



Proposed Gas (Meter Testing and Stamping) Regulations (Northern Ireland) 2012

August 2012

Proposals for Legislation

This paper seeks views and comments on the proposed Gas (Meter Testing and Stamping) Regulations (Northern Ireland) 2012 which would have the effect of exempting those gas meters typically used for heavy industrial usage from the meter testing and stamping requirements of Article 22 of the Gas (Northern Ireland) Order 1996 (the "Order").

Rationale for Legislative Proposals

As a result of the Energy Act (Northern Ireland) 2011, the Utility Regulator (the "Authority") can delegate gas meter testing and stamping functions under Article 22 of the Order. Rather than carrying out such functions in-house, the Authority intends to appoint competent and impartial persons as meter examiners under Article 22 of the Order.

In relation to this, the Authority considers that gas meters typically utilised for ascertaining volumes for heavy industrial usage (flow rate >1600 m³ per hour) should be exempt from the testing and stamping requirements of Article 22 of the Order. The Authority regards having an appointed meter examiner to test and stamp large industrial meters as unnecessary and duplicative given that the customers of such meters tend to be heavy industry and they are sufficiently capable themselves of ensuring that such meters are fit for purpose.

The number of gas meters for heavy industrial usage installed in Northern Ireland is currently low and numbers are not expected to increase dramatically in the near future. It is the case that Great Britain has had this exemption for heavy industrial gas meters for a number of years (within Article 17(14) of the Gas Act 1986).

It should be noted that the proposed change represents de-regulation as it effectively exempts gas meters for heavy industrial usage from needing to be tested and stamped, therefore reducing the scope of the meter examiners appointed by the Utility Regulator. This would have small cost savings; savings on costs which would ultimately be borne by consumers.

Responding to the Consultation

As a public body and non-ministerial government department, the Utility Regulator is bound by the Freedom of Information Act which came into effect on 1 January 2005. According to the remit of the Freedom of information Act, it is possible that certain recorded information contained in consultation responses can be put into the public domain. Hence, it is possible that all responses made to consultations will be discoverable under Freedom of Information Act, even if respondents asked the Utility Regulator to treat responses as “confidential”.

It is therefore important that respondents note these developments and in particular, when marking responses as “confidential” or asking the Utility Regulator to treat responses as confidential, should specify why they consider the information in question to be confidential. Confidentiality disclaimers created automatically by your company’s e-mail system will not normally be treated as sufficient in terms of a confidentiality request.

The Utility Regulator would welcome views and comments on the issues raised in the paper and in the draft legislation, Regulatory Impact Assessment and Equality Screening as set out in the Annexes to this document. All responses should be sent by 5th October 2012 to:

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STATUTORY RULES OF NORTHERN IRELAND

2012 No. ♦

GAS

**Gas (Meter Testing and Stamping) Regulations (Northern Ireland)
2012**

Made - - - - - ♦

Coming into operation - - - - - ♦

The Northern Ireland Authority for Utility Regulation makes the following Regulations in exercise of the powers conferred upon it by Article 22(13) of the Gas (Northern Ireland) Order 1996, as amended, and of every other power enabling it in that behalf:—

Citation and commencement

1. These Regulations may be cited as the Gas (Meter Testing and Stamping) Regulations (Northern Ireland) 2012 and shall come into operation on ♦.

Testing and stamping exemption for meters used for heavy industrial usage

2. The provisions of Article 22 of the Gas (Northern Ireland) Order 1996, as amended, shall not have effect in relation to the supply of gas to a person under any agreement providing for the quantity of gas supplied to him to be ascertained by a meter designed for rates of flow which, if measured at a temperature of 15°C and a pressure of 1013.25 millibars, would exceed 1600 cubic metres an hour.

[Sealed with the Official Seal of the Northern Ireland Authority for Utility Regulation on
♦.

Shane Lynch
Chief Executive of the
Northern Ireland Authority for Utility Regulation]

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations exempt those meters designed for a rate of flow exceeding 1600 cubic metres an hour from the meter testing and stamping requirements of Article 22 of the Gas (Northern Ireland) Order 1996.

REGULATORY IMPACT ASSESSMENT

1. Title of Proposal

1.1 Gas (Meter Testing and Stamping) Regulations (Northern Ireland) 2012.

2. Purpose and Intended Effect of Measure

(i) Objective

2.1 The Utility Regulator wishes to exempt gas meters for heavy industrial usage from the meter testing and stamping requirements of Article 22 of the Gas (Northern Ireland) Order 1996.

(ii) Background

2.2 As a result of the Energy Act (Northern Ireland) 2011, the Utility Regulator (the "Authority") can delegate gas meter testing and stamping functions under Article 22 of the Gas (Northern Ireland) Order 1996 (the "Order").

2.3 Rather than carrying out such functions in-house, the Authority intends to appoint competent and impartial persons as meter examiners under Article 22 of the Order.

2.4 However, the Authority considers that gas meters typically utilised for ascertaining volumes for heavy industrial usage (flow rate >1600 m³ per hour) should be exempt from the testing and stamping requirements of Article 22 of the Order. The Authority regards having an appointed meter examiner to test and stamp large industrial meters as unnecessary and duplicative given that the customers of such meters tend to be heavy industry and they are sufficiently capable themselves of ensuring that such meters are safe, accurate, robust etc.

2.5 The number of gas meters for heavy industrial usage installed in Northern Ireland is currently low and numbers are not expected to increase dramatically in the near future. Great Britain has had this exemption for heavy industrial meters for a number of years (as per Article 17(14) of the Gas Act 1986).

(iii) Risk Assessment

2.6 The key risk addressed by the introduction of these Regulations is the elimination of unnecessary work by any meter examiners appointed by the Authority in examining meters which they do not need to.

2.7 Conversely there may be a risk that in exempting heavy industrial meters from needing to be stamped, meters used as a result are not checked and may not be fit for purpose. However this is unlikely as the type of businesses involved are well capable of ensuring that meters installed for measuring large volumes of gas are not defective – which they do currently in any case.

3. Options

Option 1 – Do Nothing

3.1 This is not a preferred option. Upon delegation of gas meter testing and stamping functions it would be incumbent upon the relevant meter examiners to test and stamp all

meters. However, as outlined above this would not be appropriate for meters used by heavy industry due to the substantial monetary sums involved in the purchase of gas and in ensuring safety etc. The gas supplier and customer in these circumstances tend to make their own arrangements to ensure the gas meters used are fit for purpose.

Option 2 – Exempt gas meters used for heavy industrial purposes

- 3.2 This is the preferred option. By exempting gas meters for heavy industrial usage from the meter testing and stamping requirements, this essentially represents de-regulation as it excludes a meter type from the legislative requirements of Article 22 of the Order. The Authority regards having an appointed meter examiner to test and stamp large industrial meters as superfluous given that the customers of such meters tend to be heavy industry and they are sufficiently capable of ensuring that such meters are safe, accurate, and robust etc themselves. It will also save on compliance costs, which would be borne by the Utility Regulator in its contract with the appropriate meter testing and stamping body and therefore ultimately borne by consumers.

Option 3 – Exempt all gas meters used for industrial and commercial purposes

- 3.3 This is not a preferred option. Due to resource constraints, light industrial and commercial companies would be more likely to be reliant on both the meter manufacturer and meter examiners to ensure that their meter is safe, accurate and reliable. It is unlikely that they could make their own arrangements in this regard.

4. Benefits

(i) Overall Benefits

- 4.1 The proposed change represents de-regulation as it effectively exempts gas meters for heavy industrial usage from needing to be tested and stamped, therefore reducing the scope of the meter examiners appointed by the Utility Regulator. This would have small cost savings; savings on costs which would ultimately be borne by consumers.

(ii) Business Sectors Affected

- 4.2 The business sector affected by the proposed changes are those heavy industries in Northern Ireland which would consume very high volumes of natural gas (meter flow rate >1600m³ per hour) and the natural gas industry in the province.

(iii) Other Impact Assessments

- 4.3.1 An Equality Screening Form has also been completed in relation to the proposed Regulations.

5. Costs

(i) Compliance costs

- 5.1 The proposed change represents de-regulation as it exempts a certain type of meter from the meter testing and stamping requirements of Article 22 of the Order. It will save on compliance costs, which would be borne by the Utility Regulator in its contract with the appropriate meter testing and stamping body and therefore ultimately from consumers.

(ii) Other costs

5.2 As above.

(iii) Costs for a typical business

5.3 As above.

6. Consultation With Small Business: the Small Business Impact Test

6.1 No impact on small businesses is expected.

7. Enforcement and Sanctions

7.1 The proposal would be implemented through statutory rules.

8. Monitoring and Review

8.1 A review will be undertaken by the Utility Regulator a year from operation.

9. Consultation

(i) Within Government

9.1 The Utility Regulator has worked with DETI on the draft Regulations and on assessing their impact.

(ii) Public Consultation

9.2 An 8 week consultation is deemed appropriate due to time constraints and the fact that the impact of the proposal is low and only affects a small number of parties.

10. Summary and Recommendation

10.1 It is proposed that Regulations should be enacted which would exempt gas meters typically used for heavy industrial usage from the meter testing and stamping requirements of Article 22 of the Order thus eliminating unnecessary approval work by the meter examiner appointed by the Authority.

EQUALITY SCREENING FORM

Part 1. Policy scoping

The first stage of the screening process involves scoping the policy under consideration. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy, being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening process on a step by step basis.

Public authorities should remember that the Section 75 statutory duties apply to internal policies (relating to people who work for the authority), as well as external policies (relating to those who are, or could be, served by the authority).

Information about the policy

Name of the policy

The Gas (Meter Testing and Stamping) Regulations (Northern Ireland) 2012

Is this an existing, revised or a new policy?

New policy

What is it trying to achieve? (intended aims/outcomes)

The proposed Regulations would exempt gas meters typically used for heavy industrial usage (flow rate >1600 m3 per hour) from the meter testing requirements of Article 22 of the Gas (Northern Ireland) Order 1996 and would eliminate unnecessary approval work for these gas meters by the meter examiner appointed by the Authority.

The Authority regards having an appointed meter examiner to test and stamp large industrial meters as unnecessary and duplicative given that the customers of such meters tend to be heavy industry and they are sufficiently capable themselves of ensuring that such meters are safe, accurate, robust etc.

The number of these gas meters for heavy industrial usage installed in Northern Ireland is currently low and numbers are not expected to increase dramatically in the near future. Great Britain has had this exemption for heavy industrial meters for a number of years (as per Article 17(14) of the Gas Act 1986).

Are there any Section 75 categories which might be expected to benefit from the intended policy? If so, explain how.

None is expected

Who initiated or wrote the policy?

The Northern Ireland Authority for Utility Regulation (the "Authority")

Who owns and who implements the policy?

The Northern Ireland Authority for Utility Regulation (the "Authority")

Implementation factors

Are there any factors which could contribute to/detract from the intended aim/outcome of the policy/decision?

No

If yes, are they?

- financial
- legislative
- other, please specify _____

Main stakeholders affected

Who are the internal and external stakeholders (actual or potential) that the policy will impact upon?

- staff
- service users
- other public sector organisations
- voluntary/community/trade unions
- other, please specify:
Conveyors and suppliers of gas in Northern Ireland

Other policies with a bearing on this policy

- what are they?

As a result of the Energy Act (Northern Ireland) 2011, the Authority can delegate gas meter testing and stamping functions under Article 22 of the Gas (Northern Ireland) Order 1996 (the "Order"). Rather than carrying out such functions in-house, the Authority intends to appoint competent and impartial persons as meter examiners under Article 22 of the Order.

However, the Authority considers that gas meters typically utilised for ascertaining volumes for heavy industrial usage (flow rate >1600 m³ per hour) should be exempt from the testing and stamping requirements of Article 22 of the Order. The Authority regards having an appointed meter examiner to test and stamp large industrial meters as unnecessary given that the customers of such meters tend to be heavy industry and they are sufficiently capable themselves of ensuring that such meters are safe, accurate, robust etc.

- who owns them?

Although the appointed meter examiner will be undertaking day-to-day testing and stamping work, the Northern Ireland Authority for Utility Regulation is ultimately responsible for the requirements of Article 22 of the Gas (Northern Ireland) Order 1996.

Available evidence

Evidence to help inform the screening process may take many forms. Public authorities should ensure that their screening decision is informed by relevant data.

What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Specify details for each of the Section 75 categories.

The Authority is carrying out a public consultation on the equality screening form along with the proposed Regulations and a draft Regulatory Impact Assessment in Summer 2012 to ensure that those involved in the Northern Ireland gas industry have an opportunity to respond to the proposed policy measures to be introduced.

However, due to the technical and specialist nature of the proposed Regulations and that the provisions do not impact on any section of the community, it is considered that there will be no requirement to undertake a full Equality Impact Assessment.

Section 75 category	Details of evidence/information
Religious belief	<i>N/A – See above comments</i>
Political opinion	<i>N/A – See above comments</i>
Racial group	<i>N/A – See above comments</i>
Age	<i>N/A – See above comments</i>
Marital status	<i>N/A – See above comments</i>

Sexual orientation	<i>N/A – See above comments</i>
Men and women generally	<i>N/A – See above comments</i>
Disability	<i>N/A – See above comments</i>
Dependants	<i>N/A – See above comments</i>

Needs, experiences and priorities

Taking into account the information referred to above, what are the different needs, experiences and priorities of each of the following categories, in relation to the particular policy/decision? Specify details for each of the Section 75 categories.

Section 75 category	Details of needs/experiences/priorities
Religious belief	<i>N/A</i>
Political opinion	<i>N/A</i>
Racial group	<i>N/A</i>
Age	<i>N/A</i>
Marital status	<i>N/A</i>
Sexual orientation	<i>N/A</i>
Men and women generally	<i>N/A</i>
Disability	<i>N/A</i>
Dependants	<i>N/A</i>

Part 2. Screening questions

Introduction

In making a decision as to whether or not there is a need to carry out an equality impact assessment, the public authority should consider its answers to the questions 1-4 which are given on pages 66-68 of this Guide.

If the public authority's conclusion is **none** in respect of all of the Section 75 equality of opportunity and/or good relations categories, then the public authority may decide to screen the policy out. If a policy is 'screened out' as having no relevance to equality of opportunity or good relations, a public authority should give details of the reasons for the decision taken.

If the public authority's conclusion is **major** in respect of one or more of the Section 75 equality of opportunity and/or good relations categories, then consideration should be given to subjecting the policy to the equality impact assessment procedure.

If the public authority's conclusion is **minor** in respect of one or more of the Section 75 equality categories and/or good relations categories, then consideration should still be given to proceeding with an equality impact assessment, or to:

- measures to mitigate the adverse impact; or
- the introduction of an alternative policy to better promote equality of opportunity and/or good relations.

In favour of a 'major' impact

- a) The policy is significant in terms of its strategic importance;
- b) Potential equality impacts are unknown, because, for example, there is insufficient data upon which to make an assessment or because they are complex, and it would be appropriate to conduct an equality impact assessment in order to better assess them;
- c) Potential equality and/or good relations impacts are likely to be adverse or are likely to be experienced disproportionately by groups of people including those who are marginalised or disadvantaged;
- d) Further assessment offers a valuable way to examine the evidence and develop recommendations in respect of a policy about which there are concerns amongst affected individuals and representative groups, for example in respect of multiple identities;
- e) The policy is likely to be challenged by way of judicial review;
- f) The policy is significant in terms of expenditure.

In favour of 'minor' impact

- a) The policy is not unlawfully discriminatory and any residual potential impacts on people are judged to be negligible;
- b) The policy, or certain proposals within it, are potentially unlawfully discriminatory, but this possibility can readily and easily be eliminated by making appropriate changes to the policy or by adopting appropriate mitigating measures;

- c) Any asymmetrical equality impacts caused by the policy are intentional because they are specifically designed to promote equality of opportunity for particular groups of disadvantaged people;
- d) By amending the policy there are better opportunities to better promote equality of opportunity and/or good relations.

In favour of none

- a) The policy has no relevance to equality of opportunity or good relations.
- b) The policy is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

Taking into account the evidence presented above, consider and comment on the likely impact on equality of opportunity and good relations for those affected by this policy, in any way, for each of the equality and good relations categories, by applying the screening questions given overleaf and indicate the level of impact on the group i.e. minor, major or none.

Screening questions

1 What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 equality categories? minor/major/none		
Section 75 category	Details of policy impact	Level of impact? minor/major/none
Religious belief	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Political opinion	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Racial group	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Age	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Marital status	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Sexual orientation	<i>There is likely to be no specific impact on this group</i>	<i>None</i>

Men and women generally	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Disability	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
Dependants	<i>There is likely to be no specific impact on this group</i>	<i>None</i>
2 Are there opportunities to better promote equality of opportunity for people within the Section 75 equalities categories?		
Section 75 category	If Yes , provide details	If No , provide reasons
Religious belief		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Political opinion		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Racial group		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Age		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Marital status		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Sexual orientation		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Men and women generally		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>

Disability		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
Dependants		<i>There are no specific measures promoting equality of opportunity within the proposed Regulations</i>
3 To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group? minor/major/none		
Good relations category	Details of policy impact	Level of impact minor/major/none
Religious belief	<i>No impact</i>	<i>None</i>
Political opinion	<i>No impact</i>	<i>None</i>
Racial group	<i>No impact</i>	<i>None</i>
4 Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?		
Good relations category	If Yes , provide details	If No , provide reasons
Religious belief		<i>There are no specific measures promoting good relations within the proposed Regulations</i>
Political opinion		<i>There are no specific measures promoting good relations within the proposed Regulations</i>
Racial group		<i>There are no specific measures promoting good relations within the proposed Regulations</i>

Additional considerations

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities?

(For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).

No impact expected

Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

N/A

Part 3. Screening decision

If the decision is not to conduct an equality impact assessment, please provide details of the reasons.

The proposed Regulations are technical in nature, solely relating to gas meters for heavy industrial usage and therefore only of some relevance to the high volume gas consumers as well as suppliers and conveyors within the Northern Ireland gas industry. The proposed Regulations will have no relevance to equality of opportunity or good relations.

If the decision is not to conduct an equality impact assessment the public authority should consider if the policy should be mitigated or an alternative policy be introduced.

The Regulations are technical in nature. Other potential legislative options would not be appropriate in the Northern Ireland gas industry.

If the decision is to subject the policy to an equality impact assessment, please provide details of the reasons.

N/A

All public authorities' equality schemes must state the authority's arrangements for assessing and consulting on the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity. The Commission recommends screening and equality impact assessment as the tools to be utilised for such assessments. Further advice on equality impact assessment may be found in a separate Commission publication: Practical Guidance on Equality Impact Assessment.

Mitigation

When the public authority concludes that the likely impact is 'minor' and an equality impact assessment is not to be conducted, the public authority may consider mitigation to lessen the severity of any equality impact, or the introduction of an alternative policy to better promote equality of opportunity or good relations.

Can the policy/decision be amended or changed or an alternative policy introduced to better promote equality of opportunity and/or good relations?

No amendment would be deemed appropriate

If so, give the **reasons** to support your decision, together with the proposed changes/amendments or alternative policy.

N/A

Timetabling and prioritising

Factors to be considered in timetabling and prioritising policies for equality impact assessment.

If the policy has been '**screened in**' for equality impact assessment, then please answer the following questions to determine its priority for timetabling the equality impact assessment.

On a scale of 1-3, with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

Priority criterion	Rating (1-3)
Effect on equality of opportunity and good relations	N/A
Social need	N/A
Effect on people's daily lives	N/A
Relevance to a public authority's functions	N/A

Note: The Total Rating Score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment. This list of priorities will assist the public authority in timetabling. Details of the Public Authority's Equality Impact Assessment Timetable should be included in the quarterly Screening Report.

Is the policy affected by timetables established by other relevant public authorities?

No

If yes, please provide details

N/A

Part 4. Monitoring

Public authorities should consider the guidance contained in the Commission's Monitoring Guidance for Use by Public Authorities (July 2007).

The Commission recommends that where the policy has been amended or an alternative policy introduced, the public authority should monitor more broadly than for adverse impact (See Benefits, P.9-10, paras 2.13 – 2.20 of the Monitoring Guidance).

Effective monitoring will help the public authority identify any future adverse impact arising from the policy which may lead the public authority to conduct an equality impact assessment, as well as help with future planning and policy development.

Part 5. Approval and authorisation

Screened by:	Position/Job Title	Date
Approved by:		