

# Annex A

**SGN Evolve Network Ltd**

**Proposed Licence Modifications**

This Annex sets out the Licence modifications for the gas conveyance licence held by SGN Evolve Network Ltd.

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

Where text is proposed to be moved from a place and to another place, this has been indicated by green font and:

- ~~double strike through~~ for text moved from a place;
- double underlining for text moved to a place, and additional simple strike through where such text is proposed to be modified.

This Annex only includes those provisions (in whole or in part) to which modifications have been proposed.

## **PART 1: GENERAL CONDITIONS APPLICABLE TO THE LICENCE HOLDER**

### **Condition 1.1: Interpretation and Construction**

#### **1.1.1 Interpretation Act (Northern Ireland) 1954 and Gas (Northern Ireland) Order 1996**

Unless the contrary intention appears:

- (a) words and expressions used in this or any of the following Parts of the licence or in the Schedules hereto shall be construed as if they were in an enactment and the Interpretation Act (Northern Ireland) 1954 applied to them;
- (b) references to an enactment shall include subordinate legislation and in both cases any statutory modification or re-enactment thereof after the date when the licence comes into force; and
- (c) words and expressions defined in the Gas (Northern Ireland) Order 1996 or the Energy (Northern Ireland) Order 2003 shall have the same meaning when used in this or any of the following Parts of the licence or in the Schedules hereto.

#### **1.1.2 General Rules of Construction**

Unless otherwise specified:

- (a) any reference to a numbered Part or Schedule is a reference to the Part or Schedule bearing that number;
- (b) any reference to a numbered Condition is a reference to the Condition bearing that number in the Part in which the reference occurs and within any Condition a reference to "this Condition" shall be to the whole of the Condition under its heading;
- (c) any reference to "the Conditions" means the Conditions to which the licence is subject and references to "any Conditions" and to any cognate expression shall be construed accordingly;

- (d) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Part, Condition or Schedule in which the reference occurs; and
- (e) (without prejudice to any provision which restricts such variation, supplement or replacement) any reference to any agreement, licence (other than this licence), code or other instrument shall include a reference to such agreement, licence, code or other instrument as varied, supplemented or replaced from time to time.

#### 1.1.3 Headings

The heading or title of any Part, Condition, Schedule or paragraph shall not affect the construction thereof.

#### 1.1.4 Time Related Obligations

Where any obligation of the Licensee is expressed to require performance within a specified time limit that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of the Licensee's failure to perform within the time limit).

#### 1.1.5 Natural Persons

These Conditions shall have effect as if, in relation to a licence holder who is a natural person, for the words "it", "its" and "which" there were substituted the words "he", "his" or "whom" and cognate expressions shall be construed accordingly.

#### 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:

<b>"affiliate"</b>	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
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another subsidiary of a company of which such person is a subsidiary;

<b>"amount"</b>	means, in relation to gas, the energy content thereof expressed in kilowatt hours;
<b>"auditors"</b>	means the Licensee's auditors for the time being holding office in accordance with the requirements of the Chapter 2 of Part 16 of the Companies Act 2006;
<b>"authorisation of persons"</b>	means the power of the Licensee to authorise persons, pursuant to Schedule 5 of the Order;
<b>"Authority"</b>	means the Northern Ireland Authority for Utility Regulation;
<b>"balancing"</b>	<p>means (in relation to the Network Code and relevant period for balancing under the Network Code) taking such measures as may be available to the Licensee, in particular measures:</p> <ul style="list-style-type: none"> <li>(a) for managing the relationship between deliveries of gas to and offtakes from the Network during that period; and</li> <li>(b) to maintain pressures in the Network at all levels,</li> </ul> <p>which in the reasonable opinion of the Licensee ensure the safety and efficiency of the Network in that or any subsequent relevant period;</p>
<b>"company"</b>	means a company within the meaning of section 1(1) of the Companies Act 2006 or any other body corporate;

<b>"Competition and Markets Authority" or "CMA"</b>	means the body of that name established by Section 25 of the Enterprise and Regulatory Reform Act 2013.
<b>"consumer"</b>	means any person supplied with gas to premises;
<b>"conveyance charges"</b>	means the charges made by the Licensee for the conveyance of gas;
<b>"conveyance services"</b>	means all services provided by the Licensee of conveying gas to, through and within the Licensed Area;
<b>"Department"</b>	means the Department for the Economy ;
<b>"distribution system operator"</b>	means any person authorised to convey gas through local or regional pipe-lines by virtue of holding a licence granted under Article 8(1)(a) of the Order;
<b>"domestic consumer"</b>	means a consumer supplied, or requiring to be supplied, with gas at Domestic Premises;
<b>"domestic premises"</b>	means premises where the supply of gas is taken wholly or mainly for domestic purposes;
<b>"Energy Order"</b>	means the Energy (Northern Ireland) Order 2003;
<b>"exemption holder"</b>	means the holder of an exemption under Article 7 of the Order;
<b>"exercise of powers of entry"</b>	means the Licensee entering any premises, in accordance with the powers conferred by Schedule 5 of the Order;
<b>"financial year"</b>	has the meaning given to it in Condition 1.2;

<b><u>"Gas Delivery Facility"</u></b>	<u>means any building, structure, facility or pipe-line from which gas is, or may be, introduced into the Network, but excluding: any pipe-line or pipe-line system from which gas is or may be conveyed by any person holding a licence granted (or treated as granted) under Article 8(1)(a) of the Order;</u>
<b><u>"Gas Delivery Facility Operator"</u></b>	<u>means any person that owns and/or operates a Gas Delivery Facility;</u>
<b><u>"Gas Delivery Point"</u></b>	<u>means a point on the Network at which gas is, or may be, introduced into the Network from a Gas Delivery Facility;</u>
<b>"gas supplier"</b>	means any person authorised by licence under Article 8(1)(c) of the Order or by exemption under Article 7 of the Order to supply gas including the Licensee as so authorised or exempted;
<b>"General Consumer Council"</b>	Means the General Consumer Council for Northern Ireland;
<b>"Grant"</b>	means the commencing section of this licence by which the Authority grants the Licensee the licence;
<b>"High Pressure Conveyance Licence"</b>	means the gas conveyance licence originally granted, on the same date as the Grant, to Northern Ireland Energy Holdings Limited;
<b>"High Pressure Conveyance Licensee"</b>	means the person from time to time authorised to convey gas under the High Pressure Conveyance Licence;

<b>"high pressure pipe-line"</b>	means any pipe-line having a design operating pressure exceeding 7 bar gauge;
<b>"information"</b>	includes documents, accounts, estimates, returns, reports or other information;
<b>"licence"</b>	means the Grant together with the Conditions and the Schedules;
<b>"Licensed Area"</b>	means the area in which the Licensee is authorised to convey gas in accordance with Schedule 1;
<b>"Licensed Business"</b>	means the activities connected with the conveyance of gas pursuant to the licence, including (without limitation) the development, construction, operation and maintenance of the Network, the connection of premises to the Network, and the provision and maintenance of gas meters (but not meter reading);
<b>"Licensee"</b>	means the person referred to as such in the Grant, and/or any person to whom the Licence is subsequently assigned in accordance with the Order, the Energy Order or the Licence;
<del><b>"LNG Facility"</b></del>	<del>means a facility or terminal used for the liquefaction of gas or the importation, offloading and re-gasification of LNG and includes ancillary services and temporary storage for the re-gasification process and delivery to the gas conveyance system comprising of high pressure pipe-lines but does not include any part of the facility used for the storage of gas;</del>
<b>"low pressure pipe-line"</b>	means any pipe-line which is not a high pressure pipe-line;
<b>"Network"</b>	means the network of low pressure pipe-lines within the Licensed Area that are owned and/or operated by



the Licensee (and shall also include any plant, equipment or apparatus used for, or for any purposes connected with, the conveyance of gas through such pipe-lines) 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 to the first gas meter at such premises;

<b>"Network Code"</b>	means the document prepared by the Licensee under Condition 2.4;
<b>"non-domestic consumer"</b>	means a consumer who is not a domestic consumer;
<b>"non-domestic premises"</b>	means premises which are not domestic premises;
<b>"non standard gas credit meter"</b>	means a gas credit meter owned by the Licensee which is not a standard gas credit meter;
<b>"non standard gas meter"</b>	means either a non standard gas credit or pre-payment meter;
<b>"non standard gas pre-payment meter"</b>	means a gas pre-payment meter owned by the Licensee which is not a standard gas pre-payment meter;
<b>"Order"</b>	means the Gas (Northern Ireland) Order 1996;
<b>"owned"</b>	means in relation to any gas meter title in or control over a meter and includes meters leased to a person;
<b>"person"</b>	means any company, firm, partnership, association, body corporate or individual;

**"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:

- (a) the conveyance of gas by means of a high pressure pipe-line pursuant to a licence granted in accordance with Article (8)(1)(a) of the Order;
- (b) the conveyance of gas by means of a low pressure pipe-line pursuant to a licence granted in accordance with Article (8)(1)(a) of the Order;
- (c) the storage of gas pursuant to a licence granted in accordance with Article 8(1)(b) of the Order; and
- (d) the supply of gas pursuant to a licence granted in accordance with Article 8(1)(c) of the Order,

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;

**~~"Storage Facility"~~**

~~means a facility used for the storage of gas and includes any part of a LNG Facility used for storage but does not include:~~

~~(a) any part of the facility that is used for production of gas; and~~

~~(b) any facility which is reserved exclusively by or for the Licensee in carrying out functions authorised by the Licence;~~

**"standard gas credit meter"**

means a gas credit meter of a type so specified and owned by the Licensee;

**"standard gas meter"**

means either a standard gas credit or pre-payment meter;

**"standard gas pre-payment meter"**

means a gas pre-payment meter of a type so specified and owned by the Licensee;

**"subsidiary"**

has the same meaning as given to it in section 1159 of the Companies Act 2006;

**"transportation arrangements"**

means the arrangements which licence holders or exemption holders may have with the Licensee to have gas introduced into, conveyed by means of and taken out of the Network; and

**"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.

1.1.7 Singular/plural

The terms defined under Condition 1.1.6 shall include the singular and the plural, as the context requires.

1.1.8 Application

The Conditions shall only apply to the activities of the Licensee carried out in Northern Ireland.

## **Condition 2.3: Connection Charges and Obligation to Connect**

### **Part A – Connection Charges – Charging Methodology Statements**

#### 2.3.1 Statement of connection charges and terms for connection of premises to the Network

The Licensee shall, no later than three months after this Condition takes effect, prepare and submit to the Authority for approval as to form and content, a statement **(Connection Charging Methodology Statement)** showing the methods by, and the principles on, which charges are to be determined by the Licensee, for, connecting to, and disconnecting from, the Network:

- (a) any premises; and
- (b) any non standard gas meter and any gas meter that is not owned by the Licensee (or any affiliate or related undertaking of the Licensee) and is located in any premises,

and in each case the statement shall include:

- (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 are owned by the Licensee and comprised in the connection; and
- (ii) the Licensee's other terms for 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.

#### 2.3.2 ~~Connections by any pipe-line system~~ Terms for connection of a Pipe-Line System to the Network

Where any person requests a connection to the Network ~~is requested for~~ of any pipe-line system to or from which gas ~~will is or may~~ be conveyed ~~by means of the Network~~ by any person holding a licence granted (or treated as granted) under Article 8(1)(a) of the Order (Pipe-Line System), the terms of such connection shall be those agreed

between the Licensee and the person requesting such a connection to the Network, on a case-by-case basis. This principle shall be included in the statement referred to in Condition 2.3.1.

2.3.3 ~~Explanation of connection charging methodology for introducing gas to the Network~~  
~~Statement of connection charges and terms for connection of Gas Delivery Facilities to the Network~~

~~(a) Condition 2.3.3-(b) applies where the Authority has, pursuant to this Condition 2.3.3(a), issued to the Licensee a direction describing or specifying a particular category or type of Gas Delivery Facility, which category or type may be described or specified by reference to the type or blend of gas which may be introduced into the Network from such a Gas Delivery Facility.~~

~~(b) Where this paragraph applies, the Licensee shall, in accordance with the requirements specified in the direction (which requirements may, without limitation, relate to timings), prepare and submit to the Authority for approval as to form and content, a statement showing, so far as reasonably practicable, the methods by, and the principles on, which charges are to be determined by the Licensee for making, maintaining, repairing or modifying a connection to the Network of that category or type of Gas Delivery Facility (a **GDF Connection Charging Methodology Statement**).~~

~~The Licensee shall comply with any direction given by the Authority to submit a statement to the Authority for approval 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 into the Network and, in the context of making such a connection, for:~~

~~(a) — 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.~~

## **Part B – Premises Connections – Other Requirements**

### **2.3.4 Other ~~requirements- provisions~~ to be included in the ~~statement~~ Connection Charging Methodology Statement**

~~A statement~~ The Connection Charging Methodology Statement submitted to the Authority by the Licensee under Condition 2.3.1 shall:

- (a) subject to Condition ~~2.3.15~~ 2.3.10, clearly distinguish between ~~personseases~~ and classes of ~~eases-of~~ person for whom the Licensee proposes different methods by, or principles on which charges are to be determined for connection;
- (b) in respect of any such ~~easeperson~~, or classes ~~es~~ of ~~easesperson~~, 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; and
- (c) identify the types of connection where:
  - (i) a standard quotation will be provided on a request for a quotation in accordance with Condition ~~2.3.12~~ 2.3.7 (a); and
  - (ii) a non standard quotation will be provided on a request for a quotation in accordance with Condition ~~2.3.12~~ 2.3.7 (b).

### **2.3.5 The ~~statement~~ Connection Charging Methodology Statement to give likely indication of costs**

~~A statement~~ The Connection Charging Methodology Statement submitted to the Authority by the Licensee under Condition 2.3.1 shall:

- (a) where practicable, indicate ~~for the Authority's information~~ the costs likely to arise in respect of work done and materials used in connecting any premises or gas meter (including a non standard gas meter, or a gas meter not owned by the Licensee);
- (b) include such information as will reasonably enable any person to estimate the Licensee's connection charges in connecting any premises or gas meter

(including a non standard gas meter, or a gas meter not owned by the Licensee);  
and

- (c) include such information as will reasonably enable any Relevant Person requesting a connection to the Network to determine 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 connection to be made.

#### 2.3.6 Standards of Performance Regulations

The Licensee shall ensure that each ~~statement~~ Connection Charging Methodology Statement -submitted by it to the Authority under Condition 2.3.1 includes, for the purposes of the Standards of Performance Regulations:

- (a) description of a connection that is classed by the Licensee as an excluded connection; and
- (b) a description of a connection that is classed by the Licensee as a complex connection,

each description as approved by the Authority after such consultation as the Authority directs.

#### ~~2.3.7 Authority's approval~~

~~The Authority shall, in approving the Licensee's basis for charging for connection as set out in the statement submitted to it by the Licensee under Condition 2.3.1, 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, appropriate.~~

#### ~~2.3.8 Publication of and compliance with statement~~

~~The Licensee shall:~~

- ~~(a) put in place and comply with the statement, as approved by the Authority under Condition 2.3.7;~~



- ~~(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.~~

#### ~~2.3.9 Direction by the Authority~~

~~Where the Authority determines that it is necessary for the Licensee to revise:~~

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

#### ~~2.3.10 Revising connection charges~~

~~Without prejudice to Condition 2.3.9 the Licensee shall:~~

- ~~(a) — periodically, and on each occasion Condition 2.3 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 2.3.1 and, where such revision is other than any increase in the Consumer Prices Index including owner occupiers' housing costs, or applicable indexation base, as approved by the Authority.~~

#### ~~2.3.11 Compliance with a Direction~~

~~The Licensee shall comply with the requirements of any direction issued by the Authority under Condition 2.3.9 and shall publish any revised statement as soon as reasonably practical in accordance with Condition 2.3.8.~~

### ~~2.3.12~~ 2.3.7 Quotation Requests

The Licensee shall, in accordance with Condition 2.3.6 and the Standards of Performance Regulations:

- (a) within 10 working days of receiving a request from any Relevant Person for a standard quotation in respect of a connection to the Network provide that Relevant 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 for a non standard quotation in respect of a connection to the Network provide that Relevant Person with a specific statement of the connection charges, and other terms of connection, applicable to the request.

### ~~2.3.13~~ 2.3.8 Treatment of Request for Quotation

For the purposes of Conditions ~~2.3.12~~ 2.3.7 (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.

### ~~2.3.14~~ 2.3.9 Accuracy of Quotations

The Licensee shall:

- (a) from time to time submit to the Authority for its approval an accuracy review scheme ~~through~~ under which any Relevant Person can require the Licensee to review the accuracy of a quotation provided to that Relevant 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.

### ~~2.3.15~~ 2.3.10 Prohibition on undue discrimination in relation to connections

The Licensee shall not show any undue preference towards or undue discrimination

against any person or ~~eases or~~ classes of ~~eases of~~ person (including any other business of the Licensee):

- (a) seeking, and entitled pursuant to the provisions of Condition ~~2.3.16~~ 2.3.11, a connection to be made between their premises and the Network;
- (b) seeking a connection to be made between a non standard gas meter, or a gas meter not owned by 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~~ Pipe-Line System and seek a connection of that system to the Network;
- ~~(d) seeking a connection for the purposes of introducing gas to the Network.~~

#### ~~2.3.16~~2.3.11 Obligation to Connect premises

Upon acceptance by the Relevant Person of the quotation made, in respect of a connection of a premises to the Network pursuant to Condition ~~2.3.12~~ 2.3.7, any requirements pursuant to Condition 2.3.17-2.3.12 and subject to Condition ~~2.3.18~~ 2.3.13, the Licensee shall make ~~a~~ the connection to the Network on the basis of such quotation.

#### ~~2.3.17~~2.3.12 Connection Requirements (premises connections)

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

(~~ia~~) 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 those that may be set out in the Connection Charging Methodology Statement~~ –submitted to the Authority by the Licensee under Condition 2.3.1) for making the connection, including terms in respect of:

(~~ai~~) the design and operational requirements which apply; and

(~~bii~~) the recovery by the Licensee of its charges for making the connection;

and

(~~iib~~) ~~A~~ 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.

### ~~2.3.18~~ 2.3.13 No obligation to connect premises

Nothing in Condition ~~2.3.16~~ 2.3.11 shall require the Licensee to make or maintain ~~the~~ a connection of a premises to the Network :

- (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 2.4.1; or
  - (ii) any public service obligation (where applicable)

and in any such case the Licensee shall give duly substantiated reasons for believing such circumstances apply.

## Part C – Gas Delivery Facility Connections –Other Requirements

### 2.3.14 Other provisions to be included in a GDF Connection Charging Methodology Statement

- (a) A GDF Connection Charging Methodology Statement prepared pursuant to Condition 2.3.3 shall, subject to Condition 2.3.16, clearly distinguish between persons and classes of person for whom the Licensee proposes different methods by, or principles on which charges are to be determined for:
  - (i) making, maintaining, repairing or modifying a connection of a Gas Delivery Facility of the category or type described or specified in any direction given by the Authority under Condition 2.3.3; and
  - (ii) accepting the introduction of gas into the Network from a Gas Delivery Facility.

(b) A GDF Connection Charging Methodology Statement prepared pursuant to paragraph (a) shall, without limitation, include:

(i) the process and procedures to be followed, and the information likely to be required, by the Licensee for the purposes of offering terms for:

(A) the making and maintaining of the connection; of each particular category or type of Gas Delivery Facility described or specified in any direction given by the Authority under Condition 2.3.3; and

(B) accepting the introduction of gas into the Network from such a Gas Delivery Facility.

(ii) the methods by, and principles on, which charges will be determined for:

(A) any extension or reinforcement of any part of the Network, which is necessary or appropriate by virtue of the required connection to the Network of such a Gas Delivery Facility;

(B) the maintenance and repair required of any gas plant or apparatus provided and installed for the purposes of making a connection of such a Gas Delivery Facility;

(C) disconnection from the Network of such a Gas Delivery Facility and the removal of gas plant and apparatus at a Gas Delivery Point following disconnection;

(D) the Licensee's operational costs in respect of the maintenance and use of the Gas Delivery Point established by virtue of the connection of such a Gas Delivery Facility; and

(E) such other matters as may be specified in any direction issued to the Licensee under this Condition 2.3.14(b) for the purposes of this Condition 2.3.

#### 2.3.15 Gas Delivery Facility Connections – Requirement to offer terms

Where the Licensee receives a request for a connection to be made to the Network of a Gas Delivery Facility, it shall:

- (a) as soon as reasonably practicable, following receipt of the information reasonably required from the person making the request (the 'applicant'):
  - (i) offer terms and conditions for the making and maintaining of the requested connection; and
  - (ii) offer terms and conditions for the introduction of the gas from the Gas Delivery Facility into the Network; and
- (b) ensure that any terms and conditions offered by it pursuant to the requirements of paragraph (a) provide that where:
  - (i) the terms and conditions are accepted by the applicant, neither the Licensee nor the applicant shall take any action under or pursuant to the agreement (as resulting from the applicant's acceptance of the offered terms and conditions) prior to the date on which the accepted terms and conditions are approved by the Authority;
  - (ii) there is a dispute between the Licensee and the applicant in respect of the terms and conditions offered by the Licensee, either the applicant or the Licensee may make an application to the Authority for determination of the dispute.

#### 2.3.16 Prohibition on undue discrimination in relation to Gas Delivery Facility Operators

The Licensee shall not show any undue preference towards or undue discrimination against any person or classes of person (including any other business of the Licensee) requesting, or having, a connection to the Network of a Gas Delivery Facility.

#### 2.3.17 Obligation to Connect a Gas Delivery Facility

Where the Licensee has, upon request by any person, offered terms for connection pursuant to Condition 2.3.15 and the person requesting the connection accepts the connection terms offered, the Licensee shall make and maintain the requested connection on the basis of the accepted terms.

### 2.3.18 Exceptions to requirement to offer connection terms for a Gas Delivery Facility

Nothing in Condition 2.3.15 shall require the Licensee to offer terms to make and maintain a connection to the Network of a Gas Delivery Facility, if:

- (a) to make and maintain the requested connection would involve a danger to the public and/or or a risk to the safety of the Network, provided that the Licensee has taken all reasonable steps to prevent such danger from occurring and/or to mitigate the risk to the safety of the Network;
- (b) there is insufficient capacity in the Network to accept the delivery of the gas from the Gas Delivery Facility; or
- (c) the Licensee has reasonable grounds to believe that making and maintaining the requested connection would be in conflict with:
  - (i) the relevant objectives set out in Condition 2.4.1; or
  - (ii) any public service obligation (where applicable),

and in any such case the Licensee shall give duly substantiated reasons for believing such circumstances apply.

### 2.3.19 Calorific Value Management Statement

The Licensee shall comply with any direction given by the Authority to prepare and submit to the Authority for approval a statement (the **Calorific Value Management Statement**), setting out:

- (a) the methods by, and the principles on, which the Licensee will manage the Calorific Value in the Network; and
- (b) such information as is required by Gas Delivery Facility Operators and gas suppliers for the purposes of carrying out their respective activities, including (without limitation) information relating to:
  - (i) the measurement and/or the methodology for establishing the energy content of gas;

- (ii) monitoring the accuracy of the measurement and/or the methodology for establishing the energy content of gas;
- (iii) the Calorific Value information required by gas suppliers for the purposes of customer billing; and
- (iv) such other matters as may be specified in the Authority's direction.

#### **Part D – Approval and publication of statements prepared under this Condition 2.3**

##### 2.3.72.3.20 Authority's approval of connection charging methodology statements

The Authority shall, in approving the Licensee's basis for charging for connection as set out in the ~~statement~~ Connection Charging Methodology Statement submitted to it by the Licensee under Condition 2.3.1 or the GDF Connection Charging Methodology Statement submitted to it by the Licensee under Condition 2.3.3, 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, appropriate.

##### ~~2.3.8~~2.3.21 Publication of and compliance with statements prepared under this Condition 2.3

The Licensee shall:

- (a) ~~put in place and comply with the statement, as approved by the Authority under Condition 2.3.7;~~
- (a) implement and comply with the Connection Charging Methodology Statement and the GDF Connection Charging Methodology Statement, in each case as approved by the Authority under and in accordance with any provision of this Condition 2.3;
- (b) implement and comply with the Calorific Value Management Statement, as approved by the Authority under and in accordance with any provision of this Condition 2.3;
- (bc) publish each approved statement in such manner as will secure adequate publicity for it; and
- (ed) send a copy of any such statement to any person who requests one.



### 2.3.22 Review and Revision of Statements – Direction by the Authority

- (a) The Authority may, where it determines it necessary for the purposes of the Licensee ensuring that any Statement in effect pursuant to the requirements of this Condition 2.3 is, and/or continues to be, proportionate and applied in a non-discriminatory manner, direct the Licensee to review and revise the Statement in accordance with the requirements specified in the direction and to submit the revisions to the Authority for approval.
- (b) The Licensee shall comply with any direction given by the Authority under Condition 2.3.22(a) above.

### 2.3.9 Direction by the Authority

Where the Authority determines that it is necessary for the Licensee to revise:

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

### 2.3.11 Compliance with a Direction

The Licensee shall comply with the requirements of any direction issued by the Authority under Condition 2.3.9 and shall publish any revised statement as soon as reasonably practical in accordance with Condition 2.3.8.

### 2.3.23 Review and Revision of Statements – General

The Licensee shall:

- (a) periodically, and on each occasion this Condition 2.3 is modified, review each Statement prepared by the Licensee, and approved by the Authority, pursuant to this Condition 2.3, for the purposes of ensuring that the Statement continues

to meet the requirements of this Condition 2.3 and following such review prepare and submit to the Authority for approval, any changes proposed by the Licensee 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 submitting to the Authority a revised Connection Charging Methodology Statement that meets the requirements of Conditions 2.3.1 and 2.3.4 and, where any such revision is other than an increase in the Consumer Prices Index including owner occupiers' housing costs (CPIH), or applicable indexation base as approved by the Authority, obtaining the Authority's approval to such a revision;
- (c) not revise a GDF Connection Charging Methodology Statement applying in respect of connections of a Gas Delivery Facility of a category or type described or specified in a direction given by the Authority under Condition 2.3.3, without first submitting to the Authority a revised GDF Connection Charging Methodology Statement, as applicable to that category or type of Gas Delivery Facility, that meets the requirements of Conditions 2.3.3 and 2.3.14 and obtaining the Authority's approval to such a revision; and
- (d) not revise the methods by, and the principles on, which the Licensee will manage Calorific Value in the Network without first submitting to the Authority a revised Calorific Value Management Statement that meets the requirements of Condition 2.3.19 and obtaining the Authority's approval to such a revision.

#### 2.3.10 Revising connection charges

Without prejudice to Condition 2.3.9 the Licensee shall:

- (a) periodically, and on each occasion Condition 2.3 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 2.3.1 and, where such revision is other than any increase in the Consumer Prices Index including owner occupiers' housing costs, or applicable indexation base, as approved by the Authority.~~

## **Part E – Connection Disputes – Authority's Role**

### **2.3.19 2.3.24 Resolution of disputes by the Authority**

**Where:**

(a) **Where** there is a dispute between the Licensee and any person entitled<sub>1</sub> or claiming to be entitled<sub>1</sub> to a connection ~~to the Network in respect of the terms of an agreement for the connection to be made ('connection agreement'), under and in accordance with any provision of this Condition 2.3:~~

(i) ~~where the person is not a Gas Delivery Facility Operator, in respect of connection terms offered by the Licensee to that person for such a connection to the Network,~~

(ii) ~~where the person is a Gas Delivery Facility Operator, in respect of the terms offered by the Licensee for:~~

(aa) ~~making and maintaining the connection of the Gas Delivery Facility to the Network; and/or~~

(bb) ~~permitting gas to be introduced into the Network from that operator's Gas Delivery Facility,~~

any party to the dispute may make an application to the Authority for determination of the ~~terms of the connection agreement~~dispute.

(b) ~~Any dispute referred to the Authority receives an application pursuant to sub-paragraph (a) and the dispute:~~ Condition 2.3.24(a) which relates to a connection to the Network of any premises (and any non standard gas meter and any gas meter that is not owned by the Licensee (or any affiliate or related undertaking of the Licensee) and is located in any premises) which:

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

may be referred by the Authority ~~may refer the dispute~~ to the General Consumer Council for the purposes of enabling the General Consumer Council to ~~assist the parties in the resolution~~ investigate and/or conclude its investigation of the dispute; and

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

(iii) notification of any such referral will be given by the Authority to both  
parties; and

(div) where the General Consumer Council 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 may then refer the ~~matter back~~ dispute to the Authority for determination;

(c) Condition 2.3.24(d) applies:

(i) in respect of a dispute referred to the Authority under Condition 2.3.24(a)(i) which is not referred to the General Consumer Council under Condition 2.3.24(b);

(eii) in respect of a dispute referred to the Authority under ~~paragraph (a):~~ Condition 2.3.24(b)(iv); and

(i-iii) in respect of any other dispute ~~is not~~ referred ~~by to~~ the Authority ~~to the General Consumer Council under paragraph (c);~~ under Condition

2.3.24(a). or

(ii) ~~is referred by the Authority to the General Consumer Council under paragraph (c) but is referred back to the Authority under paragraph (d),~~

(d) Where this Condition applies:

(i) the Authority may, having given both parties not less than one month in which to make any further representations, settle the ~~terms of the connection agreement dispute~~ in such manner as appears to the Authority to be reasonable having regard (insofar as is relevant and appropriate) to the obligations that would otherwise have applied to the Licensee under this Condition 2.3; and

(~~fi~~) where the person entitled or claiming to be entitled to a connection to the Network wishes to proceed on the basis of the terms ~~the connection agreement as~~ settled by the Authority, the Licensee shall ~~forthwith~~ enter into ~~and implement such~~ the required agreement ~~in accordance with on~~ the basis of such its terms.

## **Part F – Definitions and Interpretation**

### 2.3.20-2.3.25 Interpretation and construction

(a) References in this Condition 2.3 to "charges" shall include references to means whereby such charges may be ascertained.

(b) In this Condition:

<u>"Calorific Value"</u>	<u>has the meaning given to it in the Network Code.</u>
<u>"premises"</u>	<u>includes any land, building or structure:</u>
	<u>(i) supplied, or to be supplied, with gas from the Network; and</u>
	<u>(ii) does not include any Pipe-Line System or Gas Delivery Facility.</u>

**“Relevant Person”**is a person who is the:(a) owner of the premises; or(b) occupier of the premisesin respect of which the request for  
connection is made.**“Standards of  
Performance Regulations”**means The Gas (Individual Standards of  
Performance) Regulations (Northern  
Ireland) 2014.

~~(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.~~

## **Condition 2.9: Maintenance of Records**

### **2.9.1 Recorded information**

The Licensee shall hold, in an appropriate form, recorded information, insofar as the Licensee is reasonably able to acquire it, as to:

- (a) every premises and pipe-line system to which gas has been conveyed by means of the Network during the relevant period;
- (b) every Gas Delivery Point from which gas has been conveyed by means of the Network during the relevant period;
- ~~(bc)~~ every third party who has arranged with the Licensee for gas to be conveyed by means of the Network at any place referred to in Condition 2.9.1(a) or (b) during the relevant period;
- ~~(ed)~~ insofar as the Licensee has been furnished with the information, in respect of each premises referred to in Condition 2.9.1(a) every gas supplier who has supplied during the relevant period gas which has been conveyed to those premises by means of the Network;
- (e) in respect of each Gas Delivery Point referred to in Condition 2.9.1(b), details of each gas supplier that, during the relevant period, was under and in accordance with the Network Code a registered user for that Gas Delivery Point and the period for which each such gas supplier was a registered user;
- ~~(df)~~ insofar as the Licensee has been furnished with the information, the ownership of every meter first installed after the outlet of the final control valve of the service pipe at any premises referred to in Condition 2.9.1(a) for ascertaining the quantity of gas conveyed to the premises by means of that system during the relevant period;
- ~~(eg)~~ any information contained in a notice given to the Licensee under any regulations made by the Authority under Article 22 of the Order during the relevant period; and

(~~fn~~) any information which has been provided to the Licensee by any other licence or exemption holder whether directly or indirectly pursuant to the conditions of his licence or exemption.

2.9.2 Additional definition

In this Condition:

**"the relevant period"** means the preceding five years or such shorter period to which the Authority may consent in respect of any of the above requirements.



**Condition 3.8: Relevant conditions****3.8.1 Exclusivity – Relevant Conditions**

For the purposes of Articles 9(5) and (6) of the Order and of Schedule 3 to this Licence, the following conditions of this Licence shall be “relevant conditions”:

- (a) Conditions 1.2.3 and 1.2.4;
- (b) Conditions 1.10, 1.11 and 1.12;
- (c) Conditions 2.2.4 (but excluding Condition 2.2.4(c)), 2.2.5 and 2.2.6;
- (d) Conditions 2.3.5 (but excluding Condition 2.3.5(c)), 2.3.~~8~~21 and 2.3.~~11~~22;
- (e) Conditions 2.5.1, 2.5.2, 2.5.3 and 2.5.4;
- (f) Condition 3.2.1, 3.2.3 and 3.2.5; and
- (g) Conditions 3.3, 3.4, 3.5, 3.6 and 3.7.