Annex 1: PART 2: CONDITIONS APPLICABLE TO THE CONVEYANCE OF GAS BY THE LICENCE HOLDER

- Proposed deletions are indicated by text which has been struck through.
- Proposed additions are indicated by red text which is underlined.

Condition 2.27: Network Development Duties

2.27.1 Effect of this Condition

This Condition 2.27 shall be subject to the provisions of Part 5, and:

- (a) it shall have effect at all times prior to the time and date which is specified in any direction issued by the Authority under Condition 5.1.1;
- (b) where such a direction is issued:
 - (i) Conditions 2.27.2 to 2.27.6 shall cease to have effect at that time and date and have no effect at any time thereafter;
 - (ii) this Condition 2.27.1 and Condition 2.27.7 shall be unaffected and shall continue to have effect.

2.27.1 2.27.2 Development of the Network

Subject to Condition 2.27.34, the Licensee shall use all reasonable endeavours to install and bring into operation a high pressure pipe-line in the Licensed Area such that gas can be conveyed (either by such high pressure pipe-line or by a low pressure pipe-line connected, or to be connected, to such high-pressure pipe-line) to each town specified in Annex 1 to this Condition 2.27 (the 'Development Plan') by the date specified in respect of that town, for the purposes of enabling gas to be supplied to any premises in each such town where the supply of gas is reasonably requested by the customer at such premises.

2.27.2 2.27.3 Revising Licensee's Obligations to Develop the Network

The Authority may revise Annex 1 to this Condition 2.27 where it is reasonably satisfied that:

- (a) exceptional circumstances (excluding lack of funds) which could not have been reasonably avoided by the Licensee have prevented, or could reasonably be expected to prevent, the Licensee from complying with its obligation under Condition 2.27.1; 2;
- (b) due to any process required to be followed by an applicable law, which could not reasonably have been further expedited or avoided by the Licensee, the Licensee has been delayed in complying with its obligations under Condition 2.27.1.2.

2.27.3 2.27.4 Modification of Licence

Without prejudice to Article 14 and Article 14A of the Order, where by virtue of the provisions of Condition 2.27.23, any revision is made to the Development Plan that revision shall be applied for the purposes of this Licence and shall (to the extent applicable) be a modification to this Condition and/or Annex 1 of this Condition.

2.27.4 2.27.5 Loss of Exclusivity

Notwithstanding Condition 1.1.4, where in respect of any part of the Licensed Area the Licensee ceases to be entitled to exclusively convey gas by means of high pressure pipelines (in accordance with Schedule 3), obligations set out in Condition 2.27.12 shall cease to apply to that part of the Licensed Area with effect from the date on which the entitlement ceased.

2.27.6 Development Plan Report

The Licensee shall, by no later than 1 March of each year, submit to the Authority a report of its progress in the development of the Network (having regard to its obligations under Condition 2.27.2).

2.27.5 2.27.7 Duty to co-operate with District Councils for Northern Ireland and others

The Licensee shall co-operate with District Councils for Northern Ireland, actual or potential operators of low pressure pipe-lines and spurs, and actual or potential gas suppliers with a view to developing the availability of gas supplies from the Licensee's high pressure pipe-lines. Such co-operation shall include providing District Councils for Northern Ireland, actual or potential operators of low pressure pipe-lines and actual or potential gas suppliers with such information as is at the Licensee's disposal, (other than confidential information the provision of which would or might, in the opinion of the Authority, seriously and prejudicially affect the interests of the Licensee) which would facilitate the development of infrastructure necessary for gas supply along the network route (as that term is defined in the definition of Licenseel Area).

2.27.6 <u>Development Plan Report</u>

The Licensee shall, by no later than 1 March of each year, submit to the Authority a report of its progress in the development of the Network (having regard to its obligations under Condition 2.27.1).