st of October 2017; or

2.2.2 18 months from the date of entering into force of the network code,

whichever is later.

2.3 NRAs may apply mitigating measures before either of the dates calculated as set out in 2.2 in order to prevent or limit undue negative impacts upon implementation of the TAR NC.

2.4 In the case of exceptional circumstances such measures may be applied beyond either of the dates calculated as set out in 2.2 by a period not exceeding a total of twenty four months as from such date.

2.5 The exceptional circumstances include:

a) if the application of network code provisions affect the execution of specific contracts;
b) if the application of the network code does not coincide with the commencement of the gas year, tariff setting cycle or regulatory period;
c) where tariffs at individual entry or exit points would increase or decrease by more than 20% from one year to the next due to the application of the provisions in the TAR NC.

2.6 Other mitigating measures could include one or more of the following:

a) A step change for tariff increases up to a particular threshold e.g. a 20% tariff increase, with anything over the 20% threshold being smoothed over a defined period of time e.g. two years or a regulatory period
b) Using the auction premium, where applicable, to reduce floating tariff increases
c) A glide path for tariff increases and decreases which balances the changes between tariff increases and decreases so that they are smoother

3. Tariff Setting Year

3.1 The options for consideration as part of the tariff setting year impact assessment are as follows:

a) Harmonisation with a tariff setting year from 1st January – 31st December

b) Harmonisation with a tariff setting year from 1st October – 30th September

c) No harmonisation, maintain the status quo

[Stakeholders will be consulted about assessing the impact of potentially harmonising the tariff setting year in the draft TAR NC consultation]

4. Monitoring

[The issue of monitoring of the network code implementation should be dealt with in a separate document rather than in the NC. Currently it is being discussed between ACER and ENTSOG and a common understanding should be achieved by mid-2014.]