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18<sup>th</sup> January 2017

Ref: CNO/G/TH/134

Dear Stephen and Brian

**Proposed Modifications No. 24 and No. 39: Transfer of Exit Capacity between Northern Ireland Exit Points to permit Secondary Trading of Exit Capacity**

Thank you for your submission of the consultation report and request for revision of timescales with respect to PTL Proposed Modification No. 39 (proposed by AES Ballylumford Limited) and GNI (UK) Proposed Modification No. 24 (proposed by Coolkeeragh ESB Limited).

**Request for revised timescales**

We note that you have not prepared a formal Final Modification Report with respect to PTL Proposed Modification No. 39 and GNI (UK) Proposed Modification No. 24, because to do so would require the development of legal text (which would have to reflect the business processes to be introduced) and the extended indicative timelines that in your view would be required to deliver a Final Modification Report along with implementation of any changes in arrangements.

## Authority review and conclusions

In considering your request for approval of the extended indicative timelines we have taken account of:

- The Initial Modification Reports for PTL Proposed Modification No. 39 and GNI (UK) Proposed Modification No. 24, with responses received to same and responses to the responses by the licence holders as shown in the Summary of Consultation Responses document;
- The concerns you noted in your letter with respect to resource availability in light of the requirement to also deliver Single System Operator arrangements for October 2017;
- Your view that a solution should be sought in the context of the I-SEM arrangements; and
- The ESB request for a preliminary determination report in respect of GNI (UK) Proposed Modification No. 24, dated 25 October 2016.

In your initial modification reports provided by PTL in relation to Proposed Modification No. 39 and by GNI (UK) in relation to Proposed Modification No. 24, you have set out both:

- the arguments presented by the proposers (AES Ballylumford Limited and Coolkeeragh ESB Limited) as to in how far they consider that the Proposed Modifications better facilitates the Relevant Objective; and
- your views as to why you consider the Proposed Modifications do not better facilitate the Relevant Objective.

The definition of Relevant Objective in condition 2.4 of the PTL and GNI (UK) licences refers to the secure, safe, reliable, efficient and economic development and operation and maintenance of the Network with due regard to the environment, and the promotion of effective competition between Users.

We consider that further work is required, including provision of a detailed impact assessment, development of business rules, development of legal text and consideration of secondary trading in the context of I-SEM before a conclusion can be drawn as to whether the Proposed Modifications better facilitate the Relevant Objective. We are also mindful of the lead time required to do such work, including in the wider context of other change programmes such as implementation of Single System Operation by 1 October 2017, the ongoing development of I-SEM arrangements and the limited time during which the Transportation Network Codes of the individual high pressure licence holders will continue to be applicable.

## Decision

As provided for in Section 11 of the PTL Code Modification Rules and Section 12 of the GNI (UK) Code Modification Rules, we approve the extended timeline proposed by the licence holders for provision of the Final Modification Report with respect to PTL Proposed Modification No. 39 and GNI (UK) Proposed Modification No. 24 by May 2018. We note that

at that stage the Single Network Code will be effective and that any proposal to implement arrangements for the transfer of exit capacity between Northern Ireland Exit Points to permit secondary trading of exit capacity will need to refer to and be considered in the context of the Single Network Code.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T Hedley', written over a horizontal line.

**Tanya Hedley**  
**Director of Compliance and Network Operations**  
**For and on behalf of NIAUR**