



Notice under Article 14(2) of
the Gas (Northern Ireland) Order 1996
Proposed Modification of
Licences of Belfast Gas Transmission
Limited, GNI (UK) Limited, Premier
Transmission Limited and West
Transmission Limited regarding
Submission of Northern Ireland Gas
Capacity Statement

Consultation Paper
15 Oct 2021



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

This document sets out for consultation our proposals to modify the conditions of the high pressure gas conveyance licences regarding the annual preparation and publication of network forecasts in the form of the Northern Ireland Gas Capacity Statement (NIGCS).

The NIGCS provides an assessment of the ability of the gas transmission network in Northern Ireland to deliver gas over a number of potential scenarios within the next ten years.

The assessment is based on modelling carried out by the NI Transmission System Operators (TSOs).

The proposed modifications would assist with the timing of the publication of the NIGCS and change the Utility Regulator's (UR) role in the process.

Audience

This document is likely to be of interest to regulated companies in the energy industry, particularly gas shippers, suppliers and network operators. It may also be of interest to government and other statutory bodies and consumer groups with an interest in the energy industry.

Consumer impact

There is no cost associated with this modification so there will be no impact on prices. There will also be no impact on the services received by customers.



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Acronyms and Glossary

BGTL	Belfast Gas Transmission Limited, a TSO
capex	Capital expenditure
EU	European Union
FOIA	Freedom of Information Act
GNI (UK)	GNI (UK) Limited, a TSO
MEL	Mutual Energy Limited, owner of PTL, BGTL and WTL
NIGCS	Northern Ireland Gas Capacity Statement
PTL	Premier Transmission Limited, a TSO
TSO	Transmission System Operator GNI (UK), PTL, BGTL and WTL. WTL is not a TSO (Transmission System Operator) as defined by the European Commission but it is referred to as a TSO in this document for simplicity.
UR	Utility Regulator
WTL	West Transmission Limited, a TSO

1. Introduction

Purpose of this Consultation

- 1.1 The Utility Regulator's (UR) principal objective in carrying out the duties associated with its gas functions is to promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland.
- 1.2 In line with these duties this document sets out for consultation our proposals to modify the conditions of the high pressure gas conveyance licences regarding the annual preparation and publication of network forecasts in the form of the [Northern Ireland Gas Capacity Statement](#). The licences affected by the proposed changes are:
- a) Belfast Gas Transmission Limited (BGTL)
 - b) GNI (UK) Limited (GNI (UK))
 - c) Premier Transmission Limited (PTL)
 - d) West Transmission Limited (WTL)

BGTL, PTL and WTL form part of the Mutual Energy Limited (MEL) group of companies.

Overview of Proposed Licence Modifications

- a) Provide a more realistic timetable for publication of Northern Ireland Gas Capacity Statement (NIGCS) facilitating publication ahead of the gas year. Submission date of draft NIGCS to UR has been changed to be no later than the first working day of August and publication date of NIGCS to be no later than the last working day of September.
- b) Determine responsibility for publication of NIGCS by Transmission System Operators (TSOs).
- c) Provide for a single statement to be published via co-ordination between TSOs.

Document Structure

This consultation paper is structured as follows:

- 1.3 Section 1 – Introduction. This provides an overview of the purpose and structure of this consultation document. It sets out how to respond to the licence consultation as well as equality considerations.

- 1.4 Section 2 – Proposed Modifications. This outlines the matter to be dealt with, an explanation of the proposed remedy and the effects of the proposed modifications. It finishes with the consultation questions.
- 1.5 Section 3 – Next Steps. This outlines the indicative timetable for the next steps of the modification process
- 1.6 Annex A shows the proposed changes to the licences as tracked changes to the relevant licence conditions. Proposed deletions are indicated by red text that has been struck through, while proposed additions are indicated by red text which is underlined.
- 1.7 Annex B represents the notice under Article 14(2) of the Gas (Northern Ireland) Order 1996 of our licence modification proposal

Responding to this Consultation

- 1.8 The purpose of this notice is to bring the proposed modifications to the attention of persons likely to be affected by them, and to invite representations or objections in connection thereto. In line with Article 14(3) of the Order, any representations or objections with respect to the proposed modifications may be made on or before 5 pm on 15 November 2021:

Nigel O'Donoghue
Utility Regulator
Queens House
14 Queen Street
Belfast BT1 6ED

Email: Gas_networks_responses@uregni.gov.uk

cc'ed to nigel.o'donoghue@uregni.gov.uk

- 1.9 While the UR's office remains closed due to the Covid-19 pandemic and staff continue to work from home, we would prefer for responses to be submitted by e-mail. If that is not possible and you wish to submit a response by post, please telephone the office on 028 9031 1575, to ensure that your response has been received.
- 1.10 Individual respondents may ask for their responses (in whole or in part) not to be published, or that their identity should be withheld from public disclosure. Where either of these is the case, please provide also a non-confidential version suitable for publication.
- 1.11 As a public body and non-ministerial government department, the UR is required to comply with the Freedom of Information Act ("FOIA"). The effect

of FOIA may be that certain recorded information contained in consultation responses is required to be put into the public domain. Hence, it is now possible that all responses made to consultations will be discoverable under FOIA, even if respondents ask us to treat responses as confidential. It is therefore important that respondents take account of this. In particular, if asking the UR to treat responses as confidential, respondents should specify why they consider the information in question should be treated as such.

- 1.12 The UR has published a privacy notice for consumers and stakeholders which sets out the approach to data retention in respect of consultations. This can be found at <https://www.uregni.gov.uk/privacy-notice> or, alternatively, a copy can be obtained by calling 028 9031 1575 or by email at info@uregni.gov.uk.
- 1.13 This paper is available in alternative formats such as audio, Braille etc. If an alternative format is required, please contact the office of the UR, which will be happy to assist.

Equality Considerations

- 1.14 As a public authority, the UR has a number of obligations arising from Section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:
- a) persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
 - b) men and women generally;
 - c) persons with disability and persons without; and
 - d) persons with dependants and persons without.
- 1.15 UR must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups.
- 1.16 In the development of its policies, UR also has a statutory duty to have due regard to the needs of vulnerable customers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and individuals residing in rural areas. Some of the above equality categories will therefore overlap with these vulnerable groupings.
- 1.17 In order to assist with equality screening of the proposals contained within this consultation paper, UR requests that respondents provide any information or evidence in relation to the needs, experiences, issues and priorities for different groups which they feel is relevant to the implementation of any of the proposals. Furthermore, UR welcomes any comments which

respondents might have in relation to the overall equality impact of the proposals.

2. Modifications to amend NI Gas Capacity Statement Obligations

Current Requirements and Licence Conditions

- 2.1 The Northern Ireland Gas Capacity Statement (NIGCS) has been published, in various forms, since shortly after the gas transmission network was developed. Each year, it provides an assessment of the ability of the Northern Ireland transmission network to meet forecast demands on the network over a ten-year period.
- 2.2 The NI Transmission System Operators (TSOs) collect forecast demands from the network users including power sector shippers and Distribution Network Operators, then test the network's ability to meet those forecast demands under a number of scenarios to reflect different seasons. In addition, sensitivity analyses test the impact of further potential operational changes or additional load.
- 2.3 The TSOs publish the Statement annually on the GMO NI website and present their findings to an industry workshop.
- 2.4 The current licence condition (2.13 of PTL and BGTL licences, 2.10 in GNI UK and 2.11 in WTL licence) was consulted on as part of the consultation on the Third Energy Package, 20 September 2013, followed by the decision on 28 March 2014. This decision embedded the requirements of Article 22 of the EU Directive 2009/73/EC (known as the Gas Directive) into the TSO licences.
- 2.5 The [decision paper](#) stated that:
- 6.3. The Directive requires that security of supply issues are monitored on an annual basis and this is currently implemented via the joint gas capacity statement process which the TSOs and the Utility Regulator engage in each year.*
- 6.4. The requirement to monitor security of supply is to some extent reflected in the BGE(UK) licence in condition 2.10 Network Forecasts but this condition is not replicated in either the PTL or BGTL licences.*
- 6.5. We therefore proposed to include a new condition entitled 'Network Forecasts' in all the TSO licences. This is based on the existing Condition 2.10 in the BGE(UK) licence but with an additional requirement on the TSOs to produce coordinated statements and also for forecast information to be provided by the tenth working day in June*

in each calendar year.

Proposed Changes to Licence Conditions

- 2.6 The following changes are proposed to the licence condition on Network Forecasts:
- a) amend the condition to provide for UR to amend the Direction (as to the form of the statement) as required;
 - b) specify a later date of submission of draft NIGCS to UR (no later than the first working day of August);
 - c) include a requirement regarding the latest date for publication of NIGCS each year (no later than the last working day of September each year);
 - d) Provide for a single statement to be published, rather than the present wording which requires statements to be prepared on 'a consistent basis';
 - e) Remove the requirement for UR to direct how the statement is to be published, and instead simply provide for it to be published on a suitable website.
- 2.7 The proposed licence modifications are set out in Annex A, which shows the changes to the current licence conditions.

Reasons and Effects

- 2.8 The condition under review (2.13 of PTL and BGTL licences, 2.10 in GNI UK and 2.11 in WTL licence), was developed to meet requirements in the Gas Directive, which required TSOs to submit a ten year network development plan (TYNDP) annually (Article 22). It also required the NRA to monitor security of supply issues and publish a report by 31 July each year (Article 5).
- 2.9 Article 5 of the Gas Directive was subsequently deleted in EU Regulation 2018/1999, Article 51, which removes the reason for setting the submission date in the licence condition for the 10th of June.
- 2.10 The plan referred to in Article 22 was required to be submitted to Entso-g for the development of an EU-wide Plan, under Article 8(11) of the EU

Regulation 715/2009, (known as the Gas Transmission Networks Regulation). This obligation no longer exists, post EU Exit.

- 2.11 While UR does not approve the NIGCS, the present licence condition provided for UR to specify at a point in time, in a Direction, the original form of the statement. Given the passage of time, we propose to amend the condition to provide for UR to amend the Direction (as to the form of the statement) as required.
- 2.12 The modification proposed also requires the TSOs to amend the statement in line with any requirements specified by the Authority. We would expect the TSOs to produce a statement each year which confirms to the applicable direction ensuring that UR review of the statement is straightforward and economical from a resource point of view.
- 2.13 The licence condition does not presently include a date by which publication is required. The TSOs tend not to publish until we are content with the final version. It has traditionally been prepared for the start of the Gas Year (October),
- 2.14 Therefore, in the proposed licence modification, we propose to require a draft NIGCS submitted to UR for comment on the 1st working day of August and final version published no later than the last working day of September. TSOs should endeavour to publish earlier than the last working day of September where possible.
- 2.15 In reviewing this licence condition, UR also considered this an opportunity to ensure the drafting is consistent with the practice of the TSOs, which works well, e.g. that the TSOs should publish a single statement and on an appropriate website.
- 2.16 The effect of this modification is to:
 - a) provide for UR to amend the Direction (as to the form of the statement) as required;
 - b) amend the date of submission of draft NIGCS to UR;
 - c) include a requirement regarding the latest date for publication of NIGCS each year;
 - d) Consistent with current practice by the TSOs, clearly require a single statement to be published;
 - e) Simplify the process for publication of the statement by removing the requirement for UR to direct how the statement is to be published, and consistent with current practice provide for it to be published on a

suitable website.

Consultation Views

We welcome views on any aspect of the proposed modification.

3. Next Steps

- 3.1 This paper represents the UR's proposals on modifications to the gas transmission conveyance licences. The table below summarises the next steps and associated timelines for the licence modification process. We note that the timelines are indicative at this stage and may be subject to change.
- 3.2 Once we have considered responses, we will issue our notice of decision as appropriate. The licence modifications (if approved) will become effective 56 days after that notice of decision.

Next Steps	Indicative Date
End of statutory consultation on notice of proposal to modify gas conveyance licences closes	15 November 2021
Decision to modify gas conveyance licences published	January 2022
Licence modification (if approved) effective date	March 2022

Table 1 - Indicative Timelines

Annexes

Annex A sets out the proposed modifications tracked against the current licence drafting. Proposed deletions are indicated by red text that has been struck through, while proposed additions are indicated by red text that has been underlined.

Annex B represents the notice under Article 14(2) of the Gas (Northern Ireland) Order 1996 of our licence modification proposal.