



AS SERVICER FOR BGE (UK) LTD.

Roisin McLaughlin  
Gas Directorate  
Northern Ireland Authority for Utility Regulation,  
Queens House,  
14 Queens St.  
Belfast BT1 6ED

29<sup>th</sup> October 2013

**Re: Consultation on Gas Transmission Licence changes for Congestion Management Procedures (CMP) in Northern Ireland.**

Dear Roisin,

BGE(UK) welcomes the opportunity to respond to NIAUR on "Consultation on Gas Transmission Licence changes for Congestion Management Procedures (CMP) in Northern Ireland" (the Consultation).

We wish to make the following comments on the proposed new conditions.

Condition 2A.2 – Postalisation Charges

We note that clause 2A.2.1.20(e) has been deleted. We understood from NIAUR that this clause would be discussed further during the consultation. BGE(UK) would welcome clarification and further discussion on this clause.

*"2A.2.1.20(e) include a statement that in no circumstances shall the Licensee or any other Designated Pipe-line Operator have any obligation to purchase any Buy-Back Capacity (or to incur any cost or expense in relation to the OS Scheme) if the purchase or the incurring of the cost or expense would cause the net revenues referred to in (c) above to be less than zero; and"*

Section 2.2.19 Additional Definitions and interpretation:

*"Licensee OS Revenues Share" means, in respect of any given Gas Year, the part of the OS Revenues actually received and retained in cash by the Licensee **during such Gas Year** out of the proceeds of OS Revenues, after deduction of value added tax (if*

*any) and any other taxes payable by the Licensee on the amounts so received and in accordance with the relevant provision of the OS Scheme.*

The wording “*during such Gas Year*” limits the entitlement of the licensee to OS Revenues received within the Gas Year and does not allow for payments that are invoiced/paid subsequent to that Gas Year.

In order to reflect the fact that that sums due and payable in respect of a Gas Year, can be invoiced/paid subsequent to that Gas Year, BGE(UK) would suggest that the wording ‘*during such Gas Year*’ should be removed.

#### Allowance for Administration Costs of CMP

The costs of management and administration of CMP, including the OS scheme have yet to be addressed by NIAUR. BGE(UK) is of the view that all reasonable and efficiently incurred costs must be allowed once this scheme is activated.

Please do not hesitate to revert with any queries or to discuss any of the matters raised above further.

Yours sincerely



Brian Murphy  
Regulation Manager