

Appendix 3 (b) - Nominations/OCM Physical renominations: *demand side turn-down example*

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Table 1

	Shipper1	Shipper2	Shipper3	System (physical)
Input				
Physical Noms/Renoms	1500		1200	2700
NBP Buys		1100		
OCM Phys Renoms				0
OCM Buys				
Sub-total	1500	1100	1200	2700
Output				
Physical Noms/Renoms	100	1800	1700	3600
NBP Sells	1100			
OCM Phys Renoms				0
OCM Sells				
Sub-total	1200	1800	1700	3600
Net Imbalance	300	-700	-500	-900

- Notes:**
1. Shipper1 sources physical input gas and sells predominantly to shipper2 through NBP trades.
 2. Shipper2 physical 'demand-side' sourcing supply through NBP buys; currently has an imbalance of -700
 3. Shipper3 currently has a deficit imbalance of -500.
 4. The total system has a deficit imbalance of -900.

Table 2

	Shipper1	Shipper2	Shipper3	System (physical)
Input				
Physical Noms/Renoms	1500		1200	2700
NBP Buys		1100		
OCM Phys Renoms	100 *		700 *	800
OCM Buys		800		
Sub-total	1600	1900	1900	3500
Output				
Physical Noms/Renoms	100 *	1800	1700 *	3600
NBP Sells	1100			
OCM Phys Renoms				0
OCM Sells	100		700	
Sub-total	1300	1800	2400	3600
Net Imbalance	300	100	-500	-100

Notes: 1. Shipper1 posts an offer (to sell) on the OCM to turn down its DM site. The OCM offer is accepted by shipper2 resulting in shipper1 making an OCM physical renomination 'PR' (opposite flow) to turn down its DM site.

*** It is worth noting that from a shipper (Gemini) perspective, OCM PRs (opposite flows) are accounted for on the opposite side to the original direction of flow e.g. in this case, the OCM PR for the DM site appears as an Input (Input and Output of 100 net off to zero).**

2. The associated OCM NBP title swaps are automatically generated for shipper1 and shipper2 (with APX as the counter-party).
3. Shipper3 posts OCM offers to turn down several DM sites; these offers are accepted by Shipper2 resulting in shipper3 making OCM PRs to turn down its DM site(s).
4. Again, the associated OCM NBP title swaps are automatically generated for shipper2 and shipper3 (with APX as the counter-party).
5. The System imbalance has decreased by 800 from -900 to -100 (demand-side reduction).