

## **Phoenix Natural Gas Limited Conveyance Licence**

### **Modifications to Condition 2.6: Provision and Return of Meters**

**February 2010**

#### **1.0 Introduction**

1.1 This note sets out the Northern Ireland Authority for Utility Regulation's (the "Authority's") decision on the proposed modifications to the provision and return of meters conditions contained in the Licence for the Conveyance of Gas held by Phoenix Natural Gas Limited (the "Licencee").

#### **2.0 Background**

2.1 On 17<sup>th</sup> November 2009 the Authority issued a statutory notice on the proposed licence modifications to the Licence for the Conveyance of Gas held by the Licencee.

2.2 The modifications are to modify the 'Provisions and Return of meters' condition specifically conditions 2.6.1(a), 2.6.1(d), 2.6.2 (c) and 2.6.3(c) of the conveyance licence held by Phoenix Natural Gas Limited by removing the percentage cap on the number of prepayment meters for which the licensee can recover their costs. The licensees will be allowed to charge a supply company an annual additional conveyance charge in respect of the installation and maintenance of prepayment meters subject to the Utility Regulator's approval.

2.3 The effect of the proposed modifications will be:

a) to remove the cap on the number of prepayment meters for which the distribution companies are reimbursed.

d) to enable the distribution company to charge the gas supply company an additional charge in respect of the additional costs associated with installing and maintaining a prepayment meter.

c) by facilitating the provision of prepayment meters to all customers on request, these modifications will help customers to budget for their gas supply in advance and avoid gas suppliers having to employ resources to recover outstanding payments from these customers in respect of their gas usage.

2.4 The reasons for the proposed modifications are to:

a) help achieve our objective to promote development of the gas industry;

- b) ensure the availability of a prepayment meter for all customers who requests one.
- c) deliver optimum outcomes for customers who choose to pay for their gas supply via prepayment.

### **3.0 Public Notice Responses**

- 3.1 The Authority received three responses to the public notice. A response was received from the Consumer Council, firmus Energy Ltd. and Phoenix Natural Gas Ltd.

### **4.0 Authority Decision**

- 4.1 In pursuance of its powers under Paragraph 1 of Article 14 of the Gas (Northern Ireland) Order 1996 (the “Order”), and having complied with the provisions of Article 14 (3) and 14 (4) of the Order, the Northern Ireland Authority for Utility Regulation (“the Authority”), with the consent of the Licensee, hereby modifies the licence for the conveyance of gas in Northern Ireland granted in 1996 to the Licensee under Article 8 (1) (a) of the Order.
- 4.2 The modification came into effect on 25<sup>th</sup> February 2010 and is attached in the annex to this note.
- 4.3 The Authority has, pursuant to Article 14(4) (b) of the Order served a copy of this notice on the Licensee and sent a copy to the Department of Enterprise Trade and Investment.

**Dated this 25<sup>th</sup> February 2010**



**Brian McHugh**

**For and on behalf of the Northern Ireland Authority for Utility Regulation**