

## Annex F – Proposed Modifications to PNGL Licence

This Annex sets out the proposed modifications to the PNGL Licence.

The first part covers proposed modifications to the licence Condition ‘Connection Charges and Obligation to Connect’. The second part covers proposed modifications to other licence conditions.

- Proposed deletions are indicated by red text which has been struck through.
- Proposed additions are indicated by red text which is underlined.
- Yellow highlights indicates wording within the licence Condition ‘Connection Charges and Obligation to Connect’ which is proposed to be specific to low pressure licences.

We note that as standardisation between low pressure and high pressure licences of licence conditions other than ‘Connection Charges and Obligation to Connect’ has not been the focus of the current licence modification proposals, the use of yellow highlights has been limited to that condition.

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### LICENCE CONDITION – CONNECTION CHARGES AND OBLIGATION TO CONNECT

#### Condition 2.4: Connection Charges and Obligation to ~~permit a~~ ~~Connection~~Connect

##### ~~2.4.1~~ ~~Provisional~~ Statement of connection charges; ~~and~~ terms for connection ~~and meter~~ ~~connections and disconnections~~

##### ~~2.4.1~~ ~~Subject to~~ ~~Condition 2.4.3 and 2.4.4,~~ ~~the~~ Network

~~The~~ Licensee shall, no later than ~~3~~three months after ~~the coming into force of (i)~~  
~~this licence or (ii) any modification of this condition 2.4 (as the case may be) give~~  
~~Condition takes effect, prepare and submit to~~ the Authority ~~a statement~~ for the  
approval ~~of the Authority~~ as to form and content, a statement showing the methods  
by ~~which,~~ and the principles on, which charges are to be determined by the  
Licensee, for:

~~(a) —, connecting any premises to any part of the Network which can reasonably be~~  
~~expected to become operational prior to the Licensee giving its statement under~~  
~~Condition 2.4.2, and for maintaining, repairing and renewing the connection,~~ and

disconnecting ~~the premises and removing gas fittings owned by it and comprised in the connection; from, the Network:~~

~~(a) (b) — connecting any premises; and disconnecting~~

~~any non standard gas metersmeter and any gas metersmeter that is not owned by the Licensee in any premises; and~~

~~(b) (e) — connecting to (or any affiliate or related undertaking of the Licensee) and is located in any part of the Network which can reasonably be expected to become operational prior to the Licensee giving its statement under Condition 2.4.2, any pipe-line system to or from which gas will be conveyed by means of that element of the Network, and maintaining, repairing and renewing the connection; premises,~~

and in ~~any such each~~ case the ~~Licensee statement~~ shall, ~~when giving such a statement,~~ include ~~in~~:

~~(i) the methods by, and principles on, which charges are to be determined by the Licensee for maintaining, repairing or modifying any connection between the Network and any premises, including removing any gas fittings that statement are owned by the Licensee and comprised in the connection; and~~

~~(ii) the Licensee's other terms for the such a connection, and an explanation of those terms together with the Licensee's technical design and operational requirements which shall apply to the making of any particular, or particular type of, connection to its Network.~~

#### 2.4.2 Connections by any pipe-line system to the Network

Where

~~2.4.2 — Statement of a connection charges, to the Network is requested for any pipe-line system to or from which gas will be conveyed by means of the Network, the terms for of such connection and meter connections and disconnections~~

~~Subject to Conditions 2.4.3 and 2.4.4, shall be agreed between the Licensee shall no later than 1st September 1997 give the Authority a and the person requesting such a connection to the Network, on a case-by-case basis. This principle shall be included in the statement superseding that under referred to in Condition 2.4.1.~~

#### 2.4.3 Explanation of connection charging methodology for introducing gas to the Network

~~The Licensee shall comply with any direction given, for the approval of by the Authority to submit a statement to the Authority as to form and content, for approval showing, so far as reasonably practicable, the methods by which and the principles on which charges are to be determined by the Licensee, for:~~

~~(a) — connecting any premises to the Network, maintaining, repairing and renewing the connection and disconnecting the premises and removing gas fittings owned by it and comprised in the connection;~~

~~(b) — connecting and disconnecting non standard gas meters and gas meters not owned made by the Licensee in any premises; and for making a connection for the purposes of introducing gas into the Network and, in the context of making such a connection, for:~~

~~(c) — connecting to the Network any pipe line system to or from which gas will be conveyed by means of the Network and maintaining, repairing and renewing the connection;~~

~~and in any such case the Licence shall when giving such a statement include in that statement the Licensee's other terms for the connection and an explanation of those terms together with the Licensee's technical design and operational requirements which apply to the making of a connection to its Network.~~

~~(a) 2.4.3 — The modifying apparatus and works associated with a pipe-line so as to increase the capacity of a pipe-line; or~~

~~(b) supplying and installing any pipe-line or works,~~

~~including where practicable an indication of likely costs and other terms for the making of such a connection.~~

#### 2.4.4 Other requirements to be included in the statement

A statement and cases and classes of cases submitted to the Authority

The statement given by the Licensee under Conditions 2.4.1 and 2.4.2 Condition 2.4.1 shall:

(a) ~~subject to Condition 2.4.6(b),15,~~ clearly distinguish between cases and classes of cases of person for whom the Licensee proposes different methods by, or principles on which charges are to be determined for connection; ~~and~~

(b) in respect of any such case, or class of cases, show that element of connection costs the Licensee proposes to recover by way of conveyance charges to gas suppliers, including any Separate Business engaged in the supply of gas;

(c) identify the types of connection where:

(i) a standard quotation will be provided on a request for a quotation in accordance with Condition 2.4.12(a); and

(ii) a non standard quotation will be provided on a request for a quotation in accordance with Condition 2.4.12(b).

2.4.42.4.5 The statement to give likely indication of costs ~~and additional duty to provide information~~

The

A statement given submitted to the Authority by the Licensee under Conditions 2.4.1 and 2.4.2 Condition 0 shall also:

(a) where practicable, indicate for the Authority's information where practicable indicate the costs likely to arise in respect of work done and materials used in connecting any premises, non standard or gas meters, meter (including a non standard gas meters, meter, or a gas meter not owned by the Licensee or pipeline system and the Licensee shall:);

(b) (a) prepare the statement include such a manner information as will reasonably enable any person to estimate the Licensee's connection charges in those circumstances; connecting any premises or gas meter (including a non standard gas meter, or a gas meter not owned by the Licensee); and

(c) (b) include such information as will reasonably enable a person any Relevant Person requesting a connection in those circumstances to the Network to determine what the works and/or other actions he would need to undertake, including, without limitation, any work or action required to comply with the Licensee's technical design and operational requirements, in order for the Licensee to provide the connection to be made.

#### 2.4.6 Standards of Performance Regulations

The Licensee shall ensure that each statement submitted by it to the Authority under Condition 2.4.12.4.5 Authority's approval required to stated includes, for the purposes of the Standards of Performance Regulations:

(a) a description of a connection charges and publication of statement

~~Subject to the Authority's prior approval to the form and contents of the statement given that is classed by the Licensee under Conditions 2.4.1 and 2.4.2 as they relate to charges for an excluded connection, the Licensee shall; and~~

~~(b) (a) — publish description of a connection that statement is classed by the Licensee as a complex connection,~~

~~each description as approved by the Authority after such manner as will secure adequate publicity for it; and consultation as the Authority directs.~~

~~Authority's approval (b) — send a copy of any such statement to any person who asks for one;~~

2.4.7 and

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~~The Authority shall, in approving the Licensee's basis for charging for connection the Authority shall as set out in the statement submitted to it by the Licensee under Condition 2.4.1, have regard to the need of the Licensee to be able to finance the carrying on of its activities and obtain a return equal to that which is, in the reasonable opinion of the Authority is, appropriate.~~

2.4.8

~~2.4.6 Connection charges Publication of and terms for connection, prohibition on undue discrimination and connection of pipe line systems compliance with statement~~

The Licensee shall:

- ~~(a) not charge for a connection of premises, of any non standard gas meter, gas meter not owned by it or any pipe line system to the Network on any basis or establish other terms for the connection on any basis other than that contained in the statement published under Condition 2.4.5;~~
- ~~(b) not show any undue preference towards or undue discrimination against any person or case or classes of cases of person seeking a connection of premises to the Network, or of any non standard gas meter, gas meter not owned by the Licensee or any person who operates or proposes to operate a pipe line system, in relation to the connection of that system to the Network and in the case of a pipe line system to be connected to the Network the Licensee shall not refuse a request for connection where the person seeking the connection is willing to pay the Licensee's charges for connection and comply with the Licensee's other terms for connection including any terms as to technical and safety matters; and~~
- ~~(c) within 28 days of receiving a request for the quotation of connection charges covered by the published statement, provide the person requesting the quotation with a specific statement of the connection charges and other terms of connection applicable to the request for a quotation;~~

~~and for the purposes of Condition 2.4.6(c) and the Licensee's obligation to provide a specific statement of connection charges, a request for the quotation of connection charges shall be treated as such if it is in such form as the Licensee can reasonably be expected to provide a specific statement of connection charges in return.~~

- (a) put in place and comply with the statement, as approved by the Authority under Condition 2.4.7;
- (b) publish each approved statement in such manner as will secure adequate publicity for it; and
- (c) send a copy of any such statement to any person who requests one.

#### 2.4.72.4.9 Direction by the Authority

~~(a)~~—Where the Authority determines that it is necessary for the Licensee to revise:

~~(a)~~ ~~(i)~~—the methods and principles on which it has determined the charges and other terms for connection in the latest published statement; and/or

~~(b)~~ ~~(ii)~~—the charges and other terms for connection it has determined and included in the latest published statement,

in order to ensure that they are (or continue to be) proportionate and applied in a non-discriminatory manner, the Authority may direct the Licensee to revise its methods, principles, charges or terms (as the case may be) in accordance with the provisions of the direction.

#### 2.4.10 Revising connection charges

Without prejudice to Condition 2.4.9 the Licensee shall:

(a) periodically, and on each occasion Condition 2.4 is modified, review its published statement for compliance with the Licensee's obligations under the Licence and propose, and submit to the Authority for approval, any changes necessary in light of the review;

(b) not revise the basis of its charges for a connection of any premises, gas meter (including a non standard gas meter, or a gas meter not owned by the Licensee), or the other terms for connection, without first giving the Authority a revised statement in the same terms as Condition 2.4.1 and, where such revision is other than any increase in the Retail Prices Index, obtaining Authority's approval to such a revision.

#### 2.4.11 Compliance with a Direction

~~(b)~~The Licensee shall comply with the requirements of any direction issued by the Authority under ~~this~~ Condition 2.4.79 and shall publish ~~any~~ revised ~~statements~~statement as soon as reasonably ~~practicable~~practical in accordance with Condition ~~2.4.82.4.5.~~

#### 2.4.12 2.4.8—Revising connection chargesQuotation Requests

The Licensee shall, in accordance with

Without prejudice to Condition 2.4.7,6 and the Standards of Performance Regulations:

(a) within 10 working days of receiving a request from any Relevant Person person for a standard quotation in respect of a connection to the Network provide that

Relevant Person ~~person~~ with a specific statement of the connection charges and other terms of connection, applicable to the request; and

- (b) within 28 days of receiving a request from any Relevant Person ~~person~~ for a non standard quotation in respect of a connection to the Network provide that Relevant Person ~~person~~ with a specific statement of the connection charges, and other terms of connection, applicable to the request.

#### 2.4.13 Treatment of Request for Quotation

For the purposes of Conditions 2.4.12(a) and (b) and the Licensee's obligation to provide a specific statement of connection charges, a request for a quotation of the applicable connection charges shall be treated as such if it is in such form that it can be reasonably expected of the Licensee to provide a specific statement of connection charges in response to it.

#### 2.4.14 Accuracy of Quotations

The Licensee shall:

- (a) from time to time submit to the Authority for its approval an accuracy review scheme through which any Relevant Person ~~person~~ can require the Licensee to review the accuracy of a quotation provided to that Relevant Person ~~person~~ for a new connection or altering an existing connection; and
- (b) publish the approved accuracy review scheme in such manner as will secure adequate publicity for it.

The agreed accuracy review scheme shall be the published accuracy scheme for the purposes of the Standards of Performance Regulations.

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#### 2.4.15 Prohibition on undue discrimination

The Licensee shall not ~~revise the basis of its charges for a connection of any~~ show any undue preference towards or undue discrimination against any person or cases or classes of cases of person (including any other business of the Licensee):

- (a) seeking, and entitled pursuant to the provisions of Condition 2.4.16, a connection to be made between their premises, ~~any~~ and the Network;
- (b) seeking a connection to be made between a non standard gas meter, any ~~or~~ a gas meter not owned by it ~~or any~~ the Licensee (or any affiliate or related undertaking of the Licensee), and the Network;
- (c) that own or operate (or proposes to own or operate) a pipe-line system and seek a connection of that system to the Network ~~or the other terms;~~



(d) seeking a connection for the connection, without first giving purposes of introducing gas to the Network.

#### 2.4.16 Obligation to Connect

Upon acceptance by the Relevant Person of the quotation made pursuant to Condition 2.4.12, any conditions pursuant to 2.4.17 and subject to Condition 2.4.18, the Licensee shall make a connection to the Network on the basis of such quotation.

#### 2.4.17 Connection Requirements

The Licensee may require that, prior to making any connection:

(i) the owner of the premises in respect of which the connection is to be made accepts the Licensee's terms and conditions (including as set out in the statement submitted to the Authority a revised statement in the same terms as in either by the Licensee under Condition 2.4.1) for making the connection, including terms in respect of:

(a) the design and operational requirements which apply; and

(b) the recovery by the Licensee of its charges for making the connection;:

and

(ii) A gas supplier confirms to the Licensee its willingness to supply gas (or continue to supply gas) to the occupier of the premises following the making of the connection.

#### 2.4.18 No obligation to connect premises

Nothing in Condition 2.4.16 or 2.4.2 as the shall require the Licensee to make or maintain the connection:

(a) if the making or maintaining of the connection involves danger to the public and / or a risk to the safety of the Network, provided that the Licensee has taken all such reasonable steps to prevent such danger from occurring;

(b) if there is insufficient capacity in the Network; or

(c) if the Licensee has reasonable grounds to believe the making of the connection would be in conflict with:

- (i) the relevant objectives set out in Condition 2.5.1; or
- (ii) any public service obligation (where applicable)

and in any such case may be and obtaining the the Licensee shall give duly substantiated reasons for believing such circumstances apply Authority's approval to such a revision in the same terms as Condition 2.4.5.

#### 2.4.19 2.4.9 Resolution of disputes by the Authority

The Authority Where:

(a) there is a dispute between the Licensee and any person entitled or claiming to be entitled to requiring (and otherwise entitled to) a connection to the Network in respect of the terms of an agreement for the connection to be made ('connection agreement'), any party to the dispute may, on the make an application to the Authority for determination of any person entitled (or claiming to be entitled) to require at the terms of the connection to agreement.

(b) the Network will refer the Authority receives an application in pursuant to sub-paragraph (a) and the first instance dispute:

(i) has not previously been referred by either party to the General Consumer Council who will try to resolve for Northern Ireland for investigation; or

(ii) has previously been referred by one of the dispute, provided parties to the General Consumer Council shall give the Licensee for Northern Ireland but the Consumer Council for Northern Ireland has advised the Authority that it has not concluded its investigation of the dispute,

the Authority may refer the dispute to the Consumer Council for Northern Ireland for the purposes of enabling the Consumer Council for Northern Ireland to assist the parties in the resolution of the dispute;

(c) the Authority refers the dispute to the Consumer Council for Northern Ireland under paragraph (b) it will at the same time inform the parties of that referral;

(d) the Consumer Council for Northern Ireland has not been able to assist the parties in the resolution of the dispute within the requisite period 3 months of the Authority's referral under paragraph (b) (the 'applicable timescale'), either party to the dispute may refer the matter back to the Authority for determination;

(e) a dispute referred to the Authority under paragraph (a):

(i) is not referred by the Authority to the Consumer Council for Northern Ireland under paragraph (c); or

(ii) is referred by the Authority to the Consumer Council for Northern Ireland under paragraph (c) but is referred back to the Authority under paragraph (d),

the Authority may, having given both parties not less than one month in which to make any further representations regarding such application:

~~(a) the General Consumer Council will, settle any dispute between the applicant and the Licensee in so far as it relates to the provision or making of a connection by the Licensee; and~~

~~(b) in particular, determine the charges and other terms on which the Licensee shall (notwithstanding Condition 2.4.6) provide or make the connection in question (where the applicant is willing to accept the same), the terms of the connection agreement in such manner as appears to the Authority considers appropriate to be reasonable having regard to (in so far (insofar as is relevant and appropriate) to the obligations that would otherwise have applied to the Licensee under Condition 2.4.6 and the relevant objective as defined in Condition 2.5.1. If the General Consumer Council is unable to resolve the dispute the application will be referred back to the Authority. The Authority will try to resolve the dispute with reference to conditions 2.4.9 (a) and 2.4.9 (b); this Condition 2.4; and~~

~~(f)~~

~~2.4.10 Explanation of the person entitled or claiming to be entitled to a connection charging methodology for introducing gas to the Network wishes to proceed on the basis of the terms the connection agreement as settled The Licensee shall comply with any direction given by the Authority to furnish it with a statement showing, so far as reasonably practicable, the methods by which and the principles on which charges are to be made by the Licensee for making a connection for the purposes of introducing gas, the Licensee shall forthwith enter into the Network and, in the context of making and implement such a connection, for:~~

~~(a) modifying apparatus and works associated with a high pressure pipe line so as to increase the capacity of the pipe line; or~~

~~(b) supplying and installing any pipe line or works;~~

~~including where practicable an indication of likely costs and the other terms for doing so.~~

~~2.4.11~~ ~~Authority's consent required for charges and other agreement in accordance with its terms for introducing gas to the Network and prohibition on undue discrimination and connections for introducing gas to the Network.~~

~~The Licensee shall not:~~

- ~~(a) charge for a connection to introduce gas to the Network on any basis or on any other terms without the consent of the Authority; and~~
- ~~(b) show any undue preference towards or undue discrimination against any person seeking a connection to introduce gas to the Network and in the case of a connection to introduce gas to the Network the Licensee shall not refuse a request for connection where the person seeking the connection is willing to pay the Licensee's charges for connection and comply with the Licensee's other terms for connection including any terms as to technical and safety matters.~~

~~2.4.12~~ ~~Publication of connection charge statements~~

~~The Licensee shall:~~

- ~~(a) publish a statement of the basis of its connection charges for introducing gas to the Network and its other terms for connection as the Authority has consented to under Condition 2.4.9 in such manner as will secure adequate publicity for it; and~~
- ~~(b) send a copy of any such statement to any person who asks for one.~~

~~2.4.20~~ ~~2.4.13~~ ~~Interpretation and construction~~

References in this Condition 2.4 to:

- (a) "charges" shall include references to means whereby such charges may be ascertained;

~~"prices" or "charges" shall exclude reference to any supplementary charges arising pursuant to special connection arrangements.~~

~~2.4.14~~ ~~Special connection arrangements~~

~~The provisions of this Condition 2.4.14 and hence Conditions 2.4.15, 2.4.16 and 2.4.17 shall have effect from 1st January 2005 and "Special connection arrangements" means arrangements under which:~~

- ~~(a) the Licensee makes charges to gas suppliers, by way of supplement to conveyance charges, in respect of the laying of any main for the purpose of conveying gas to a number of new or existing premises in an area where gas had not previously been conveyed through pipes to premises (or where such conveyance had ceased for a period in excess of 3 years); and~~
- ~~(b) the charges are in accordance with principles and methods (whether general or specific to a particular locality) to which the Authority has given its consent prior to the appointed day or (if later) the construction of the main.~~

#### ~~2.4.15 Supplemental connection charges~~

~~If the Licensee makes charges pursuant to special connection arrangements ("supplemental charges"), it shall:~~

- ~~(a) prepare and keep up to date a statement (or statements in respect of particular localities) of the principles and methods approved by the Authority and of the supplemental charges arising from time to time thereunder; and~~
- ~~(b) if the statements are not in a suitable form for the purpose, prepare and keep up to date a summary document for the use of gas suppliers setting out the supplemental charges and particulars of where they apply.~~

#### ~~2.4.16 Special connection arrangements statement~~

~~The Licensee shall publish any statement or summary document prepared pursuant to Condition 2.4.15 in such manner as will secure adequate publicity for it, and send a copy to any person who asks for one.~~

#### ~~2.4.17 Supplemental charges~~

~~In any Condition (whether standard or otherwise) of this licence which limits the prices or revenues for the conveyance of gas (whether or not including storage) references to~~

~~such prices or revenues shall be taken to exclude the prices applicable to or revenues arising from supplemental charges.~~

~~(b) 2.4.18 Obligation to permit a connection~~In this Condition:

(i) **“Standards of Performance Regulations”** means **The Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014.**

(ii) **“Relevant Person”** is a person who is the:

**(a) owner of the premises; or**

**(b) occupier of the premises**

**in respect of which the request for connection is made.**

~~Where~~ the Licensee has ceased to be exclusively entitled to convey gas to any premises under ~~Conditions 2.2.3 and 2.2.5~~ then subject to a person who has a licence or exemption to convey gas:

~~(a) satisfying any technical and safety criteria contained in the Network Code;~~

~~(b) satisfying the Licensee’s technical design and operational requirements ;and~~

~~(c) paying to the Licensee a connection fee (determined by the Licensee except insofar as the Authority otherwise directs or determines under Condition 2.4.9(b)), to connect a pipe line between the Network and the premises,~~

the Licensee shall permit a connection to the Network by that person

## OTHER LICNECE CONDITIONS

### Condition 1.1: Interpretation and Construction

#### 1.1.6 Definitions

Except where expressly stated to the contrary and unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

"affiliate"	means, in relation to any person, any company which is a subsidiary of such person or a company of which such person is a subsidiary or a company which is another subsidiary of a company of which such person is a subsidiary;
"amount"	means, in relation to gas the energy content thereof expressed in therms or kilowatt hours; except with effect from 1st January 2000, it means the said content expressed in kilowatt hours;
"auditors"	means the Licensee's auditors for the time being holding office in accordance with the requirements of the Companies (Northern Ireland) Order 1986;
“Authority”	means the Northern Ireland Authority for Utility Regulation;
"authorisation of persons"	means the power of the Licensee to authorise persons, pursuant to Schedule 5 of the Order;
“balancing”	means (in relation to the Network and relevant period for balancing under the Network Code) taking such measures as may be available to the Licensee, in particular measures:

(i) for managing the relationship between deliveries of gas to and offtakes from the Network during that period; and

(ii) to maintain pressures in the Network at all levels;

which will in the reasonable opinion of the Licensee, ensure the safety and efficiency of the Network in that or any subsequent relevant period;

"consumer" means any person supplied with gas to premises;

“Department” means the Department of Enterprise, Trade and Investment;

"development plan" means the Licensee's plan to develop the Network under Schedule 4;

“distribution pipeline” means any pipeline which is not a transmission pipeline.

“distribution system operator” means any person authorised to convey gas through distribution pipelines by virtue of holding a licence granted under Article 8(1)(a) or the Order.

"district" means an area so designated in an approved map under Schedule 1;

"domestic consumer" means a consumer supplied, or requiring to be supplied, with gas at Domestic Premises;

“domestic premises” means premises where the supply of gas is taken wholly or mainly for domestic purposes;

“Electoral Ward” means the spatial unit used to elect local government councillors into district council areas, as at 15 March 2006. Any dispute as to the boundaries of such spatial unit shall be determined



by the Authority by reference to the map of such spatial unit held at the Northern Ireland Statistics and Research Agency;

“Energy Order”

means the Energy (Northern Ireland) Order 2003;

“Exclusive Area”

means the area referred to in paragraphs 1.1(a), 1.1(e) and 1.2(b)-(i) of Schedule 1 (as comprising part of the Licensed Area) which is designated under Article 9 of the Order as being the area in which the Licensee has exclusive authority to carry on the conveyance of gas in accordance with the provisions of this Licence Document.

2. The areas to which conveyance exclusivity under the licence is to be extended (until 31 December 2016) are:

(a) the areas within the boundaries of the following Electoral Wards:

- (i) Comber North;
- (ii) Comber South;
- (iii) Comber East;
- (iv) Comber West; and
- (v) Lisbane; and

(b) the Temple Quarry area comprising:

- (i) the premises at the Temple Quarry, 26 Ballycarngannon Road, Lisburn, BT27 6YA;
- (ii) the land in on or over which the Quarry Pipeline is situated;

- (iii) any premises which are, at any given location, situated within a 50 metre radius of the Quarry Pipeline; and
- (iv) the land in on or over which pipelines are situated for the purpose of conveying gas to premises specified in paragraph (b)(iii) above,

where “the Quarry Pipeline” means the distribution pipeline of the Licensee which pipeline follows the route of the A24 (as proceeding South from the boundary of the area described in paragraph 1.1(a) of Schedule 1) continuing South along the A24 to the junction of the Carr Road, continuing North-West along the Carr Road to the junction with the B178, continuing South-West along the B178 to the junction with the Ballycarngannon Road and continuing south along the Ballycarngannon Road to (and terminating at) the premises specified in paragraph (b)(i) above.

- (c) the McQuillan Quarry area comprising:
  - (i) the premises at the McQuillan Quarry, 15 Sycamore Road, Budore, BT29 4JE;
  - (ii) the land in on or over which the McQuillan Quarry Pipeline is situated;
  - (iii) any premises which are, at any given location, situated within a 50 metre radius of the McQuillan Quarry Pipeline; and

- (iv) the land in on or over which pipelines are situated for the purpose of conveying gas to premises specified in paragraph (c)(iii) above,

where “the McQuillan Quarry Pipeline” means the distribution pipeline of the Licensee which pipeline follows the route of the Upper Springfield Road, Divis Road, Tornaroy Road, Wheelers Road, Tornagrough Road, Tullyrusk Road and continuing along the Sycamore Road to (and terminating at) the premises specified in paragraph (c)(i) above.

- (d) the Cranmore Pet Crematorium area comprising:

- (i) the premises at the Cranmore Pet Crematorium, 45 Tullyrusk Road, Dundrod, Crumlin, BT29 4OH;
- (ii) the land in on or over which the Cranmore Pet Crematorium Pipeline is situated;
- (iii) any premises which are, at any given location, situated within a 50 metre radius of the Cranmore Pet Crematorium Pipeline; and
- (iv) the land in on or over which pipelines are situated for the purpose of conveying gas to premises specified in paragraph (d)(iii) above,

where “the Cranmore Pet Crematorium Pipeline” means the distribution pipeline of the

Licensee which pipeline follows the route from the junction of Budore Road and Tullyrusk Road, continuing along the Tullyrusk Road to (and terminating at) the premises specified in paragraph (d)(i) above.

“exemption holder”	means the holder of an exemption under Article 7 of the Order;
"exercise of powers of entry"	means the Licensee entering any premises, in accordance with the powers conferred by Schedule 5 of the Order;
"gas supplier"	means any person authorised by licence under Article 8 of the Order or by exemption under Article 7 of the Order to supply gas;
<del>“General Consumer Council”</del>	<del>means the General Consumer Council for Northern Ireland.</del>
"Grant"	means the commencing section of this Licence Document by which the Department grants the Licensee the licence;
“high pressure pipe-line”	means any pipe-line having a design operating pressure exceeding 7 bar gauge;
“holding company”	has the same meaning as given to it under Article 4 of the Companies (Northern Ireland) Order 1986;
"information"	includes documents, accounts, estimates, returns, reports or other information;
"Licence Document"	means the Grant of this conveyance licence to the Licensee and Parts 1 and 2 of this conveyance licence together with the Schedules thereto;

"Licensed Area"	means the area in which the Licensee is authorised to convey gas pursuant to Schedule 1 of this Licence Document;
"Licensed Business"	means the activities connected with the conveyance of gas pursuant to the conveyance licence granted under paragraph 1(a) of the Grant;
"Licensee"	means Phoenix Natural Gas Limited;
"low pressure pipe-line"	means any pipe-line which is not a high pressure pipe-line;
"Network"	“means all the pipe-lines (as defined by the Gas (Northern Ireland) Order 1996, and shall also include any plant, equipment or apparatus used for, or for any purposes connected with, the conveyance of gas) within the Licensed Area that are owned and/or operated by any licensee, which pipe-lines shall, in the case of conveyance to consumer’s premises and for the purposes of this definition, be deemed to terminate immediately prior to the inlet of the first gas meter at such premises:”
“non-domestic consumer”	means a consumer who is not a domestic consumer;
“non-domestic premises”	means premises which are not domestic premises;
"Order"	means the Gas (Northern Ireland) Order 1996;
"person"	means any company, firm, partnership, association, body corporate or individual;
"quarter"	means a period of three calendar months;
"related undertaking"	means any undertaking in which any person has a participating interest within the meaning of section 421A of the Financial Services and Markets Act 2000;

"separate accounts"	means the accounts which are to be prepared for each Separate Business;
"Separate Business"	means each of the activities of the Licensee connected with: <ul style="list-style-type: none"> <li>(a) the conveyance of gas by means of distribution pipeline pursuant to a licence granted in accordance with Article (8)(1)(a) of the Order; and</li> <li>(b) the storage of gas pursuant to a licence granted in accordance with Article 8(1)(b) of the Order.</li> </ul> <p>each taken separately from one another and from any other business of the Licensee or any affiliate or related undertaking of the Licensee, but so that where all or any part of any such business is carried on by an affiliate or related undertaking of the Licensee (save in respect of an affiliate or related undertaking which has a separate licence or exemption), such part of the business as is carried on by that affiliate or related undertaking shall be consolidated with any other such business of the Licensee (and of any other affiliate or related undertaking of the Licensee) so as to form a single Separate Business; and</p>
"subsidiary"	has the same meaning as given to it in Article 4 of the Companies (Northern Ireland) Order, 1986.
"transmission pipeline"	means any pipeline having a design operating pressure exceeding 7 bar gauge.

“ultimate controller”

means, in respect of the Licensee:

(a) any holding company of the Licensee, which is not itself a subsidiary of another company; and/or

(b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the Licensee, or any holding company of the Licensee, by virtue of:

(i) rights under contractual arrangements to which he is a party or of which he is a beneficiary;

(ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary,

but shall exclude any director or employee of a corporate body in his capacity as such and any minister, ministry, department, agency, authority, official or statutory person.

A person shall be considered to be connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in (i) and/or (ii) above.

“working day”

means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971.

**Condition 1.5: Consultation with the ~~General Consumer Council~~Consumer Council for Northern Ireland**

**1.5.1 Policy statements for ~~General Consumer Council~~Consumer Council for Northern Ireland**

The Licensee shall in due time consult with the ~~General Consumer Council~~Consumer Council for Northern Ireland in the formulation of:

- (a) its policies for the conduct of its business activities relating to the conveyance of gas insofar as they may affect consumers; and
- (b) the general arrangements for their implementation;

and shall:

- (c) give the ~~General Consumer Council~~Consumer Council for Northern Ireland reasonable notice of the publication, announcement or implementation (if no publication or announcement is made) of details of any significant change in any such policies and general arrangements; and
- (d) give to the ~~General Consumer Council~~Consumer Council for Northern Ireland as the ~~General Consumer Council~~Consumer Council for Northern Ireland may reasonably request an explanation of any such significant change and of the implementation of those policies



### Condition 1.14: Payment of Fees to the Authority

- 1.14.1 In respect of each year, beginning on 1 April, during which the Licence is in force, the Licensee shall pay to the Authority a fee of the amount determined in accordance with this Condition (the **licence fee**).
- 1.14.2 The Licensee shall pay to the Authority the licence fee for each year (the relevant year) within 30 days of the Authority giving notice to the Licensee of the amount due from the Licensee for the relevant year.
- 1.14.3 For each relevant year, the licence fee shall be the total of:
- (a) an amount that is the Relevant Contribution to the Estimated Costs of the Authority for the relevant year;
  - (b) an amount that is the Relevant Contribution to the Estimated Costs of the ~~Consumer Council~~Consumer Council for Northern Ireland with regard to the exercise of its functions relating to gas consumers for the relevant year; and
  - (c) an amount which is the difference (which may be a positive or negative amount), if any, between:
    - (i) the licence fee that would have been due from the Licensee for the year immediately preceding the relevant year (the **previous year**) had such fee been calculated in relation to the actual costs of:
      - (A) the Authority for the previous year; and
      - (B) the ~~Consumer Council~~Consumer Council for Northern Ireland with regard to the exercise of its functions relating to gas consumers for the previous year; and
    - (ii) the licence fee paid by the Licensee for the previous year,

provided that where the Licence is in force for only a part of the relevant year, the amount payable in respect of that year shall be a proportionate part of the licence fee due for the full year.

1.14.4 Where:

- (a) the Estimated Costs of the Authority or of the ~~Consumer Council~~Consumer Council for Northern Ireland are revised during the course of the relevant year (**Revised Costs**);
- (b) the Licensee has paid the licence fee for the relevant year; and
- (c) the Revised Costs would, had they applied to the calculation of the licence fee paid by the Licensee, have resulted in the calculation of a lower licence fee than that paid by the Licensee,

the Authority may, where it is reasonable for it to do so taking into consideration the timing of the Revised Costs and the provisions of paragraph 1.14.3(c), refund to the Licensee the difference between the amount of the licence fee paid by the Licensee and the amount of the lower licence fee referred to in paragraph 1.14.4(c) above.

1.14.5 Where the Licensee fails to pay the amount of the licence fee as notified to it under paragraph 1.14.2 above within the 30 day period specified, it shall with effect from the end of that 30 day period pay simple interest on the amount at the rate which is from time to time equivalent to the base lending rate of an institution designated by the Authority for this purpose.

1.14.6 In this Condition:

- “Estimated Costs”
- (i) in relation to the costs of the Authority, means the costs estimated by the Authority as likely to be its costs for the relevant year as calculated in accordance with the Principles; and
  - (ii) in relation to the costs of the ~~Consumer Council~~Consumer Council for Northern Ireland, means either:
    - (A) the costs notified to the Authority by the ~~Consumer Council~~Consumer Council for Northern Ireland as its estimated costs for

the relevant year as approved by the Department; or

- (B) in the event that the Authority does not receive such notification by 31 July in the relevant year, the costs estimated by the Authority (having regard to any estimate of such costs in any forward work programme published by the ~~Consumer Council~~Consumer Council for Northern Ireland in respect of the relevant year) as likely to be the costs of the ~~Consumer Council~~Consumer Council for Northern Ireland for the relevant year.

“Principles” means the principles determined by the Authority for the purposes of this Condition generally, following consultation with the Licensee and with others likely to be affected by the application of such principles and as notified to the Licensee in writing.

“Relevant Contribution” means, in respect of the Estimated Costs, the level of contribution to those costs applicable, whether by way of a specified amount or a stated proportion, to the Licensee as determined under or in accordance with the Principles.

### **Condition 2.2A: Terms and Conditions of Gas Contracts with Domestic Consumers**

2.2A.2 Before entering into, or concluding, a Gas Contract with any domestic consumer, the Licensee shall give the domestic consumer:

- (a) a written copy of the full terms and conditions of the Gas Contract, including without limitation all the information referred to in paragraph 2.2A.3; and

- (b) details of how the domestic consumer can contact, and the relevant address and telephone number of, the ~~General Consumer Council~~Consumer Council for Northern Ireland for further help and advice, including in particular with regard to their rights in relation to the supply of gas services provided by the Licensee.

### **Condition 2.3: Conveyance Charges, Other Terms for the Conveyance of Gas and the provision of Conveyance services**

#### 2.3.6 Resolution of Disputes

Where:

~~(a) — This condition 2.3.6 applies where~~ there is a dispute, between the Licensee and any person entitled, or claiming to be entitled, to be provided with conveyance services by the Licensee pursuant to this Condition 2.3, in respect of the terms of the agreement offered by the Licensee to such person pursuant to this Condition 2.3.

~~(b)(a) Where this condition 2.3.6 applies,~~ any party to the dispute may make an application to the Authority to determine the terms of the agreement in dispute.

~~(c)(b) Paragraph (d) applies where~~ the Authority receives an application pursuant to sub-paragraph ~~(b) above~~(a) and the dispute:

- (i) has not previously been referred by either party to the ~~General Consumer Council~~Consumer Council for Northern Ireland for investigation; or
- (ii) has previously been referred by one of the parties to the ~~General Consumer Council~~Consumer Council for Northern Ireland but the ~~General Consumer Council~~Consumer Council for Northern Ireland has advised the Authority that it has not concluded its investigation of the dispute.

~~(d) Where this paragraph applies~~ the Authority may refer the dispute to the ~~General Consumer Council~~Consumer Council for Northern Ireland for the

purposes of enabling the ~~General Consumer Council~~Consumer Council for Northern Ireland to assist the parties in the resolution of the dispute;

~~(e)~~(c) ~~Where~~ the Authority refers the dispute to the ~~General Consumer Council~~Consumer Council for Northern Ireland it will at the same time inform the parties of that referral;

~~(f)~~(d) ~~Where the General Consumer Council~~Consumer Council for Northern Ireland has not been able to assist the parties in the resolution of the dispute within 3 months of the Authority's referral under paragraph (b) (the 'applicable timescale'), either party to the ~~dispute~~matter may refer the matter back to the Authority for determination;

~~(g)~~(e) ~~Paragraph (h) applies in respect of~~ a dispute: referred to the Authority under paragraph (a):

(i) ~~which~~ is not referred by the Authority to the ~~General Consumer Council~~Consumer Council for Northern Ireland under paragraph ~~(d)~~;

or

(ii) ~~which has been~~is referred by the Authority to the Consumer CouncilConsumer Council for Northern Ireland under paragraph (c) but is referred back to the Authority ~~for determination~~ under paragraph ~~(f)~~(d).

~~(h)~~Where this paragraph applies the Authority may, having given both parties not less than one month in which to make any further representations, settle the terms of the agreement dispute in such manner as appears to the Authority to be reasonable having (insofar as is relevant) regard in particular to the following considerations:

~~(i)~~(iii) the efficient and safe operation of the Network by the Licensee;

~~(ii)~~(iv) the conveyance by the Network of:

(A) the quantities of gas which the Licensee requires or may reasonably be expected to require to be conveyed by the Network

to enable the Licensee to comply with the conditions of the licence; and

- (B) the quantities of gas of any person who has a right to have gas conveyed by the Network is entitled to require to be so conveyed in exercise of that right.

(f) ~~(i) Where~~ the person entitled or claiming to be entitled to conveyance services from the Licensee wishes to proceed on the basis of the terms ~~of~~ the agreement as settled by the Authority, the Licensee shall forthwith enter into and implement such agreement in accordance with its terms.

### **Condition 2.9: Standards of Performance**

#### 2.9.3 Report to Authority and ~~General Consumer Council~~ Consumer Council for Northern Ireland

As soon as is reasonably practicable after the end of each year ending on 31 December, the Licensee shall submit to the Authority and ~~General Consumer Council~~ Consumer Council for Northern Ireland a report dealing with the matters mentioned in Conditions 2.9.1 and 2.9.2 which shall include a comparison of the Licensee's performance against the established standards in relation to that year and shall:

- (a) make public the report so submitted in such manner as will in the reasonable opinion of the Licensee secure adequate publicity for it; and
- (b) send a copy of it free of charge to any person requesting one

except that, in performing the obligations under Conditions 2.9.3(a) and (b), the Licensee shall ensure that individual consumers cannot readily be identified except where they have consented.

## **Condition 2.9B: Preparation, Revision Of and Compliance with Codes of Practice**

2.9B.1 This Condition applies to any Code of Practice (**Code**) which the Licensee is, pursuant to Conditions 2.7A, 2.8A and 2.9A of this Licence, required to prepare, submit to and have approved by the Authority.

2.9B.2 The Licensee shall, before submitting any Code to the Authority for its approval, consult the ~~General Consumer Council~~Consumer Council for Northern Ireland and shall consider any representations made by it about the Code or the manner in which it is likely to be operated.

2.9B.3 The Licensee shall:

- (a) whenever requested to do so by the Authority; and
- (b) where the request relates to the Distribution Marketing Code, in conjunction with all other distribution system operators,

review the relevant Code to which the request relates and the manner in which it has been operated, with a view to determining whether any modification should be made to that Code or to the manner of its operation.

2.9B.4 In carrying out any review under paragraph 2.9B.3 the Licensee shall consult the ~~General Consumer Council~~Consumer Council for Northern Ireland and shall consider any representations made by it about the Code or the manner in which it is likely to be or has been operated.

2.9B.5 The Authority, following consultation with the Licensee, the ~~General Consumer Council~~Consumer Council for Northern Ireland, any other person who in the opinion of the Authority is likely to be interested or affected, may

- (a) direct the Licensee to make such modifications to any Code as the Authority considers are necessary or expedient to meet the relevant objectives of that Code;
- (b) from time to time make such modifications to Conditions 2.7A, 2.8A and 2.9A, as the Authority considers are necessary or expedient.

2.9B.6 Where the Authority modifies a Condition in accordance with paragraph 2.9B.5(b):

- (a) it shall:
  - (i) send a copy of the modification to the Licensee and the Department;
  - (ii) publish a copy of the modification in such manner as it considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the making of the modification; and
- (b) the Licensee shall revise the Code to which the modification relates in such manner and to such extent as is required to ensure that the Code reflects and complies with the modified Condition.

2.9B.7 Where the Licensee revises a Code:

- (a) in accordance with paragraph 2.9B.6(b) above;
- (b) following a review undertaken in accordance with paragraphs 2.9B.3 and 2.9B.4; or
- (c) following a direction from the Authority under paragraph 2.9B.5(a),

it shall submit the revised Code to, and have it approved by, the Authority.

2.9B.8 The Licensee shall as:

- (a) soon as practicable following the Authority's approval of a Code (including following a revision):
  - (i) send a copy of the Code to the Authority and the ~~General Consumer Council~~Consumer Council for Northern Ireland; and
  - (ii) draw the attention of its consumers to the Code and of how they may inspect or obtain a copy of it;
- (b) publish on and make readily accessible from its website a copy of the Code;
- (c) give or send free of charge a copy of the Code (as from time to time revised) to any person who requests it; and



(d) make available to members of the public, in such form and in such manner as the Authority considers appropriate, information published by the Authority pursuant to Article 7 of the Energy Order.

2.9B.9 Subject to paragraph 2.9B.11, the Licensee shall comply with each Code to which this Condition applies and which has been approved by the Authority.

2.9B.10 The Licensee shall provide the Authority with all assistance reasonably necessary to enable the Authority to monitor the implementation and operation of any Code and this assistance shall include providing statistical data at such times and in such a format as the Authority reasonably requires and permitting the Authority access to relevant documentation held by the Licensee.

2.9B.11 The Authority may (following consultation with the Licensee, and in the case of the Distribution Marketing Code, other distribution system operators) issue directions relieving the Licensee of any of its obligations under Conditions 2.7A, 2.8A and 2.9A and this Condition to such extent as may be specified in those directions and subject to such terms and conditions as the Authority thinks fit.