

APPENDIX 1 INDEPENDENT APPLICATION – iCON ownership (Not Connected)

Application reproduced from the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 (as amended)

Schedule 1

Application for a Gas Conveyance Licence

1. Full name of the applicant.

firmus energy (Distribution) Limited

2. Address of the applicant or, in the case of a body corporate, the registered or principal office.

5th Floor, 6, St Andrew Street, London, EC4A 3AE.

3. Where the applicant is a partnership or other joint venture (other than a body corporate), the name and address of each party concerned.

Not applicable.

4. The name, address and telephone number of the person or persons to whom correspondence or enquiries concerning the application should be directed.

Eric Cosgrove.

firmus energy (Distribution) Limited, A4-A5 Fergusons Way, Kilbegs Rd,
Antrim, BT41 4LZ.

Telephone: 028 9442 7854.

5. The particular type of licence(s) sought, that is to say whether to convey gas and/or store gas and/or supply gas and/or operate an LNG facility, or an extension of any of these types of licence granted to the applicant at the time of this application.

We are applying for a new low pressure exclusive gas conveyance licence to the areas referred to as the "Gas to the West" network

6. Details of any other licence application to which the applicant wishes this application to be connected (see *Note 1*).

None

7. The date from which the licence or extension is desired to take effect.

We request that the licence takes effect as soon as it is approved.

8. Status of the applicant, that is to say whether the applicant is a public limited company, private limited company, overseas company, other body corporate, partnership, unincorporated association, sole trader or other entity (and in the last case particulars of the legal status).

Private Limited Company

9. If the applicant is a body corporate;

- a. The jurisdiction under which it is incorporated

England and Wales

- b. If applicable, its registration number.

05375370

- c. The full names and addresses of its current Directors (including any shadow director within the meaning of section 251 of the 2006 Act) or, where appropriate, the corresponding officers.

- i. Deryk Irving King;
- ii. Paul Richard Malan; and
- iii. Peter John Moore.

c/o Deka Energy Enterprises Limited 6th Floor, 11 Old Jewry, London EC2R 8DU, United Kingdom.

- d. The name, address and telephone number of a person or persons authorised to accept service of any notices or processes required to be served on the applicant.

Michael Scott (General Manager)
firmus energy, A4-A5 Fergusons Way, Kilbegs Rd, Antrim, BT41 4LZ
Telephone: 028 94 42 78 00

- e. The name and registered office of any holding company (within the meaning of section 1159 of the 2006 Act) of the applicant and the name and registered or principal office of any parent undertaking (within the meaning of section 1162 of the 2006 Act) of the applicant.

The name and registered office of the holding company of firmus energy (Distribution) Limited is:

Deka Energy Enterprises Limited 6th Floor, 11 Old Jewry, London EC2R 8DU, United Kingdom.

The ultimate controller is:

iCON Infrastructure Partners II, L.P., Ogier House, St Julian's Avenue, St Peter Port GY1 1WA, Guernsey.

10. If the applicant is neither a body corporate nor a sole trader, the name(s) and address(es) of the person or persons in whom effective control of the applicant rests.

Not applicable

11. Where a holding of 20% or more of the shares (see Note 2) of an applicant is held by a body corporate or partnership or an unincorporated association carrying on a trade or business with or without a view to profit, the name(s) and address(es) of the holder(s) of such shares shall be provided specifying in each case the class of share held, the number of shares so held and the percentage of the aggregate number of shares of that class represented thereby.

Shareholder and address	Class of share held	Allotted number of shares	Percentage of aggregate number of shares
Deka Energy Enterprises Limited, 6th Floor, 11 Old Jewry, London EC2R 8DU, United Kingdom.	Ordinary	One	100%

12. Details of any licences under the Order or the Electricity (Northern Ireland) Order 1992 held, applied for (whether or not successfully) or intended to be applied for by the applicant or (so far as is known to the applicant) by any person who is a related person in relation to the applicant. (See Note 3).

- i) firmus energy (Distribution) Limited holds a licence for the distribution of gas in Northern Ireland. This licence was originally granted to Bord Gáis Éireann on 24 March 2005.
- ii) firmus energy (Supply) Limited (a wholly owned subsidiary of firmus energy (Distribution) Limited) holds a licence for the supply of gas in areas along the route of the North West and South North pipelines. This licence was originally granted to Bord Gáis Éireann on 24 March 2005.
- iii) firmus energy (Supply) Limited holds a licence for the supply of gas in the Greater Belfast and Larne areas (where SSE Airtricity Gas (NI) Limited does not hold exclusivity). This licence was originally granted to BGE (NI) Supply Limited on 09 February 2006.
- iv) firmus energy (Supply) Limited was granted a licence for the supply of electricity in Northern Ireland on 12th November 2008.
- v) firmus energy (Distribution) Limited is applying for an exclusive gas conveyance licence for the towns known as the "Gas to the West" network.

13. Confirmation of statement by the applicant:

<p>The applicant or, where the applicant is a company a senior officer of the company, must indicate his or her confirmation of statements (a) to (f) below by initialling next to those statements and signing where indicated below. In relation to statement (c) only, if the applicant or senior officer is not able to confirm the statement then he or she need not initial this statement provided that he or she provides a written description of the reasons why the senior officer cannot give such confirmation.</p>	
<p>"I, the applicant or a duly authorised officer of the applicant hereby confirm that:</p>	
<p>(a) the information provided in this application is true, accurate and complete.</p>	<p>Initial below:</p>
<p>(b) the applicant has not breached any applicable legislation or regulations in preparing or making this application.</p>	<p>Initial below:</p>
<p>(c) the applicant is not aware of any application to place it in liquidation, administration or receivership, or to commence any analogous process or proceeding in any jurisdiction, and that no such process has been commenced.</p>	<p>Initial below:</p>
<p>(d) the applicant is acting as a principal in the licence application and not as an agent for any undisclosed person and the applicant has expressly authorised me to act on its behalf in completing this application.</p>	<p>Initial below:</p>
<p>(e) the applicant understands the obligations of a transmission system operator and/or distribution system operator; a gas storage operator; a gas supplier; or an LNG facility operator (as applicable) to comply with the conditions in the relevant licence.</p>	<p>Initial below:</p>
<p>(f) the applicant understands that knowingly or recklessly making a false, incomplete, or misleading statement in support of this application may lead to the grant of the licence being refused, and may result in criminal prosecution under Article 46 of the Order."</p>	<p>Initial below:</p>
<p>Signed: Name: Position: Dated:</p>	

14. In this schedule:

"the 2006 Act" means the Companies Act 2006³;

"senior officer" means the chairman, chief executive, other director or company secretary of the applicant.

Note 1

An application is "connected" to one or more other applications (whether or not made by the same applicant) where the applicant indicates that, if any of the licences which is the subject of those other applications were not to be granted to the person applying for it, it would be its intention to withdraw that application.

Note 2

References to shares:—

- (a) in relation to an applicant with a share capital, are to allotted shares;
- (b) in relation to an applicant with capital but no share capital, are to rights to share in the capital of the applicant; and
- (c) in relation to an applicant without capital, are to interests:—
 - (i) conferring any rights to share in the profits or liability to contribute to the losses of the applicant; or
 - (ii) giving rise to an obligation to contribute to the debts or expenses of the applicant in the event of a winding up.

Note 3

"Related person" means:—

- (a) in relation to an applicant who is an undertaking within the meaning of section 1161 of the 2006 Act ("the principal undertaking"), a parent or subsidiary undertaking of the principal undertaking, or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning given by section 1162 of the 2006 Act; and
- (b) in relation to any applicant (including such an undertaking) or connected person of the applicant with the meaning of Section 286 of the Taxation of Chargeable Gains Act 1992⁴.

³ 2006 c.46
⁴ 1992 c.12

Schedule II Part 1

Financial information

1. If the applicant is a company copies of:–
 - a. the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
 - b. the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) above relate, together with the appropriate auditors' reports;
 - c. such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b) above.

(Please list below supporting documentation provided)

- a. The most recent annual accounts of firmus energy (Distribution) Limited in respect of which an auditors' report has been prepared are the FY12 accounts. These are included in **section 3** of this application.
 - b. The audited FY11 and FY10 accounts of firmus energy (Distribution) Limited are included in **section 3** of this application.
 - c. Not applicable – interim accounts have not been prepared.
2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:–
 - a. the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
 - b. the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
 - c. such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).

(Please list below supporting documentation provided)

- a. The FY13 iCON InfrastructurePartners II, L.P. accounts are included in **section 9** to this application
 - b. The FY12 and FY11 iCON InfrastructurePartners II, L.P. accounts are included in **section 9** to this application
 - c. Not applicable – interim accounts have not been prepared.
3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts together with any auditors' reports, as indicate the financial state of affairs of the group in question:–
 - a. at the time of the application; and

- b. at the end of each of the three financial years preceding that time.

(Please list below supporting documentation provided)

Not applicable.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:–

- a. *with an application made by the applicant in accordance with these Regulations; or*
 - b. *subsequent to such an application in pursuance of a condition of the applicant's licence.*
4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:–
- a. at the time of the application; and
 - b. at the end of each of the three financial years preceding that time.

(Please list below supporting documentation provided)

Not applicable, firmus energy (Distribution) Limited is a private limited company.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such particulars and documents as are provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

(Please list below supporting documentation provided)

iCON Infrastructure Partners II LP, the future ultimate controlling entity of firmus energy (Distribution) Limited, have obtained a letter of support of the Gas to the West application from both Royal Bank of Scotland (RBS) (Baa2 per Moody's) and Lloyds (credit rating A2 per Moody's) providing support for up to £72 million of debt facilities in support of the Gas to the West application. These letters of support have been included at **section 10**

Debt facilities with a total quantum of £155m and a tenor of 5 years was raised by iCON to fund iCON II's acquisition of firmus existing distribution network located in the Ten Towns area.

The financing was raised in three separate tranches:

- £105m term loan to partially refinance the existing debt in firmus energy and pay the purchase price to Bord Gáis Éireann;
- £41m capex facility to finance network growth; and
- £9m working capital facility.
- The facilities are being provided by the RBS and Lloyds.

firmus management was instrumental in securing the debt financing through helping the banks understand firmus' business and associated risks, primarily via a Q&A process.

iCON has a strong track record of raising finance to support its investment including the following:

- Mountaintop Energy Holdings LLC
- Gemini Energy Limited; and
- Verbrugge International B.V.

As at 31 December 2013. iCON Infrastructure Partners II (ultimate controlling entity) has total accepted commitments of c.€465.8m of which c.€108.1m has been drawn to finance investments listed above.

Constitutional documents

6. Where the applicant is a company:–
 - a. copies of its Memorandum and Articles of Association or other constitutional documents;
 - b. the names of its directors as at the date of the application; and
 - c. the names of its principal shareholders as at the date of the application.

(Please list below supporting documentation provided)

- b. A copy of the Memorandum and Articles of Association of firmus energy (Distribution) Limited is included in **section 5** of this application the Directors of firmus energy (Distribution) Limited are as follows;
 - i. Deryk Irving King;
 - ii. Paul Richard Malan; and
 - iii. Peter John Moore.

c/o Deka Energy Enterprises Limited 6th Floor, 11 Old Jewry, London EC2R 8DU, United Kingdom.

- c. The principal shareholder is Deka Energy Enterprises Limited

7. Details of each parent undertaking, holding company and ultimate controller of the applicant, and full details of the position of the applicant within any group structure.

(Please list below supporting documentation provided)

The name and registered office of the holding company of firmus energy (Distribution) Limited is:

Deka Energy Enterprises Limited 6th Floor, 11 Old Jewry, London EC2R 8DU, United Kingdom.

The ultimate controller is:

iCON Infrastructure Partners II, LP, Ogier House, St Julian's Avenue, St Peter Port GY1 1WA, Guernsey.

Expertise of applicant

8. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise or experience the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are incidental thereto.

(Please list below supporting documentation provided)

firmus has installed over 870km of gas mains and over 22,000 services throughout the Ten Towns licence area. We have designed, planned, constructed and operated the gas network in accordance with all relevant legislation, regulations and in line with industry best practice.

The Construction team have been responsible for designing the network roll out in the Ten Towns as well as associated customer installations from domestic to large I&C connections. This construction work has been carried out by our Period Contractor, McNicholas Construction Services and completed in close liaison with the DRD Roads Service and the DRD Structures Division with whom we have a close working relationship. firmus representatives participate at Divisional Committees (DRAUC) every six months to discuss work programmes, traffic management proposals, potential for reducing disruption and major schemes. All the works in the public highway are notified using the Northern Ireland Street works Registration and Notification System (NISRANS) and reinstatement core samples are carried out on the firmus energy works by the DRD on a six monthly basis to confirm quality of works completed and to allow performance to be measured and reported.

Since construction works commenced in 2005 firmus has received no prosecutions from the DRD Roads Service relating to works carried out on the public highway and as recent as 2013 we received the Northern Ireland Roads and Utilities Committee Award with McNicholas Construction for the quality of reinstatement in the highway. We continue to install approximately 90km of mains per year in addition to 4,250 services and have effective processes in place to ensure the network is constructed to the highest standards. We have had several independent audits carried out by external bodies relating to our construction activities, internal engineering processes and our asset records system. Each of these audits highlighted small areas where improvement could be made but in general complimented firmus energy on how the works were being completed and the quality of processes and records capture that we have in place.

The Operations & Maintenance team are responsible for the maintenance and safe operation of the firmus energy distribution system on a planned preventative basis in

accordance with ISO 9001 and relevant Irish and UK gas standards with respect to pressure systems. They are also responsible for the management and development of the emergency response service for distribution operations including the management and resource planning for both direct and contract on a 24 hours a day, 365 day per year basis. The O&M team encompasses the Records Department who are responsible for digitising the position of the gas assets onto the Geographic Information Systems (GIS) and recording all information to ensure a detailed asset register is maintained with full traceability of components installed on the network. This digital asset information is also shared with third party contractors as an aid to gas plant protection through the firmus energy Dial B4U Dig service (**08456 080066**).

The Health, Safety & Environment function is responsible for developing and maintaining the health, safety, environmental and quality policies as well as a “roadmap” for quality and environmental standards. The Health, Safety & Environment team are responsible for investigating accidents, incidents and compiling reports with a view to continuous improvement, ensuring compliance with the firmus energy Safety Case and the preparation of monthly, quarterly and annual reports and management data, audit and report on activities to ensure that safety standards are applied to protect the gas network, firmus energy staff, contract staff and the general public. The Health, Safety & Environment team also represents firmus energy with the Health & Safety Executive (NI), Contractors, Training Providers and GasSafe.

The engineering department comprises 4 managers, 11 engineers with additional support staff;

- 2 Chartered Engineers (IGEM)
- 3 Incorporated Engineers (IGEM)
- 3 engineering personnel with NEBOSH qualification
- Average of 14 years gas engineering experience
- 8 engineering personnel with engineering degrees
- 2 qualified inspectors (GL8)
- 4 approved trainers (D32/33)
- 4 level 4 NVQ qualified in Gas Network Engineering Management

Other parties that we will engage to provide services for GTTW;

McNicholas Construction Services – contractor for period contract 2014 – 2020 in the Ten Towns network. Construction teams are multi skilled and qualified to carry out mains work, service works and emergency works. For GTTW they will be responsible for providing detailed programme of construction work and to notice all works in accordance with the Northern Ireland Streetworks Register and Notification System (NISRANS) ensuring all works are completed in accordance with all relevant legislation, recommendations and industry best practice. McNicholas have extensive experience within the natural gas industry and have been the main contractor for the installation of the Greater Belfast gas system, owned and operated by Phoenix Natural Gas since 1996.

National Grid – contract in place for the Ten Towns network to provide emergency call handling services 24/7, 365 days per year through the Northern Ireland Emergency Gas Number 0800 002 001. This is carried out in conjunction with

Phoenix Natural Gas who utilise the same number. For GTTW the emergency calls will be allocated to the system operator using postcode. Resource levels are based on yearly data of number of calls received. Additional call handling resources will be made available from National Grid to manage increases in call rates. National Grid provide this service to the majority of gas consumers in Great Britain and have provided this service for both Distribution companies, firmus energy and Phoenix Natural Gas since natural gas was first introduced to Northern Ireland in 1996.

Scotia Gas Networks – contract in place for Ten Towns network to provide commissioning and maintenance services for large industrial and commercial meter rigs and pressure reduction equipment and emergency response activities in relation to same. It is envisaged that a similar arrangement will be put in place for GTTW. SGN operates two of the UK's gas networks, Scotland is served by Scotland Gas Networks and Southern Gas Networks encompasses the south and south-east of England and they also have experience in the maintenance and emergency response activities associated with gas distribution networks.

GL Nobel Denton – contract in place for the Ten Towns network to provide services with respect to an external competent authority for compliance with the requirements of the Pressure Systems Safety Regulations (PSSR). For GTTW this will be carried out by a senior engineer from GL Nobel Denton who will visit firmus energy every 3 months to sign off the pressure systems that will make up GTTW. Prior to the introduction of gas into the distribution systems within the proposed towns a Written Scheme of Examination will be prepared and signed off. GL Nobel Denton merged with DNV in 2013 to form DNVGL and is a leading technical advisor to the global oil and gas industry developing best practices and standards.

9. Details of any licence or authorisation held by the applicant in a jurisdiction other than Northern Ireland which is equivalent to a licence under the Order⁵ or the Electricity (Northern Ireland) Order 1992⁶.

⁵ S.I. 1996/275 (N.I.2), relevant amendments were made by S.R. 2011 No. 155 and S.R. 2013 No. 92

⁶ S.I. 1992 No. 231 (N.I. 1)

(Please list below supporting documentation provided)

- Mountaineer Gas Company (West Virginia, USA): Largest gas distribution and supply company in West Virginia serving approximately 220,000 customers. Mountaineer Gas is regulated by West Virginia Public Service Commission.
- Beckton Energy (London, UK): 19MW, environmentally friendly baseload CHP facility that will use renewable bio-liquids as fuel and provide 135GWh of electricity to Thames Water & Centrica with heat being provided to National Grid. Regulated by Ofgem.
- Verbrugge International (Netherlands & Belgium): Bulk and break-bulk port terminal business consisting of four terminals, handling over 9 million tonnes per annum. The terminals are operated under rights granted by the local port authorities.

Proposed authorised area and Pipeline system

10. A statement as to the type of gas conveyance licence for which the applicant is applying, being:–

- a. a licence to convey gas through a system which mainly comprises pipelines with pressure above 7 bar;
- b. a licence to convey gas through a system which mainly comprises pipelines with pressure of 7 bar or below; or
- c. a licence to convey gas through both of the above types of systems.

b) We confirm that we are applying for a licence to convey gas through a system which mainly comprises pipelines with pressure of 7 bar or below.

11. A map drawn to an appropriate scale showing:–

- a. the area in which the applicant proposes to convey gas from one place to another (“the proposed area”);
- b. the proposed configuration of the pipeline system the applicant would use for that purpose if the application were granted; and
- c. any pipes used or to be used by the applicant wholly or mainly for the purpose of conveying gas to the proposed area if the application were granted.

a) to c) Maps drawn to an appropriate scale have been included in **section 6**

12. A list of the district councils in whose area the proposed area lies.

Craigavon District Council*
Armagh City District Council*
Dungannon and South Tyrone District Council
Cookstown District Council
Magherafelt District Council
Omagh District Council
Fermanagh District Council
Strabane District Council
Limavady District Council*
Derry District Council*

** high pressure only*

Development Plan

13. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension, if the application were granted, including estimates, for each year of the period required to complete the development, of:–
- a. the length(s) (in kilometres), diameter(s) and design operating pressure(s) of the pipelines to be used for the authorised activities;
 - b. the number of premises which may be connected to the pipeline system;
 - c. the amount of gas, in therms, expected to be conveyed, separately identifying any amount to be conveyed to domestic premises;
 - d. the total revenue from the authorised activities;
 - e. the total capital costs of the authorised activities, showing separately such costs in relation to procuring and laying pipe-lines, providing and installing meters, procuring and installing other operational plant and machinery, and overhead and administrative requirements (in all cases excluding finance charges);
 - f. the total operating costs of the authorised activities, showing separately such costs in relation to fuel (including gas purchases), staff (including consultants’) costs, rent and rates, development costs and insurance; and
 - g. net annual cashflow, and stating, where appropriate, the assumptions underlying the figures provided.

(Please list below supporting documentation provided)

Full details of the Development required for this licence area based on the Fingleton McAdam low pressure network design are included in the operational business plan which forms part of this submission. With regards to specific details please see below;

- a) See Section 7 annex a
- b) See Section 7 annex b
- c) See Section 7 annex c
- d) See Section 7 annex d
- e) See Section 7 annex e
- f) See Section 7 annex f
- g) See Section 7 annex g

System security standards

14. Particulars of the proposed system security standards for the pipeline network.

(Please list below supporting documentation provided)

It is proposed that the system will be constructed and operated in accordance with the Gas Safety (Management) Regulations, Institute of Gas Engineers and Managers (IGEM) recommendations and in line with the Pipeline Safety Regulations, Pressure Systems Safety Regulations and all other relevant legislation and industry best practice guidelines.

firmus has a dedicated Emergency Control Room within our offices in Antrim and have procedures in place with the Primary Transporter (Premier Transmission Ltd) and with transmission operator BGENI in relation to the management and curtailment of Supply Emergencies. We monitor pressures on the Ten Towns distribution network 24hrs a day and maintain a register of emergency contact personnel for all large I&C customers to ensure an effective load shedding process can be implemented at short notice. firmus energy take part in annual emergency exercises which test industry response to loss of supply across the whole island of Ireland and the effectiveness of communication processes between stakeholders.

It would be our intention to amend and expand these existing procedures to encompass the towns in the GTTW development. We propose to install pressure monitoring devices on all individual pressure systems supplied from AGI's on the GTTW. We carry out refresher training to all relevant personnel annually on the implementation of emergency processes with respect to security of supply issues and are confident that we can meet all requirements in relation to security standards for GTTW.

Safety requirements

15. Such particulars as will indicate whether any pipeline system through which the applicant would be authorised to convey gas if the application or extension were granted would be operated safely.

firmus has a full suite of operating procedures and emergency response procedures for the Ten Towns. We review these procedures on a regular basis and have an excellent record with respect to safety in relation to network build and operation. Maintenance procedures are in place to ensure compliance with the Pressure Systems Safety Regulations and we have effective processes to manage network emergencies and gas escapes.

In order to comply with the Gas Safety (Management) Regulations 1997 – Regulation 3, firmus will submit a Safety Case to the Health & Safety Executive (Northern Ireland) (HSENI) for GTTW. firmus energy will demonstrate its ability to meet with duties imposed under the regulations and will provide details on the following:

- The systems to be used;
- How the systems would be operated safely;
- Ability to manage the flow of gas safely;
- Willingness and ability to co-operate with those who have duties under the regulations;
- Ability and resources to manage and investigate gas escapes;
- Steps to ensure continuity of supply (and composition) of gas; and
- The management structure for dealing with gas escapes

firmus has a proven track record of submission and revision of safety cases to the HSENI, and use the Safety Case Assessment Manual (PM/Permissioning/03) as published by the HSENI, as a basis of suitability assessment prior to submission.

The Safety Case for GTTW would comprise a similar structure and format as our existing Safety Case for the Ten Towns, which has recently been successfully

audited by the HSENI. Although the format would be similar, the information contained would be specific to the GTTW.

It is envisaged the Safety Case will be revised every 12 months, as the initial development may vary from the original programme. Thereafter, the safety case will be revised within 3 years or sooner if there is any significant change – as required by Health & Safety regulations.

16. Particulars of the applicant's proposed arrangements to secure the performance of any obligations in relation to escapes of gas imposed on him by Schedule 5 to the Order.

firmus has procedures in place for emergency response and leak management activities on the Ten Towns network. Our period contractor, McNicholas Construction Services provides first response services for public reported escapes (PRE's) and also the excavation and construction teams to affect repair on leaking / damaged apparatus. firmus engineers provide the supervision at external PRE's and at all damages on the firmus gas network. Regular reviews are undertaken to ensure that all processes and procedures are fit for purpose and refresher training is conducted to ensure all personnel are aware of their responsibilities and actions to undertake when dealing with reported gas escapes.

The overall priorities when dealing with reported gas escapes are;

- Safeguard life
- Safeguard property
- Find and secure the gas escape
- Carry out a final site investigation

In the instance of a reported internal escape the first responder will be contacted by the Emergency Control Centre and will attend to investigate. On his arrival he will make his way to the property without delay and knock on the door to gain access (it is important that the doorbell is not used as there may be gas present and it could be a source of ignition). If there is no access to the property the first responder will immediately contact the Emergency Control Centre to confirm address details and the Emergency Control Centre will attempt to contact the occupier. The first responder will record gas readings at entry points to the property, should it be through a letter box, an open window, around door frame etc. If gas is confirmed as being present in the property, the first responder will contact the Emergency Control Centre to provide an update and will contact the 1st tier firmus energy Supervisor who will attend site to provide support. The 1st tier Supervisor will also escalate the call to the 2nd tier Engineering Manager. If possible the gas supply will be isolated external to the property and forced entry shall then be undertaken - preferably in the presence of the PSNI or an independent witness. However, this should not delay entry to the property.

The first responder will isolate the gas supply (if not already isolated), ventilate the property, carry out all required checks and will make arrangements to have the property secured and any repairs necessary from the action of the forced entry

carried out as soon as is reasonably practicable. All actions undertaken on site will be recorded.

Our contractors and our engineers have received training on the above process and are aware of the requirements of the Gas (NI) Order 1996 Schedule 5 which states in effect that entry can only be gained with the consent of the occupier or with a warrant except in cases where danger to life of property exist or can reasonably be judged to exist. If entry is made to the property the procedures within the Gas (NI) Order Schedule 5 shall pertain.

17. Any exclusive authority to convey gas sought and justification for the conferral of such authority.

(Please list below supporting documentation provided)

Per 3.66 of the applicant information pack, territorial scope will be based on the relevant towns and exclusivity will apply for twenty years.

Standard conditions

18. Any modification requested to any of the standard conditions for a gas conveyance licence and the grounds on which the applicant believes that any such modification:
 - a. is requisite to meet the circumstances of a particular case; and
 - b. is such that no other holder of such a licence would be unduly disadvantaged by the making of the modification.

In making this application firmus energy do not request any modification to the standard conditions for a gas conveyance licence.

19. Particulars of the applicant's proposed arrangements for compliance with those standard conditions for a gas conveyance licence which are identified for this purpose.

firmus in its existing business is fully compliant with the requirements of its existing gas conveyance licence. In applying for this licence, firmus will replicate its existing corporate governance and regulatory compliance structures to ensure compliance with the standard conditions for a gas conveyance in operating the GTTW licence. This will include:

- Provision of Separate Audited Accounts for this Business;
- Provision of information to the Utility Regulator as required;
- Consultation with the Consumer Council for Northern Ireland on policies and procedures, including provision of information;
- Authorisation of appropriate persons;
- Payment of licence fees;
- Maintenance of necessary records;
- Maintain security and continuity of supply;
- Compliance with all relevant Network Codes and System Operator Arrangements;
- Emergency Services (emergency telephone, prevention of gas escapes) and their relevant Obligations;

- Conveyance Charging and the provision of conveyance services including capacity booking;
- Compliance with obligations to permit a connection to the network;
- No undue discrimination/preference towards gas suppliers;
- Provision/Return and Inspection of Meters;
- Compliance with relevant social obligations;
- Ensuring efficient use of gas;
- Providing services for Pensioners, Chronically Sick or Disabled Persons and facilities for Blind and Deaf People;
- Provide Terms and Conditions of Gas Connections to Consumers;
- Preparation and Compliance with Distribution Marketing Code;
- Achievement of agreed Standards of Performance/Guaranteed Standards of Service/Complaints Handling Procedure/Consumer Information Code;
- Network Forecasts;
- Provision of General and Annual Development Plans; and
- Undertaking periodic price reviews and the related conditions.

Fit and Proper Person

20. One of the following:-

- a. full particulars of all actual, pending or threatened regulatory enforcement actions that have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraph 6(b) (“relevant individuals”) or any parent undertaking, holding company or ultimate controller of the applicant; or
- b. a statement signed by a senior officer of the applicant confirming that there is no such actual, pending or threatened regulatory enforcement action.

21. One of the following:-

- a. full particulars of all criminal convictions of the applicant or any relevant individuals or any parent undertaking, holding company or ultimate controller of the applicant other than convictions for minor road traffic offences or in respect of which the convicted person has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978⁷ or the Rehabilitation of Offenders Act 1974⁸; or
- b. a statement signed by a senior officer of the applicant confirming that there are no such convictions.

22. One of the following:-

- a. full particulars of all cautions given, prosecutions brought or threatened or any other action taken by a competent authority in respect of the applicant or any relevant individuals or any parent undertaking, holding company or ultimate controller of the applicant within the six years prior to the date of the application, in relation to any actual or alleged contravention of environmental (including town and country planning) legislation; or
- b. a statement signed by a senior officer of the applicant confirming that there have been no such actions.

23. One of the following:-

- a. full particulars of every application made by the applicant or any parent undertaking, holding company or ultimate controller of the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or for any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, where that application has been refused; or
- b. a statement signed by a senior officer of the applicant confirming that there have been no such refusals.

24. One of the following:-

- a. full particulars of every licence held by the applicant or any parent undertaking, holding company or ultimate controller of the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been revoked or threatened to be revoked; or
- b. a statement signed by a senior officer of the applicant confirming that there has been no such revocation or threat of revocation.

25. One of the following:-

- a. full particulars of every instance of insolvency or corporate restructuring to which the applicant or any parent undertaking, holding company or ultimate controller of the applicant has been subject; or
- b. a statement signed by a senior officer of the applicant confirming that there has been no such instance of insolvency or corporate restructuring.

26. One of the following:-

- a. full particulars of all actual, pending or threatened recovery orders in relation to illegal State aid that have been made, are being made, or have been proposed by the European Commission in respect of the applicant or any parent undertaking, holding company or ultimate controller of the applicant; or
- b. a statement signed by a senior officer of the applicant confirming that there have been no such actual, pending or threatened recovery orders.

In response to questions 20 to 26 above, a statement is included within **section 8**

Interpretation

27. In this schedule

"the 2006 Act" means the Companies Act 2006⁹;

"annual accounts" has the meaning given by section 471 of the 2006 Act;

"auditors' report" means a report prepared under section 495 of the 2006 Act;

"company" has the meaning given by section 1 of the 2006 Act;

"competent authority" means any minister, ministry, department, agency, authority, official or statutory office holder;

"domestic premises" means premises to which gas is conveyed at a rate which is reasonably expected not to exceed 2,500 therms a year;

"group" has the meaning given by section 474(1) of the 2006 Act;

"group accounts" means such accounts as are required to be prepared by section 399 of the 2006 Act;

"holding company" has the meaning given by section 1159 of the 2006 Act;

"parent undertaking" and "subsidiary undertaking" have the meanings given by section 1162 of the 2006 Act;

"senior officer" means the chairman, chief executive, other director or company secretary of the applicant;

"ultimate controller" means, in respect of the applicant:-

- (a) any holding company of the Licensee, which is not itself a subsidiary of another company; and/or
- (b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the applicant, or any holding company of the applicant, by virtue of:
 - (i) rights under contractual arrangements to which he is a party or of which he is a beneficiary;
 - (ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary,

(and for these purposes a person shall be considered to be connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in (i) and/or (ii)),

but shall exclude any director or employee of a corporate body in his capacity as such and any minister, ministry, department, agency, authority, official or statutory office holder."

APPLICATION

Application reproduced from the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 (as amended)

Schedule 1

Application for a Gas Conveyance Licence

1. Full name of the applicant.

firmus energy (Distribution) Limited

2. Address of the applicant or, in the case of a body corporate, the registered or principal office.

5th Floor, 6 St Andrew Street, London, EC4A 3AE.

3. Where the applicant is a partnership or other joint venture (other than a body corporate), the name and address of each party concerned.

Not applicable.

4. The name, address and telephone number of the person or persons to whom correspondence or enquiries concerning the application should be directed.

Eric Cosgrove.

firmus energy (Distribution) Limited, A4-A5 Fergusons Way, Kilbegs Rd,

Antrim, BT41 4LZ.

Telephone: 028 9442 7854.

5. The particular type of licence(s) sought, that is to say whether to convey gas and/or store gas and/or supply gas and/or operate an LNG facility, or an extension of any of these types of licence granted to the applicant at the time of this application.

We are applying for a new low pressure exclusive gas conveyance licence to the areas referred to as the "Gas to the West" network

6. Details of any other licence application to which the applicant wishes this application to be connected (see Note 1).

None

7. The date from which the licence or extension is desired to take effect.

We request that the licence takes effect as soon as it is approved.

8. Status of the applicant, that is to say whether the applicant is a public limited company, private limited company, overseas company, other body corporate, partnership, unincorporated association, sole trader or other entity (and in the last case particulars of the legal status).

Private Limited Company

9. If the applicant is a body corporate;

a. The jurisdiction under which it is incorporated

England and Wales

b. If applicable, its registration number.

05375370

c. The full names and addresses of its current Directors (including any shadow director within the meaning of section 251 of the 2006 Act) or, where appropriate, the corresponding officers.

As at submission date (6 May 2014), the current Directors of firmus energy (Distribution) Limited are as follows;

- i. Michael David Kirwan - 6 Lapps Quay, Cork, Ireland;
- ii. Joseph O'Flynn - Liberty Hall, Dublin 1, Ireland; and
- iii. Tom O'Brien - 6 Lapps Quay, Cork, Ireland.

d. The name, address and telephone number of a person or persons authorised to accept service of any notices or processes required to be served on the applicant.

Michael Scott (General Manager)
firmus energy, A4-A5 Fergusons Way, Kilbegs Rd, Antrim, BT41 4LZ
Telephone: 028 94 42 78 00

e. The name and registered office of any holding company (within the meaning of section 1159 of the 2006 Act) of the applicant and the name and registered or principal office of any parent undertaking (within the meaning of section 1162 of the 2006 Act) of the applicant.

On the date of submission (6 May 2014), 100% of the share capital of firmus energy (Distribution) Limited is held by Bord Gáis Éireann (BGE), a statutory body established pursuant to the Gas Act 1976. The principal office of BGE is at Gas Works Road, Cork, Ireland.

10. If the applicant is neither a body corporate nor a sole trader, the name(s) and address(es) of the person or persons in whom effective control of the applicant rests.

Not applicable

11. Where a holding of 20% or more of the shares (see Note 2) of an applicant is held by a body corporate or partnership or an unincorporated association carrying on a trade or business with or without a view to profit, the name(s) and address(es) of

the holder(s) of such shares shall be provided specifying in each case the class of share held, the number of shares so held and the percentage of the aggregate number of shares of that class represented thereby.

On the date of submission (6 May 2014), 100% of the share capital of firmus energy (Distribution) Limited is held by Bord Gáis Éireann (BGE), a statutory body established pursuant to the Gas Act 1976. Details of the share class and the number of shares held by BGE are set out below:

Shareholder and address	Class of share held	Allotted number of shares	Percentage of aggregate number of shares
Bord Gáis Éireann, Gasworks Road, Cork, Ireland	Ordinary	One	100%

12. Details of any licences under the Order or the Electricity (Northern Ireland) Order 1992 held, applied for (whether or not successfully) or intended to be applied for by the applicant or (so far as is known to the applicant) by any person who is a related person in relation to the applicant. (See Note 3).

- i) firmus energy (Distribution) Limited holds a licence for the distribution of gas in Northern Ireland. This licence was originally granted to Bord Gáis Éireann on 24 March 2005.
- ii) firmus energy (Supply) Limited (a wholly owned subsidiary of firmus energy (Distribution) Limited) holds a licence for the supply of gas in areas along the route of the North West and South North pipelines. This licence was originally granted to Bord Gáis Éireann on 24 March 2005.
- iii) firmus energy (Supply) Limited holds a licence for the supply of gas in the Greater Belfast and Larne areas (where SSE Airtricity Gas (NI) Limited does not hold exclusivity). This licence was originally granted to BGE (NI) Supply Limited on 09 February 2006.
- iv) firmus energy (Supply) Limited was granted a licence for the supply of electricity in Northern Ireland on 12th November 2008.
- v) Bord Gáis Éireann was granted a licence for the supply of electricity in Northern Ireland on 15th October 2002.
- vi) BGE (UK) Limited holds a licence for the transmission of gas in Northern Ireland. This licence was granted on 12 February 2002.
- vii) firmus energy (Distribution) Limited is applying for an exclusive gas conveyance licence for the towns known as the “Gas to the West” network.

13. Confirmation of statement by the applicant:

<p>The applicant or, where the applicant is a company a senior officer of the company, must indicate his or her confirmation of statements (a) to (f) below by initialling next to those statements and signing where indicated below. In relation to statement (c) only, if the applicant or senior officer is not able to confirm the statement then he or she need not initial this statement provided that he or she provides a written description of the reasons why the senior officer cannot give such confirmation.</p>	
<p>"I, the applicant or a duly authorised officer of the applicant hereby confirm that:</p>	
<p>(a) the information provided in this application is true, accurate and complete.</p>	<p>Initial below:</p>
<p>(b) the applicant has not breached any applicable legislation or regulations in preparing or making this application.</p>	<p>Initial below:</p>
<p>(c) the applicant is not aware of any application to place it in liquidation, administration or receivership, or to commence any analogous process or proceeding in any jurisdiction, and that no such process has been commenced.</p>	<p>Initial below:</p>
<p>(d) the applicant is acting as a principal in the licence application and not as an agent for any undisclosed person and the applicant has expressly authorised me to act on its behalf in completing this application.</p>	<p>Initial below:</p>
<p>(e) the applicant understands the obligations of a transmission system operator and/or distribution system operator; a gas storage operator; a gas supplier; or an LNG facility operator (as applicable) to comply with the conditions in the relevant licence.</p>	<p>Initial below:</p>
<p>(f) the applicant understands that knowingly or recklessly making a false, incomplete, or misleading statement in support of this application may lead to the grant of the licence being refused, and may result in criminal prosecution under Article 46 of the Order."</p>	<p>Initial below:</p>
<p>Signed: Name: Position: Dated:</p>	

14. In this schedule:

"the 2006 Act" means the Companies Act 2006³;

"senior officer" means the chairman, chief executive, other director or company secretary of the applicant.

Note 1

An application is "connected" to one or more other applications (whether or not made by the same applicant) where the applicant indicates that, if any of the licences which is the subject of those other applications were not to be granted to the person applying for it, it would be its intention to withdraw that application.

Note 2

References to shares:—

- (a) in relation to an applicant with a share capital, are to allotted shares;
- (b) in relation to an applicant with capital but no share capital, are to rights to share in the capital of the applicant; and
- (c) in relation to an applicant without capital, are to interests:—
 - (i) conferring any rights to share in the profits or liability to contribute to the losses of the applicant; or
 - (ii) giving rise to an obligation to contribute to the debts or expenses of the applicant in the event of a winding up.

Note 3

"Related person" means:—

- (a) in relation to an applicant who is an undertaking within the meaning of section 1161 of the 2006 Act ("the principal undertaking"), a parent or subsidiary undertaking of the principal undertaking, or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning given by section 1162 of the 2006 Act; and
- (b) in relation to any applicant (including such an undertaking) or connected person of the applicant with the meaning of Section 286 of the Taxation of Chargeable Gains Act 1992⁴.

³ 2006 c.46
⁴ 1992 c.12

Schedule II Part 1

Financial information

1. If the applicant is a company copies of:–
 - a. the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
 - b. the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) above relate, together with the appropriate auditors' reports;
 - c. such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b) above.

(Please list below supporting documentation provided)

- a. The most recent annual accounts of firmus energy (Distribution) Limited in respect of which an auditors' report has been prepared are the FY12 accounts. These are included in **section 3** of this application.
 - b. The audited FY11 and FY10 accounts of firmus energy (Distribution) Limited are included in **section 3** of this application.
 - c. Not applicable – interim accounts have not been prepared.
2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:–
 - a. the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
 - b. the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
 - c. such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).

(Please list below supporting documentation provided)

- a. The FY12 accounts of Bord Gáis Éireann are included in **section 4** of this application.
- b. The FY11 and FY10 accounts of Bord Gáis Éireann are included in **section 4**
- c. Not applicable – interim accounts have not been prepared.

3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts together with any auditors' reports, as indicate the financial state of affairs of the group in question:–
 - a. at the time of the application; and
 - b. at the end of each of the three financial years preceding that time.

(Please list below supporting documentation provided)

Not applicable.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:–

- a. *with an application made by the applicant in accordance with these Regulations; or*
 - b. *subsequent to such an application in pursuance of a condition of the applicant's licence.*
4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:–
 - a. at the time of the application; and
 - b. at the end of each of the three financial years preceding that time.

(Please list below supporting documentation provided)

Not applicable, firmus energy (Distribution) Limited is a private limited company.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such particulars and documents as are provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

(Please list below supporting documentation provided)

On the date of submission (6 May 2014), 100% of the share capital of firmus energy (Distribution) Limited is held by Bord Gáis Éireann (BGE). BGE had net assets of €1.52 billion at December 2012, an amount significantly in excess of the required c.£72m investment (£60m x 120%) (See section 4).

The board of directors of BGE formally approved this application at a board meeting held on 29 April 2014.

Historically, BGE has demonstrated its ability to raise funds as illustrated by the following;

- (i) The purchase of SWS Natural Resources in 2009;
- (ii) Funding secured for wind farm development; and
- (iii) Funding of firmus energy (Distribution) Limited's ongoing investment in the Ten Town's distribution network (£110m).

Constitutional documents

6. Where the applicant is a company:–
 - a. copies of its Memorandum and Articles of Association or other constitutional documents;
 - b. the names of its directors as at the date of the application; and
 - c. the names of its principal shareholders as at the date of the application.

(Please list below supporting documentation provided)

- a. A copy of the Memorandum and Articles of Association of firmus energy (Distribution) Limited is included in **section 5** of this application.
- b. As at submission date (6 May 2014), the current Directors of firmus energy (Distribution) Limited are as follows;
 - i. Michael David Kirwan - 6 Lapps Quay, Cork, Ireland;
 - ii. Joseph O'Flynn - Liberty Hall, Dublin 1, Ireland; and
 - iii. Tom O'Brien - 6 Lapps Quay, Cork, Ireland.
- c. The principal shareholder as at the date of application is Bord Gáis Éireann.

7. Details of each parent undertaking, holding company and ultimate controller of the applicant, and full details of the position of the applicant within any group structure.

(Please list below supporting documentation provided)

On the date of submission (6 May 2014), 100% of the share capital of firmus energy (Distribution) Limited is held by Bord Gáis Éireann (BGE) with the ultimate controller being Minister for Communications, Energy and Natural Resources of Ireland.

Please note on 25 March 2014, Bord Gáis Éireann ("**BGE**") signed a share purchase agreement with a consortium comprising Brookfield Renewables, Centrica and iCON Infrastructure Partners II, L.P. ("**iCON**") for the sale and purchase of its Energy Business being:

- Renewables, comprising a large number of wind farms at various stages of development and other renewable energy ventures - to be sold to Brookfield;
- Supply & Generation, incorporating the Whitegate CCGT power plant, the gas and electricity supply business in Ireland (excluding Northern Ireland) and

ancillary services such as boiler services and the BG Heat business and related shipping and trading activities - to be sold to Centrica; and

- firmus, comprising a gas distribution business and a gas and electricity supply business in Northern Ireland - to be sold to Deka Energy Enterprises Limited an indirect wholly owned subsidiary of iCON,

(the “**Transaction**”).

Completion of the sale and purchase of the Energy Business is expected to occur by 30 June 2014 once the necessary regulatory clearances have been received. As a consequence, the application of firmus is made on the basis that the Transaction will complete such that firmus:

- Will become a subsidiary of funds managed by Deka Energy Enterprises Limited an affiliate of iCON; and
- Will have ceased to be a subsidiary of BGÉ and no longer has any relationship with the BGÉ group other than under the terms of a transitional services agreement that is expected to expire in 2015.

All key financial details contained in this application have been approved by iCON. BGÉ has had limited input into the application of firmus. Accordingly, any details contained in the firmus application in relation to:

- Capital structure; and
- The weighted average cost of capital,

have been determined by firmus in consultation with iCON and without input from BGÉ. In the unlikely event of a sale not going ahead, we would seek further discussion with NIAUR.

Expertise of applicant

8. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise or experience the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are incidental thereto.

(Please list below supporting documentation provided)

firmus has installed over 870km of gas mains and over 22,000 services throughout the Ten Towns licence area. We have designed, planned, constructed and operated the gas network in accordance with all relevant legislation, regulations and in line with industry best practice.

The Construction team have been responsible for designing the network roll out in the Ten Towns as well as associated customer installations from domestic to large I&C connections. This construction work has been carried out by our Period Contractor, McNicholas Construction Services and completed in close liaison with the DRD Roads Service and the DRD Structures Division with whom we have a close working relationship. firmus representatives participate at Divisional Committees (DRAUC) every six months to discuss work programmes, traffic management

proposals, potential for reducing disruption and major schemes. All the works in the public highway are notified using the Northern Ireland Street works Registration and Notification System (NISRANS) and reinstatement core samples are carried out on the firmus energy works by the DRD on a six monthly basis to confirm quality of works completed and to allow performance to be measured and reported.

Since construction works commenced in 2005 firmus energy has received no prosecutions from the DRD Roads Service relating to works carried out on the public highway and as recent as 2013 we received the Northern Ireland Roads and Utilities Committee Award with McNicholas Construction for the quality of reinstatement in the highway. We continue to install approximately 90km of mains per year in addition to 4,250 services and have effective processes in place to ensure the network is constructed to the highest standards. We have had several independent audits carried out by external bodies relating to our construction activities, internal engineering processes and our asset records system. Each of these audits highlighted small areas where improvement could be made but in general complimented firmus energy on how the works were being completed and the quality of processes and records capture that we have in place.

The Operations & Maintenance team are responsible for the maintenance and safe operation of the firmus energy distribution system on a planned preventative basis in accordance with ISO 9001 and relevant Irish and UK gas standards with respect to pressure systems. They are also responsible for the management and development of the emergency response service for distribution operations including the management and resource planning for both direct and contract on a 24 hours a day, 365 day per year basis. The O&M team encompasses the Records Department who are responsible for digitising the position of the gas assets onto the Geographic Information Systems (GIS) and recording all information to ensure a detailed asset register is maintained with full traceability of components installed on the network. This digital asset information is also shared with third party contractors as an aid to gas plant protection through the firmus energy Dial B4U Dig service (**08456 080066**).

The Health, Safety & Environment function is responsible for developing and maintaining the health, safety, environmental and quality policies as well as a “roadmap” for quality and environmental standards. The Health, Safety & Environment team are responsible for investigating accidents, incidents and compiling reports with a view to continuous improvement, ensuring compliance with the firmus energy Safety Case and the preparation of monthly, quarterly and annual reports and management data, audit and report on activities to ensure that safety standards are applied to protect the gas network, firmus energy staff, contract staff and the general public. The Health, Safety & Environment team also represents firmus energy with the Health & Safety Executive (NI), Contractors, Training Providers and GasSafe.

The engineering department comprises 4 managers, 11 engineers with additional support staff;

- 2 Chartered Engineers (IGEM)
- 3 Incorporated Engineers (IGEM)
- 3 engineering personnel with NEBOSH qualification
- Average of 14 years gas engineering experience
- 8 engineering personnel with engineering degrees
- 2 qualified inspectors (GL8)

- 4 approved trainers (D32/33)
- 4 level 4 NVQ qualified in Gas Network Engineering Management

Other parties that we will engage to provide services for GTTW;

McNicholas Construction Services – contractor for period contract 2014 – 2020 in the Ten Towns network. Construction teams are multi skilled and qualified to carry out mains work, service works and emergency works. For GTTW they will be responsible for providing detailed programme of construction work and to notice all works in accordance with the Northern Ireland Streetworks Register and Notification System (NISRANS) ensuring all works are completed in accordance with all relevant legislation, recommendations and industry best practice. McNicholas have extensive experience within the natural gas industry and have been the main contractor for the installation of the Greater Belfast gas system, owned and operated by Phoenix Natural Gas since 1996.

National Grid – contract in place for the Ten Towns network to provide emergency call handling services 24/7, 365 days per year through the Northern Ireland Emergency Gas Number 0800 002 001. This is carried out in conjunction with Phoenix Natural Gas who utilise the same number. For GTTW the emergency calls will be allocated to the system operator using postcode. Resource levels are based on yearly data of number of calls received. Additional call handling resources will be made available from National Grid to manage increases in call rates. National Grid provide this service to the majority of gas consumers in Great Britain and have provided this service for both Distribution companies, firmus energy and Phoenix Natural Gas since natural gas was first introduced to Northern Ireland in 1996.

Scotia Gas Networks – contract in place for Ten Towns network to provide commissioning and maintenance services for large industrial and commercial meter rigs and pressure reduction equipment and emergency response activities in relation to same. It is envisaged that a similar arrangement will be put in place for GTTW. SGN operates two of the UK's gas networks, Scotland is served by Scotland Gas Networks and Southern Gas Networks encompasses the south and south-east of England and they also have experience in the maintenance and emergency response activities associated with gas distribution networks.

GL Nobel Denton – contract in place for the Ten Towns network to provide services with respect to an external competent authority for compliance with the requirements of the Pressure Systems Safety Regulations (PSSR). For GTTW this will be carried out by a senior engineer from GL Nobel Denton who will visit firmus energy every 3 months to sign off the pressure systems that will make up GTTW. Prior to the introduction of gas into the distribution systems within the proposed towns a Written Scheme of Examination will be prepared and signed off. GL Nobel Denton merged with DNV in 2013 to form DNVGL and is a leading technical advisor to the global oil and gas industry developing best practices and standards.

9. Details of any licence or authorisation held by the applicant in a jurisdiction other than Northern Ireland which is equivalent to a licence under the Order⁵ or the Electricity (Northern Ireland) Order 1992⁶.

(Please list below supporting documentation provided)

The applicant, firmus energy (Distribution) Limited, does not hold any licence or authorisation in a jurisdiction other than Northern Ireland which is equivalent to a licence under the Order⁵ or the Electricity (Northern Ireland) Order 1992⁶. However, its ultimate parent BGE holds a number of licences with the Commission for Energy Regulation (CER) in the Republic of Ireland relating to the generation and supply of electricity, together with licences for the transmission, distribution and supply of gas.

⁵ S.I. 1996/275 (N.I.2), relevant amendments were made by S.R. 2011 No. 155 and S.R. 2013 No. 92

⁶ S.I. 1992 No. 231 (N.I. 1)

Proposed authorised area and Pipeline system

10. A statement as to the type of gas conveyance licence for which the applicant is applying, being:–
- a. a licence to convey gas through a system which mainly comprises pipelines with pressure above 7 bar;
 - b. a licence to convey gas through a system which mainly comprises pipelines with pressure of 7 bar or below; or
 - c. a licence to convey gas through both of the above types of systems.
- b) We confirm that we are applying for a licence to convey gas through a system which mainly comprises pipelines with pressure of 7 bar or below.
11. A map drawn to an appropriate scale showing:–
- a. the area in which the applicant proposes to convey gas from one place to another (“the proposed area”);
 - b. the proposed configuration of the pipeline system the applicant would use for that purpose if the application were granted; and
 - c. any pipes used or to be used by the applicant wholly or mainly for the purpose of conveying gas to the proposed area if the application were granted.
- a) to c) Maps drawn to an appropriate scale have been included in **section 6**

12. A list of the district councils in whose area the proposed area lies.

Craigavon District Council*
Armagh City District Council*
Dungannon and South Tyrone District Council
Cookstown District Council
Magherafelt District Council
Omagh District Council
Fermanagh District Council
Strabane District Council
Limavady District Council*
Derry District Council*

** high pressure only*

Development Plan

13. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension, if the application were granted, including estimates, for each year of the period required to complete the development, of:–
- a. the length(s) (in kilometres), diameter(s) and design operating pressure(s) of the pipelines to be used for the authorised activities;
 - b. the number of premises which may be connected to the pipeline system;
 - c. the amount of gas, in therms, expected to be conveyed, separately identifying any amount to be conveyed to domestic premises;
 - d. the total revenue from the authorised activities;
 - e. the total capital costs of the authorised activities, showing separately such costs in relation to procuring and laying pipe-lines, providing and installing meters, procuring and installing other operational plant and machinery, and overhead and administrative requirements (in all cases excluding finance charges);
 - f. the total operating costs of the authorised activities, showing separately such costs in relation to fuel (including gas purchases), staff (including consultants’) costs, rent and rates, development costs and insurance; and
 - g. net annual cashflow, and stating, where appropriate, the assumptions underlying the figures provided.

(Please list below supporting documentation provided)

Full details of the Development required for this licence area based on the Fingleton McAdam low pressure network design are included in the operational business plan which forms part of this submission. With regards to specific details please see below;

- a) See Section 7 annex a
- b) See Section 7 annex b
- c) See Section 7 annex c
- d) See Section 7 annex d
- e) See Section 7 annex e
- f) See Section 7 annex f
- g) See Section 7 annex g

System security standards

14. Particulars of the proposed system security standards for the pipeline network.

(Please list below supporting documentation provided)

It is proposed that the system will be constructed and operated in accordance with the Gas Safety (Management) Regulations, Institute of Gas Engineers and Managers (IGEM) recommendations and in line with the Pipeline Safety Regulations, Pressure Systems Safety Regulations and all other relevant legislation and industry best practice guidelines.

firmus has a dedicated Emergency Control Room within our offices in Antrim and have procedures in place with the Primary Transporter (Premier Transmission Ltd) and with transmission operator BGENI in relation to the management and curtailment of Supply Emergencies. We monitor pressures on the Ten Towns distribution network 24hrs a day and maintain a register of emergency contact personnel for all large I&C customers to ensure an effective load shedding process can be implemented at short notice. firmus energy take part in annual emergency exercises which test industry response to loss of supply across the whole island of Ireland and the effectiveness of communication processes between stakeholders.

It would be our intention to amend and expand these existing procedures to encompass the towns in the GTTW development. We propose to install pressure monitoring devices on all individual pressure systems supplied from AGI's on the GTTW. We carry out refresher training to all relevant personnel annually on the implementation of emergency processes with respect to security of supply issues and are confident that we can meet all requirements in relation to security standards for the GTTW development.

Safety requirements

15. Such particulars as will indicate whether any pipeline system through which the applicant would be authorised to convey gas if the application or extension were granted would be operated safely.

firmus has a full suite of operating procedures and emergency response procedures for the Ten Towns. We review these procedures on a regular basis and have an excellent record with respect to safety in relation to network build and operation. Maintenance procedures are in place to ensure compliance with the Pressure Systems Safety Regulations and we have effective processes to manage network emergencies and gas escapes.

In order to comply with the Gas Safety (Management) Regulations 1997 – Regulation 3, firmus will submit a Safety Case to the Health & Safety Executive (Northern Ireland) (HSENI) for GTTW. firmus will demonstrate its ability to meet with duties imposed under the regulations and will provide details on the following:

- The systems to be used;
- How the systems would be operated safely;
- Ability to manage the flow of gas safely;
- Willingness and ability to co-operate with those who have duties under the regulations;
- Ability and resources to manage and investigate gas escapes;
- Steps to ensure continuity of supply (and composition) of gas; and
- The management structure for dealing with gas escapes

firmus has a proven track record of submission and revision of Safety Cases to the HSENI, and use the Safety Case Assessment Manual (PM/Permissioning/03) as published by the HSENI, as a basis of suitability assessment prior to submission.

The Safety Case for GTTW would comprise a similar structure and format as our existing Safety Case for the Ten Towns, which has recently been successfully audited by the HSENI. Although the format would be similar, the information contained would be specific to the GTTW.

It is envisaged the Safety Case will be revised every 12 months, as the initial development may vary from the original programme. Thereafter, the Safety Case will be revised within 3 years or sooner if there is any significant change – as required by Health & Safety regulations.

16. Particulars of the applicant's proposed arrangements to secure the performance of any obligations in relation to escapes of gas imposed on him by Schedule 5 to the Order.

firmus has procedures in place for emergency response and leak management activities on the Ten Towns network. Our period contractor, McNicholas Construction Services provides first response services for public reported escapes (PRE's) and also the excavation and construction teams to affect repair on leaking / damaged apparatus. firmus engineers provide the supervision at external PRE's and at all damages on the firmus gas network. Regular reviews are undertaken to ensure that all processes and procedures are fit for purpose and refresher training is conducted to ensure all personnel are aware of their responsibilities and actions to undertake when dealing with reported gas escapes.

The overall priorities when dealing with reported gas escapes are;

- Safeguard life
- Safeguard property

- Find and secure the gas escape
- Carry out a final site investigation

In the instance of a reported internal escape the first responder will be contacted by the Emergency Control Centre and will attend to investigate. On his arrival he will make his way to the property without delay and knock on the door to gain access (it is important that the doorbell is not used as there may be gas present and it could be a source of ignition). If there is no access to the property the first responder will immediately contact the Emergency Control Centre to confirm address details and the Emergency Control Centre will attempt to contact the occupier. The first responder will record gas readings at entry points to the property, should it be through a letter box, an open window, around door frame etc. If gas is confirmed as being present in the property, the first responder will contact the Emergency Control Centre to provide an update and will contact the 1st tier firmus energy Supervisor who will attend site to provide support. The 1st tier Supervisor will also escalate the call to the 2nd tier Engineering Manager. If possible the gas supply will be isolated external to the property and forced entry shall then be undertaken - preferably in the presence of the PSNI or an independent witness. However, this should not delay entry to the property.

The first responder will isolate the gas supply (if not already isolated), ventilate the property, carry out all required checks and will make arrangements to have the property secured and any repairs necessary from the action of the forced entry carried out as soon as is reasonably practicable. All actions undertaken on site will be recorded.

Our contractors and our engineers have received training on the above process and are aware of the requirements of the Gas (NI) Order 1996 Schedule 5 which states in effect that entry can only be gained with the consent of the occupier or with a warrant except in cases where danger to life of property exist or can reasonably be judged to exist. If entry is made to the property the procedures within the Gas (NI) Order Schedule 5 shall pertain.

17. Any exclusive authority to convey gas sought and justification for the conferral of such authority.

(Please list below supporting documentation provided)

Per 3.66 of the applicant information pack, territorial scope will be based on the relevant towns and exclusivity will apply for twenty years.

Standard conditions

18. Any modification requested to any of the standard conditions for a gas conveyance licence and the grounds on which the applicant believes that any such modification:
- a. is requisite to meet the circumstances of a particular case; and
 - b. is such that no other holder of such a licence would be unduly disadvantaged by the making of the modification.

In making this application firmus energy do not request any modification to the standard conditions for a gas conveyance licence.

19. Particulars of the applicant's proposed arrangements for compliance with those standard conditions for a gas conveyance licence which are identified for this purpose.

firmus in its existing business is fully compliant with the requirements of its existing gas conveyance licence. In applying for this licence, firmus will replicate its existing corporate governance and regulatory compliance structures to ensure compliance with the standard conditions for a gas conveyance in operating the GTTW licence. This will include:

- Provision of Separate Audited Accounts for this Business;
- Provision of information to the Utility Regulator as required;
- Consultation with the Consumer Council for Northern Ireland on policies and procedures, including provision of information;
- Authorisation of appropriate persons;
- Payment of licence fees;
- Maintenance of necessary records;
- Maintain security and continuity of supply;
- Compliance with all relevant Network Codes and System Operator Arrangements;
- Emergency Services (emergency telephone, prevention of gas escapes) and their relevant Obligations;
- Conveyance Charging and the provision of conveyance services including capacity booking;
- Compliance with obligations to permit a connection to the network;
- No undue discrimination/preference towards gas suppliers;
- Provision/Return and Inspection of Meters;
- Compliance with relevant social obligations;
- Ensuring efficient use of gas;
- Providing services for Pensioners, Chronically Sick or Disabled Persons and facilities for Blind and Deaf People;
- Provide Terms and Conditions of Gas Connections to Consumers;
- Preparation and Compliance with Distribution Marketing Code;
- Achievement of agreed Standards of Performance/Guaranteed Standards of Service/Complaints Handling Procedure/Consumer Information Code;
- Network Forecasts;
- Provision of General and Annual Development Plans; and
- Undertaking periodic price reviews and the related conditions.

Fit and Proper Person

20. One of the following:-

- a. full particulars of all actual, pending or threatened regulatory enforcement actions that have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraph 6(b) ("relevant individuals") or any parent undertaking, holding company or ultimate controller of the applicant; or
- b. a statement signed by a senior officer of the applicant confirming that there is no such actual, pending or threatened regulatory enforcement action.

21. One of the following:-

- a. full particulars of all criminal convictions of the applicant or any relevant individuals or any parent undertaking, holding company or ultimate controller of the applicant other than convictions for minor road traffic offences or in respect of which the convicted person has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978⁷ or the Rehabilitation of Offenders Act 1974⁸; or
- b. a statement signed by a senior officer of the applicant confirming that there are no such convictions.

22. One of the following:-

- a. full particulars of all cautions given, prosecutions brought or threatened or any other action taken by a competent authority in respect of the applicant or any relevant individuals or any parent undertaking, holding company or ultimate controller of the applicant within the six years prior to the date of the application, in relation to any actual or alleged contravention of environmental (including town and country planning) legislation; or
- b. a statement signed by a senior officer of the applicant confirming that there have been no such actions.

23. One of the following:-

- a. full particulars of every application made by the applicant or any parent undertaking, holding company or ultimate controller of the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or for any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, where that application has been refused; or
- b. a statement signed by a senior officer of the applicant confirming that there have been no such refusals.

24. One of the following:-

- a. full particulars of every licence held by the applicant or any parent undertaking, holding company or ultimate controller of the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been revoked or threatened to be revoked; or
- b. a statement signed by a senior officer of the applicant confirming that there has been no such revocation or threat of revocation.

25. One of the following:-

- a. full particulars of every instance of insolvency or corporate restructuring to which the applicant or any parent undertaking, holding company or ultimate controller of the applicant has been subject; or
- b. a statement signed by a senior officer of the applicant confirming that there has been no such instance of insolvency or corporate restructuring.

26. One of the following:-

- a. full particulars of all actual, pending or threatened recovery orders in relation to illegal State aid that have been made, are being made, or have been proposed by the European Commission in respect of the applicant or any parent undertaking, holding company or ultimate controller of the applicant; or
- b. a statement signed by a senior officer of the applicant confirming that there have been no such actual, pending or threatened recovery orders.

In response to questions 20 to 26 above, a statement is included within **section 8**

Interpretation

27. In this schedule

"the 2006 Act" means the Companies Act 2006⁹;

"annual accounts" has the meaning given by section 471 of the 2006 Act;

"auditors' report" means a report prepared under section 495 of the 2006 Act;

"company" has the meaning given by section 1 of the 2006 Act;

"competent authority" means any minister, ministry, department, agency, authority, official or statutory office holder;

"domestic premises" means premises to which gas is conveyed at a rate which is reasonably expected not to exceed 2,500 therms a year;

"group" has the meaning given by section 474(1) of the 2006 Act;

"group accounts" means such accounts as are required to be prepared by section 399 of the 2006 Act;

"holding company" has the meaning given by section 1159 of the 2006 Act;

"parent undertaking" and "subsidiary undertaking" have the meanings given by section 1162 of the 2006 Act;

"senior officer" means the chairman, chief executive, other director or company secretary of the applicant;

"ultimate controller" means, in respect of the applicant:-

- (a) any holding company of the Licensee, which is not itself a subsidiary of another company; and/or
- (b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the applicant, or any holding company of the applicant, by virtue of:
 - (i) rights under contractual arrangements to which he is a party or of which he is a beneficiary;
 - (ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary,

(and for these purposes a person shall be considered to be connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in (i) and/or (ii)),

but shall exclude any director or employee of a corporate body in his capacity as such and any minister, ministry, department, agency, authority, official or statutory office holder."

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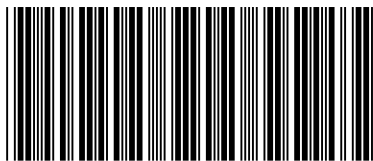
CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

Company No. 5375370

The Registrar of Companies for England and Wales hereby certifies that
BEACHSWITCH LIMITED

is this day incorporated under the Companies Act 1985 as a private
company and that the company is limited.

Given at Companies House, Cardiff, the 24th February 2005



N05375370R



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

The above information was communicated in non-legible form and authenticated by the
Registrar of Companies under section 710A of the Companies Act 1985



Companies House

— *for the record* —

Electronic statement of compliance with requirements on application for registration of a company pursuant to section 12(3A) of the Companies Act 1985

Company number

5375370

Company name

BEACHSWITCH LIMITED

I,

SWIFT INCORPORATIONS LIMITED

of

1 MITCHELL LANE
BRISTOL
BS1 6BU

a

person named as a secretary of the company in the statement delivered to the registrar of companies under section 10(2) of the Companies Act 1985

make the following statement of compliance in pursuance of section 12(3A) of the Companies Act 1985

Statement:

I hereby state that all the requirements of the Companies Act 1985 in respect of the registration of the above company and of matters precedent and incidental to it have been complied with.

Confirmation of electronic delivery of information

This statement of compliance was delivered to the registrar of companies electronically and authenticated in accordance with the registrar's direction under section 707B of the Companies Act 1985.

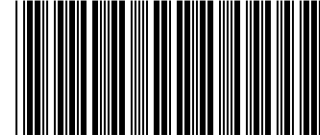
WARNING: The making of a false statement could result in liability to criminal prosecution



Companies House
— for the record —

10(ef)

**First directors and secretary and
intended situation
of registered office**



X6FGZ322

Received for filing in Electronic Format on the: **24/02/2005**

*Company Name
in full:* **BEACHSWITCH LIMITED**

*Proposed Registered
Office:* **1 MITCHELL LANE
BRISTOL
BS1 6BU**

memorandum delivered by an agent for the subscriber(s): **Yes**

Agent's Name: **JORDANS LIMITED**
Agent's Address: **21 ST THOMAS STREET
BRISTOL
BS1 6JS**

Company Secretary

Name **SWIFT INCORPORATIONS LIMITED**

Address: **1 MITCHELL LANE
BRISTOL
BS1 6BU**

Consented to Act: **Y** *Date authorised* **24/02/2005** *Authenticated:* **Y**

Director 1:

Name **INSTANT COMPANIES LIMITED**

Address: **1 MITCHELL LANE
BRISTOL
BS1 6BU**

Consented to Act: **Y** *Date authorised* **24/02/2005** *Authenticated:* **Y**

Authorisation

Authoriser Designation: **AGENT** *Date Authorised:* **23/02/2005** *Authenticated:* **Yes**

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

BEACHSWITCH LIMITED

1. The Company's name is " BEACHSWITCH LIMITED ".
2. The Company's registered office is to be situated in England and Wales.
- 3.1 The object of the Company is to carry on business as a general commercial company.
- 3.2 Without prejudice to the generality of the object and the powers of the Company derived from section 3A of the Act the Company has power to do all or any of the following things:-
 - 3.2.1 To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

3.2.2 To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, copyrights, trade secrets, or other intellectual property rights, licences, secret processes, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

3.2.3 To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

3.2.4 To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

3.2.5 To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.

3.2.6 To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

3.2.7 To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.

3.2.8 To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

3.2.9 To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

3.2.10 To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.

3.2.11 To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

3.2.12 To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.

3.2.13 To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

3.2.14 To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

3.2.15 To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

3.2.16 To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.

3.2.17 To distribute among the members of the Company in kind any property of the Company of whatever nature.

3.2.18 To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.

3.2.19 To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance including insurance for any director, officer or auditor against any liability in respect of any negligence, default, breach of duty or breach of trust (so far as permitted by law); and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such schemes to be established or maintained.

3.2.20 Subject to and in accordance with the provisions of the Act (if and so far as such provisions shall be applicable) to give, directly or indirectly, financial assistance for the acquisition of shares or other securities of the Company or of any other company or for the reduction or discharge of any liability incurred in respect of such acquisition.

3.2.21 To procure the Company to be registered or recognised in any part of the world.

3.2.22 To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

3.2.23 To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

3.2.24 AND so that:-

3.2.24.1 None of the provisions set forth in any sub-clause of this clause shall be restrictively construed but the widest interpretation shall be given to each such provision, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this clause, or by reference to or inference from the name of the Company.

3.2.24.2 The word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

3.2.24.3 In this clause the expression "the Act" means the Companies Act 1985, but so that any reference in this clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

4. The liability of the members is limited.

5. The Company's share capital is £1000 divided into 1000 shares of £1 each.

I, the subscriber to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and I agree to take the number of shares shown opposite my name.

Name and address of Subscriber	Number of shares taken by the Subscriber
1 For and on behalf of Instant Companies Limited 1 Mitchell Lane BRISTOL BS1 6BU	- One
Total shares taken	- 1

Dated 23/02/2005

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

BEACHSWITCH LIMITED

1. PRELIMINARY

1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) and as further amended by The Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the Articles of Association of the Company.

1.2 In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

2. ALLOTMENT OF SHARES

2.1 Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the directors who may (subject to section 80 of the Act and to article 2.4 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

2.2 All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the

said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this article 2.2 shall have effect subject to section 80 of the Act.

2.3 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

2.4 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.

3. SHARES

3.1 The lien conferred by regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.

3.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

4. GENERAL MEETINGS AND RESOLUTIONS

4.1 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

4.2.1 No business shall be transacted at any general meeting unless a quorum is present. Subject to article 4.2.2 below, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

4.2.2 If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.

4.2.3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.

4.2.4 Regulations 40 and 41 in Table A shall not apply to the Company.

4.3.1 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in article 4.3.3 below.

4.3.2 Any decision taken by a sole member pursuant to article 4.3.1 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

4.3.3 Resolutions under section 303 of the Act for the removal of a director before the expiration of his period of office and under section 391 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

4.4 A member present at a meeting by proxy shall be entitled to speak at the meeting and shall be entitled to one vote on a show of hands. In any case where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy. Regulation 54 in Table A shall be modified accordingly.

4.5 Unless resolved by ordinary resolution that regulation 62 in Table A shall apply without modification, the appointment of a proxy and any authority under which the proxy is appointed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited or received at the place specified in regulation 62 in Table A up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting.

5. APPOINTMENT OF DIRECTORS

5.1.1 Regulation 64 in Table A shall not apply to the Company.

5.1.2 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the directors generally, and regulation 89 in Table A shall be modified accordingly.

5.2 The directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.

5.3 No person shall be appointed a director at any general meeting unless either:-

(a) he is recommended by the directors; or

(b) not less than 14 nor more than 35 clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

5.4.1 Subject to article 5.3 above, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.

5.4.2 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with article 5.1.2 above as the maximum number of directors and for the time being in force.

5.5 In any case where as the result of death or deaths the Company has no members and no directors the personal representatives of the last member to have died shall have the right by notice in writing to appoint a person to be a director of the Company and such appointment shall be as effective as if made by the Company in general meeting pursuant to article 5.4.1 above. For the purpose of this article, where two or more members die in circumstances rendering it uncertain which of them survived the other or others, the members shall be deemed to have died in order of seniority, and accordingly the younger shall be deemed to have survived the elder.

6. BORROWING POWERS

6.1 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

7. ALTERNATE DIRECTORS

7.1 Unless otherwise determined by the Company in general meeting by ordinary resolution an alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of regulation 66 in Table A shall be modified accordingly.

7.2 A director, or any such other person as is mentioned in regulation 65 in Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

8. GRATUITIES AND PENSIONS

8.1.1 The directors may exercise the powers of the Company conferred by its Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

8.1.2 Regulation 87 in Table A shall not apply to the Company.

9. PROCEEDINGS OF DIRECTORS

9.1.1 A director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

9.1.2 Each director shall comply with his obligations to disclose his interest in contracts under section 317 of the Act.

9.1.3 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

10. THE SEAL

10.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under regulation 6 in Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 in Table A shall not apply to the Company.

10.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

11. INDEMNITY

11.1 Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.

11.2 The directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.

11.3 Regulation 118 in Table A shall not apply to the Company.

12. TRANSFER OF SHARES

12.1 The directors may, in their absolute discretion and without assigning any reason therefor, decline to register the transfer of a share, whether or not it is a fully paid share, and the first sentence of regulation 24 in Table A shall not apply to the Company.

Name and address of Subscriber

For and on behalf of
Instant Companies Limited
1 Mitchell Lane
BRISTOL
BS1 6BU

Dated 23/02/2005

FILE COPY



**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

Company No. 5375370

The Registrar of Companies for England and Wales hereby certifies that

BEACHSWITCH LIMITED

having by special resolution changed its name, is now incorporated
under the name of

BGE (NI) DISTRIBUTION LIMITED

Given at Companies House, London, the 17th March 2005



C05375370G



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

Company Number: 5375370

**SPECIAL RESOLUTION
OF
BEACHSWITCH LIMITED**



INSTANT COMPANIES LIMITED, currently the sole member of the above-named Company, HEREBY PASSES the following written resolution pursuant to section 381A of the Companies Act 1985.

It is resolved:

That the name of the Company be changed to:-
BGE (NI) DISTRIBUTION LIMITED

Date 16th March 2005

Signed _____

(Authorised Signatory of INSTANT COMPANIES LIMITED)

Ref: 3D6770/SF
JORDANS LIMITED
20-22 Bedford Row
LONDON WC1R 4JS



FILE COPY



**CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME**

Company No. 5375370

The Registrar of Companies for England and Wales hereby certifies that
BGE (NI) DISTRIBUTION LIMITED

having by special resolution changed its name, is now incorporated
under the name of

FIRMUS ENERGY (DISTRIBUTION) LIMITED

Given at Companies House, London, the 4th May 2006



C053753703



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

CH A/C

Company No. 5375370



THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

BGE (NI) DISTRIBUTION LIMITED

(the "Company")

At an extraordinary general meeting of the Company held at Culloden Hotel, Bangor Road, Holywood, Belfast BT18 0EX on 25 April 2006 the following resolution was passed as a special resolution:

SPECIAL RESOLUTION

THAT the name of the Company be changed to Firmus Energy (Distribution) Limited.

A handwritten signature in black ink, appearing to be "A. O'Connell", written over a horizontal line.

CHAIRMAN



Statement: Fit and Proper Person

I, Michael Scott c/o firmus energy (Distribution) Limited ("**the applicant**"), make the following statement as part of the application by the applicant for an exclusive gas conveyance licence relating to low pressure assets, the detail of which is set out in the Utility Regulator's Gas Network Extensions in Northern Ireland, Gas to the West: Applicant Information Pack of 6 February 2014 ("**the Application**"):

1. I confirm (in accordance with paragraph 20 of Schedule II, Part 1 of the Application) that no actual, pending or threatened regulatory enforcement actions have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraph 6(b) of the Application ("**relevant individuals**") or any parent undertaking, holding company or ultimate controller of the applicant.
2. I confirm (in accordance with paragraph 21 of Schedule II, Part 1 of the Application) that there are no criminal convictions of the applicant or any relevant individuals or any parent undertaking, holding company or ultimate controller of the applicant other than convictions for minor road traffic offences or in respect of which the convicted person has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978 or the Rehabilitation of Offenders Act 1974.
3. I confirm (in accordance with paragraph 22 of Schedule II, Part 1 of the Application) that there have been no cautions given, prosecutions brought or threatened or any other action taken by a competent authority in respect of the applicant or any relevant individuals or any parent undertaking, holding company or ultimate controller of the applicant within the six years prior to the date of the application, in relation to any actual or alleged contravention of environmental (including town and country planning) legislation.
4. I confirm (in accordance with paragraph 23 of Schedule II, Part 1 of the Application) that there have been no refusals of any application made by the applicant or any parent undertaking, holding company or ultimate controller of the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or for any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland.
5. I confirm (in accordance with paragraph 24 of Schedule II, Part 1 of the Application) that no revocation or threat of revocation of any licence held by the applicant or any parent undertaking, holding company or ultimate controller of the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland.

6. I confirm (in accordance with paragraph 25 of Schedule II, Part 1 of the Application) that there has been no instance of insolvency to which the applicant or any parent undertaking, holding company or ultimate controller of the applicant has been subject.
7. In accordance with paragraph 25 of Schedule II, Part 1 of the Application, full particulars of every instance of corporate restructuring to which the applicant or any parent undertaking, holding company or ultimate controller of the applicant has been subject are included in annex 1 below.
8. I confirm (in accordance with paragraph 26 of Schedule II, Part 1 of the Application) that there are no actual, pending or threatened recovery orders in relation to illegal State aid that have been made, are being made, or have been proposed by the European Commission in respect of the applicant or any parent undertaking, holding company or ultimate controller of the applicant.

Signed: MSA

Name: MICHAEL SCOTT

Position: GENERAL MANAGER

Date: 6/5/14

Proposed sale of energy division of Bord Gáis Éireann ("BGÉ")

Background

In February 2012 and in accordance with the Programme of Financial Support for Ireland from the European Union and International Monetary Fund, the Irish government announced plans for a programme of state asset disposals. One of the assets ear-marked for disposal was the energy division of BGÉ, a statutory corporation established under the Gas Acts 1976 to 2013. BGÉ's energy division consists of its gas supply business and electricity supply and generation business in Ireland ("**Bord Gáis Energy**") and of its gas distribution and gas and electricity supply business in Northern Ireland ("**firmus**").

This sale process has resulted in a consortium of buyers (being Centrica Nederland B.V., BIF II Irish Wind Limited and Deka Energy Enterprises Limited ("**Deka**") (each a "**Buyer**") being selected as the "*preferred bidder*" for the business. At present, it is expected that the sale process will complete during the first half of 2014.

The sale transaction has been facilitated by legislation, the Gas Regulation Act 2013 (the "**Act**"), which deals with the two steps involved, namely first, the reorganisation and transfer of the business into subsidiary companies, and secondly, the sale of the companies to the respective Buyers (the "**Sale**").

Restructuring

The first step – the transfer of the business into companies – is proposed to take place as follows:

- pursuant to the Act, and subject to the requirements of the Act, the assets and liabilities of BGÉ's energy business are transferred by operation of law to certain subsidiaries of BGÉ, (including Bord Gáis Energy Limited, SWS Natural Resources Holdings Limited and firmus energy (Distribution) Limited (the "**energy companies**")); and
- this transfer takes place by way of transfer plans and transfer deeds, which will be approved by the Minister for Communications, Energy and Natural Resources, given with the consent of the Minister for Public Expenditure and Reform pursuant to the Act (the "**Restructuring**"), and will have effect on the Effective Time as defined in the transfer plans and transfer deeds (the "**Effective Time**").

Sale

Following the Restructuring, the Sale of the energy companies to members of a consortium consisting of Centrica Nederland B.V. (in the case of Bord Gáis Energy Limited), BIF II Irish Wind Limited (in the case of

SWS Natural Resources Holdings Limited) and Deka (in the case of firmus energy (Distribution) Limited (“**firmus Distribution**”), takes place, pursuant to a single share purchase agreement, which was executed by the parties thereto on 25 March 2014. We note that the sale of firmus Distribution from BGÉ to Deka will also involve the sale of firmus energy (Supply) Limited (“**firmus Supply**”), a wholly owned subsidiary of firmus Distribution.

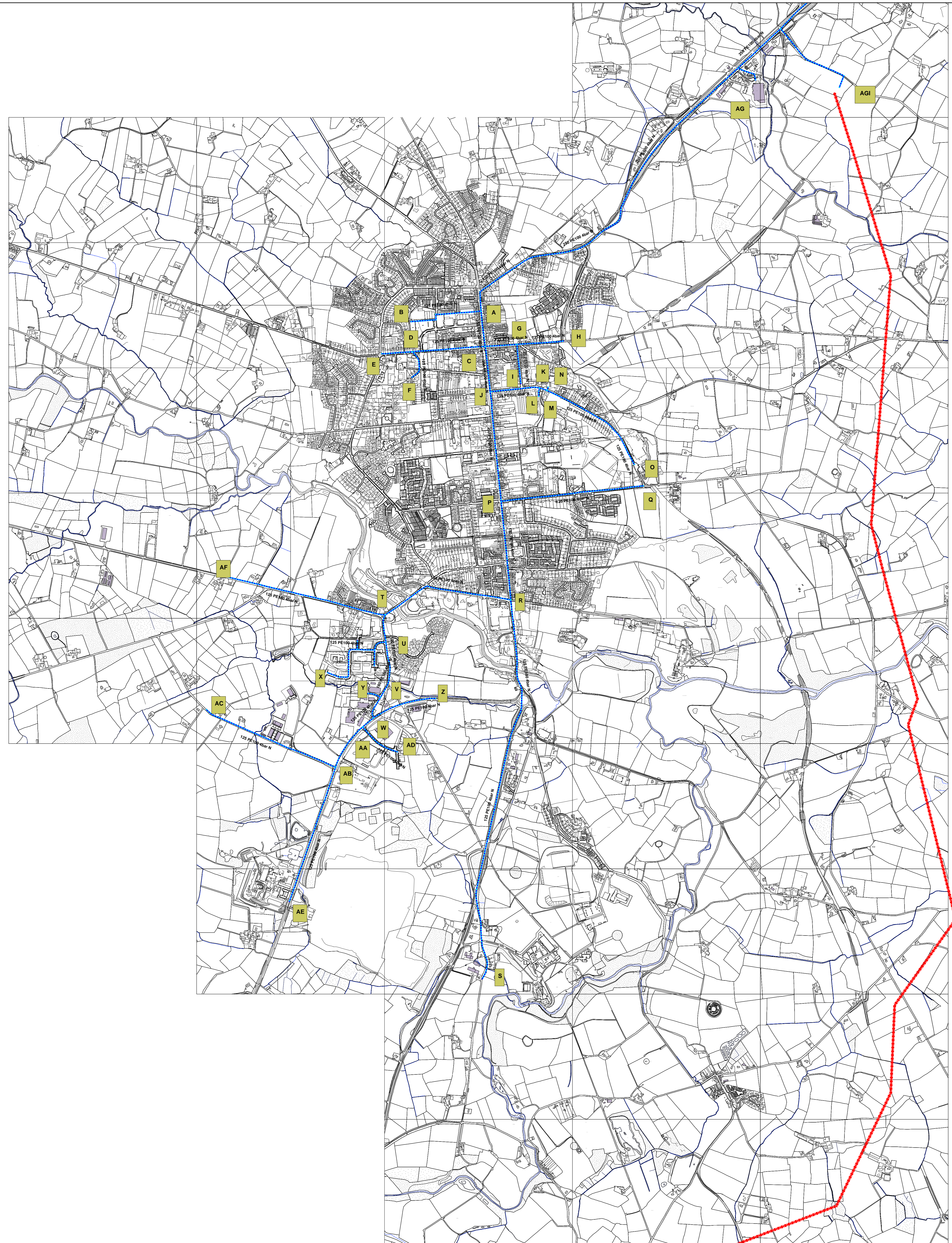
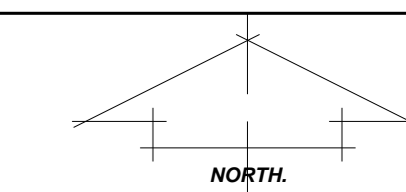
Timelines

It is currently expected that Restructuring will occur on 30 May 2014 and that the Sale will complete during the second quarter of 2014.

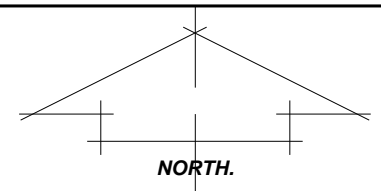
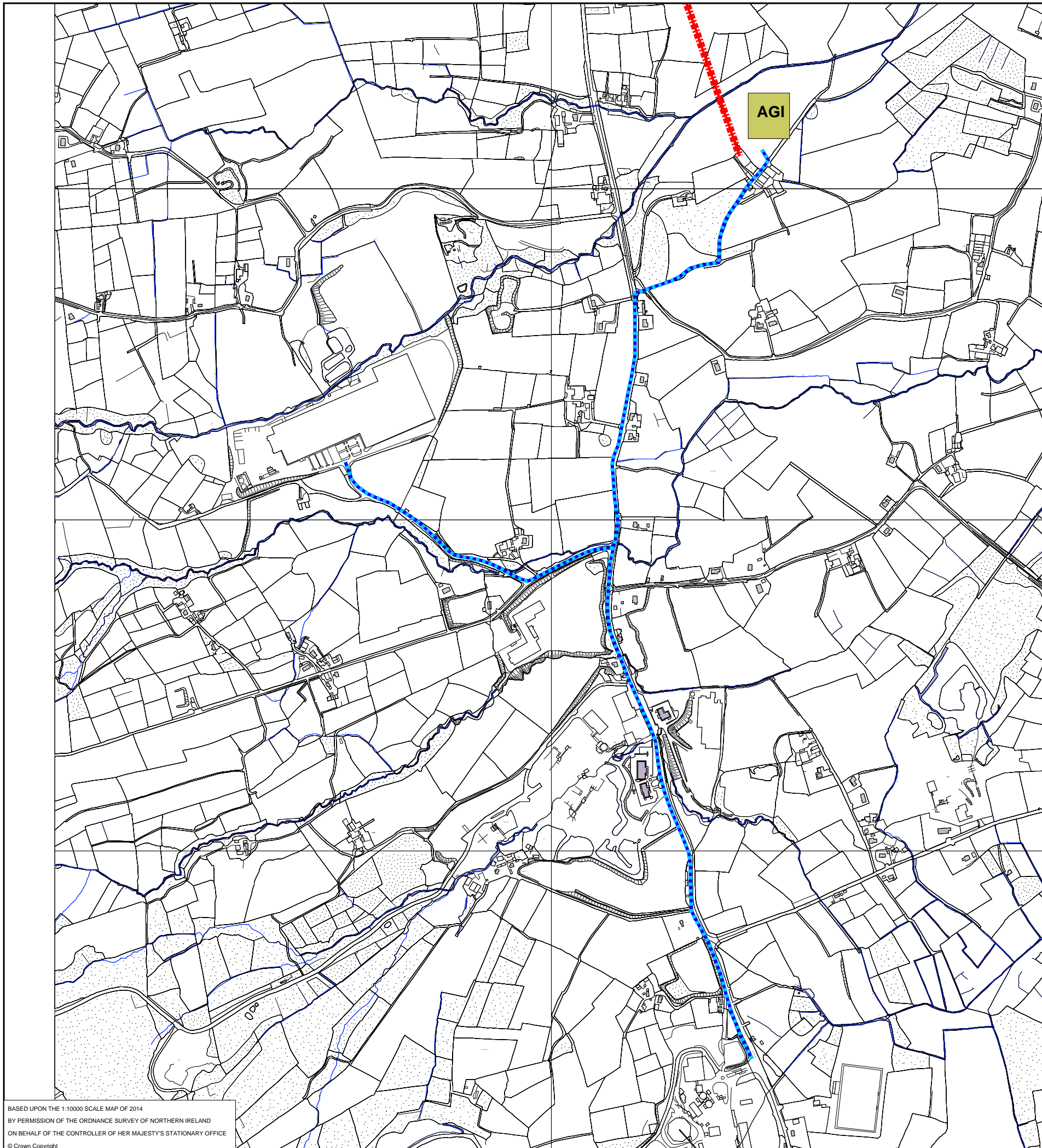
Restructuring – regulatory re-organisation

Participation in the Single Electricity Market - BGÉ is currently a registered participant in the Single Electricity Market (“**SEM**”) with a number of supplier and generator unit registrations. In connection with the Restructuring, BGÉ proposes to transfer its accession arrangements to the Trading and Settlement Code (“**TSC**”) to Bord Gáis Energy Limited by execution of a deed of novation with SONI Limited and EirGrid plc (jointly the Market Operator). Certain generator units and supplier units currently registered to BGÉ will transfer to BGEL following such transfer. NIAUR and the Commission for Energy Regulation (together, the “**Regulatory Authorities**”) have consented to the transfer of these accession arrangements and unit registrations from BGÉ to Bord Gáis Energy Limited by means of a deed of novation and BGÉ is liaising with the Market Operator on an ongoing basis to agree the terms of such deed of novation, such terms to be effective on Restructuring. It is also proposed that certain generator units which are currently registered to BGÉ are deregistered from BGÉ and reregistered to SWS Green Energy Limited (a wholly owned subsidiary of SWS Natural Resources Holdings Limited) as a TSC participant, such reregistration of units also to be effective on Restructuring.

Electricity supply licence application - In connection with the Restructuring, the rights and obligations of BGÉ under a power purchase agreement (“**PPA**”) with Newry Biomass Limited will be transferred to Bord Gáis Energy Limited by means of a deed of novation with effect from the Effective Time. In order to perform the PPA in its capacity as supplier thereunder, Bord Gáis Energy Limited is required to hold an electricity supply licence. In that regard, Bord Gáis Energy Limited submitted an application for a Northern Irish electricity supply licence on 19 February 2014. We understand a business plan in respect of the period for five years from the grant of the licence was submitted to NIAUR and NIAUR is currently reviewing this application. Bord Gáis Energy Limited and NIAUR have been liaising in order to progress this application and, subject to queries raised by NIAUR being satisfactorily addressed, the parties anticipate that this licence will be granted to Bord Gáis Energy Limited prior to completion of the Sale.

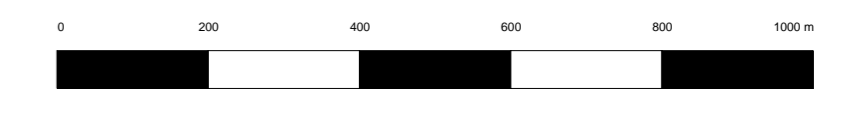
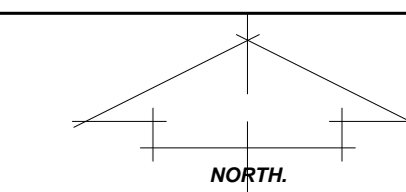


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TITLE:	Cookstown Distribution System	DRAWN: 1	APPR: 1	1 of 1



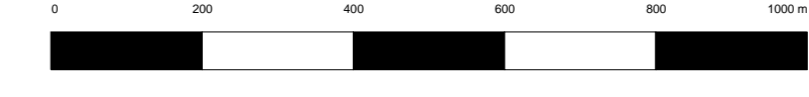
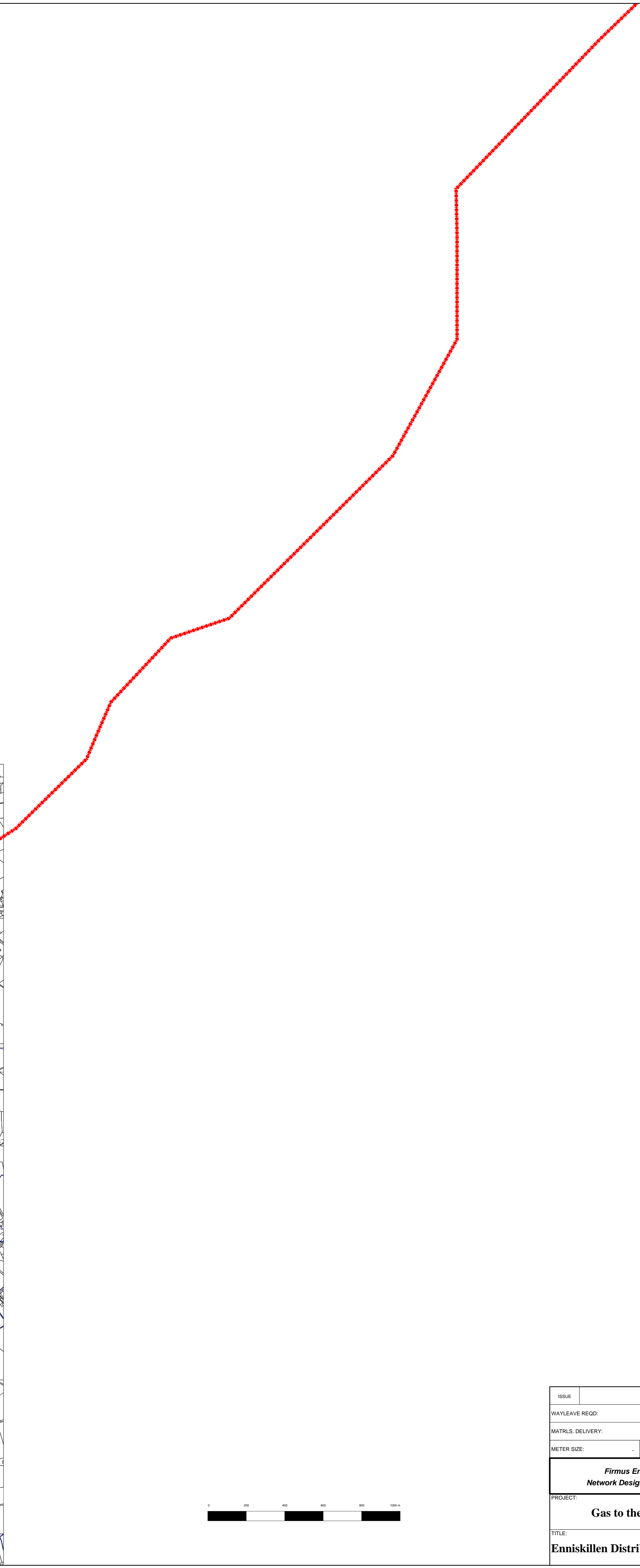
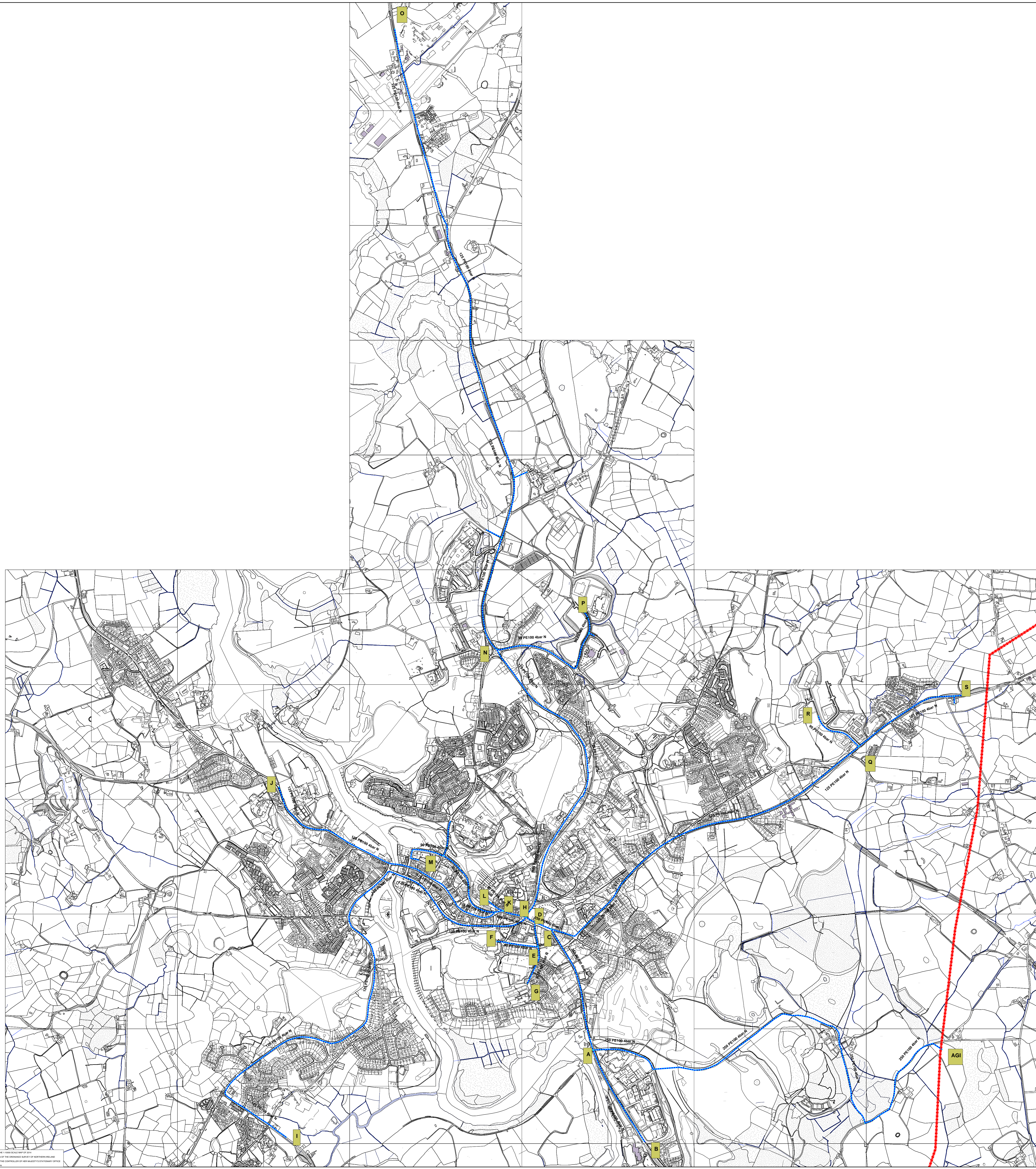
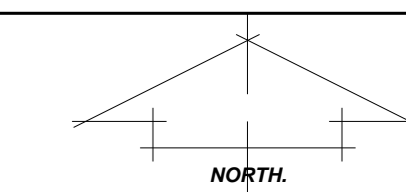
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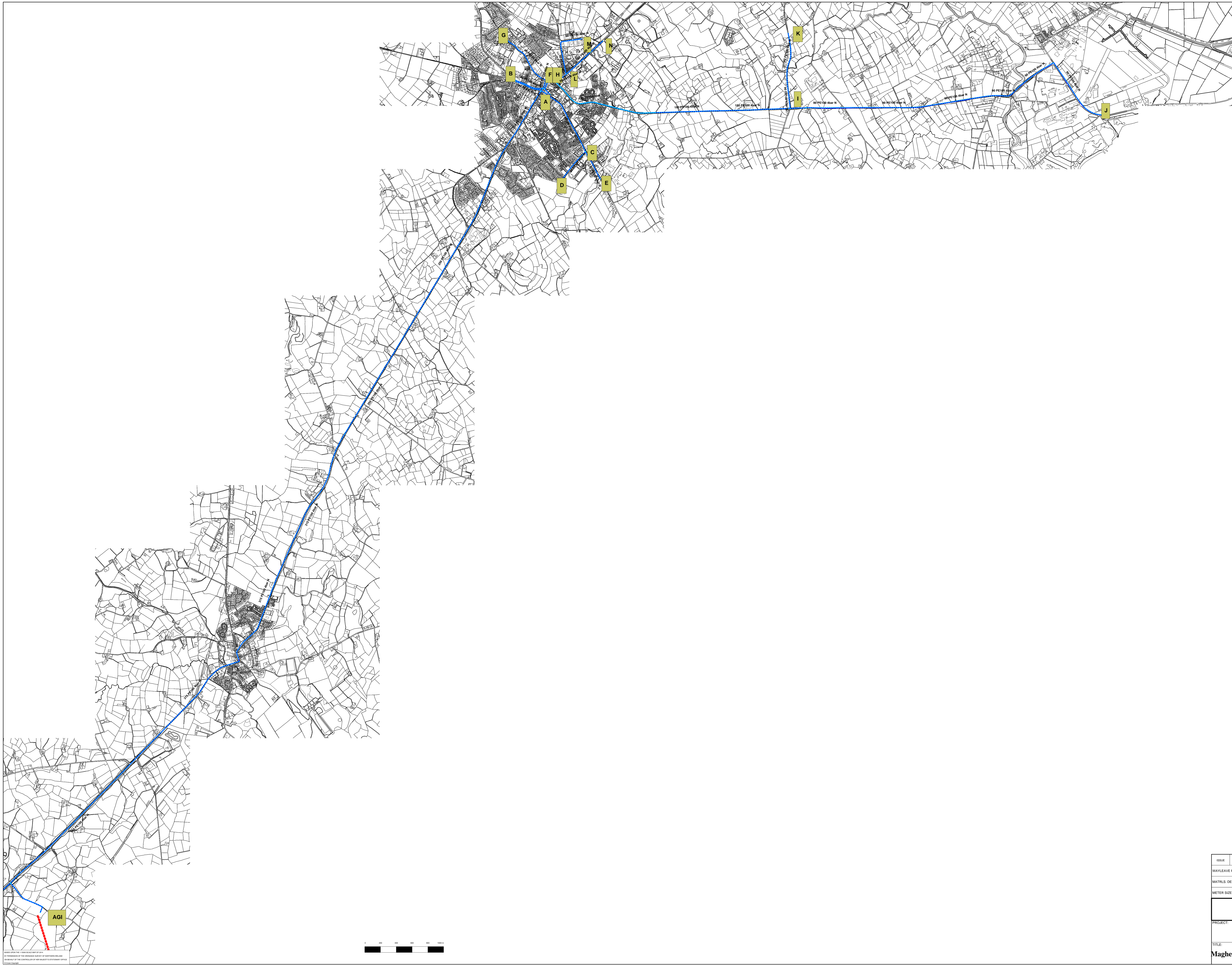
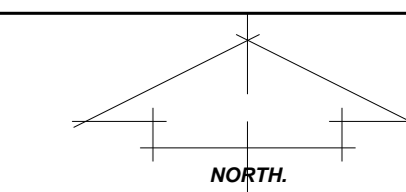
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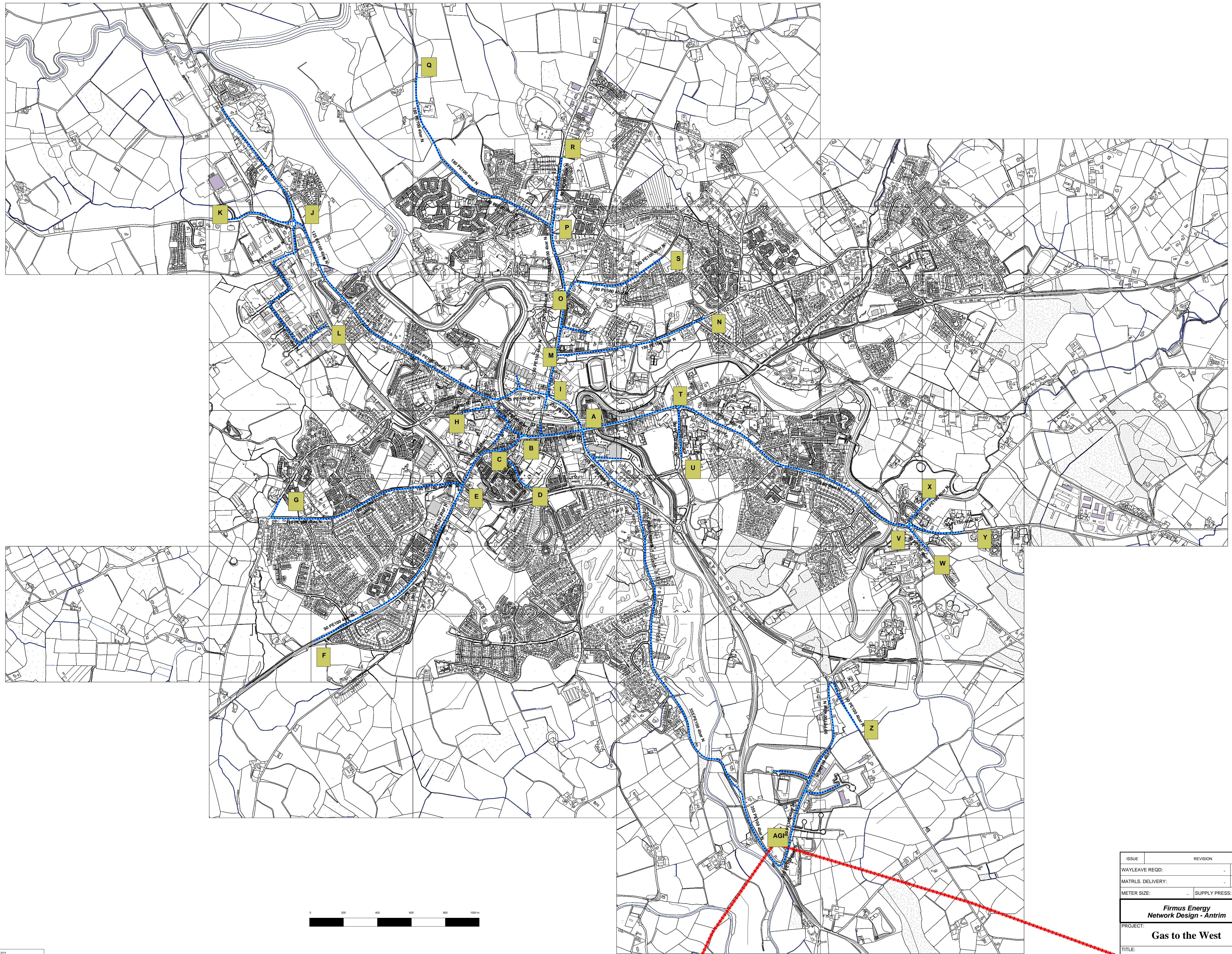
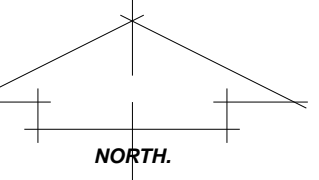
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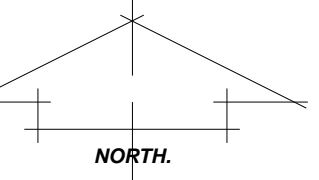
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TITLE:	DRG. NO. 1	PROJ. NO.	APPR.:	ERC:
Magherafelt Distribution System				
1 of 1				

DRAWN BY: J. O'NEILL
 CHECKED BY: J. O'NEILL
 APPROVED BY: J. O'NEILL
 DATE: 30/04/2014
 SCALE: 1:15000
 PROJECT: Gas to the West
 TITLE: Magherafelt Distribution System
 DRG. NO. 1
 PROJ. NO.
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PROJECT: Gas to the West			DATE: 30/04/2014	SCALE: 1:10000	
TITLE: Omagh Distribution System			DRGN. NO. 1	PROJ. NO. -	SH. 1 of 1

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TITLE: Strabane Distribution System			DRG. NO.: 1	PROJ. NO.:	SH.: 1 of 1

Not Aerial - Alternative - Design/Network Extension/TS

**Private and Confidential**23rd April 2014

Firmus Energy (Distribution) Limited
5th Floor
6 St Andrew Street
London
EC4A 3AE

iCON Infrastructure Partners II, L.P.
Ogier House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Attention: Paul Malan and Michael Scott

Dear Sirs,

Letter in support of an application by Firmus Energy (Distribution) Limited ("Firmus"), which forms part of the Bord Gáis Energy group and is being acquired by iCON Infrastructure Partners II, L.P. (together with its affiliates, "iCON"), for Gas to the West

We refer to our recent discussions with you in connection with the proposed acquisition by Firmus of an exclusive gas conveyance license for the gas distribution network extensions in Northern Ireland ("**Gas to the West – Distribution**").

On the basis of information received by Lloyds Bank plc ("**Bank**") as well as other public information and our knowledge of the Northern Ireland gas distribution market (including our recent underwriting of the Firmus acquisition by iCON), we confirm that we are interested in working with you to arrange and underwrite up to £72 million of debt facilities in respect of Gas to the West – Distribution at pricing and structure agreeable to the Bank.

Based on our analysis to date, we are of the opinion that Firmus, as the owner of a regulated gas distribution network, is an attractive acquirer of Gas to the West – Distribution from a debt financing perspective, which would enable the financing package to be well received in the debt financing market.

Furthermore, our comfort level is strengthened by the quality of iCON as a leading sponsor in the European infrastructure market with, in particular, a strong track record of investing in the regulated utilities sector. Based on our long-standing relationship with iCON, which includes successfully completed financings of iCON-sponsored transactions, including iCON's recent acquisition of Firmus, we would expect to be able to complete the financing in a timely and efficient manner on competitive terms.

Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

www.lloydsbank.com/commercialbanking

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With our knowledge of the industry and long-standing successful track record in the UK infrastructure sector, the Bank is particularly well positioned to support Gas to the West – Distribution.

We confirm that we have presented a preliminary review of Gas to the West – Distribution to our committee / senior management, which has given in principle approval for us to provide this letter of support to you.

As you will appreciate, our participation in the Gas to the West – Distribution financing will be conditional upon, among other things:

- (a) completion of satisfactory documentation, including a grant of a license, in respect of the transaction;
- (b) completion of satisfactory financing and security documentation;
- (c) completion of satisfactory due diligence investigations;
- (d) receipt of relevant credit committee approvals; and
- (e) prevailing debt market conditions.

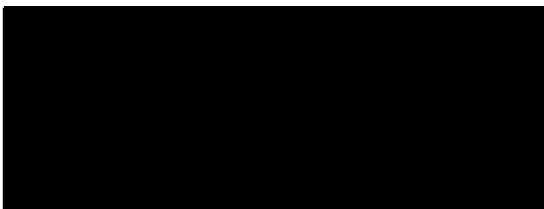
For the avoidance of doubt, this letter does not constitute an offer of finance or a legally binding commitment of any kind to provide finance. This letter is intended for your exclusive use in connection with your application for Gas to the West – Distribution. This letter is provided on the condition that the contents will be treated as strictly private and confidential and shall not be disclosed or quoted in whole or in part to any person other than the Northern Ireland Authority for Utility Regulation and your and their respective professional advisors who have a need to know this information and who are made aware of the contents of this paragraph prior to such information being disclosed to them.

You may make any disclosure required under any applicable law or regulation. You will inform us (to the extent permitted by law and regulation) of the circumstances of any such required disclosure.

For the avoidance of doubt, this letter shall not be read beyond its scope and is not intended, in any way, to create legal relations between us, or to impose on us any legal obligation or duty to you or any other person with respect to any offer of financing or underwriting commitment, although we trust it will assist you in your discussions

This letter shall be governed by and construed in accordance with English law. No third party rights shall arise as a result of this letter.

Yours sincerely,



Relationship Manager, Utilities

Please contact us if you'd like this information in an alternative format such as Braille, large print or audio.

www.lloydsbank.com/commercialbanking

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Private and Confidential

16 April 2014

Firmus Energy (Distribution) Limited
5th Floor
6 St Andrew Street
London
EC4A 3AE

iCON Infrastructure Partners II, L.P.
Ogier House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Attention: Paul Malan and Michael Scott

Dear Sirs

Letter in support of an application by Firmus Energy (Distribution) Limited ("Firmus"), which forms part of the Bord Gáis Energy group and is being acquired by iCON Infrastructure Partners II, L.P. (together with its affiliates, "iCON"), for Gas to the West

We refer to our recent discussions with you in connection with the proposed acquisition by Firmus of an exclusive gas conveyance license for the gas distribution network extensions in Northern Ireland ("**Gas to the West – Distribution**").

On the basis of information received by The Royal Bank of Scotland plc ("**Bank**") as well as other public information and our knowledge of the Northern Ireland gas distribution market (including our recent underwriting of the Firmus acquisition by iCON), we confirm that we are interested in working with you to arrange and underwrite up to £72 million of debt facilities in respect of Gas to the West – Distribution at pricing and structure agreeable to Bank.

Based on our analysis to date, we are of the opinion that Firmus, as the owner of a regulated gas distribution network, is an attractive acquirer of Gas to the West – Distribution from a debt financing perspective, which would enable the financing package to be well received in the debt financing market.

Furthermore, our comfort level is strengthened by the quality of iCON as a leading sponsor in the European infrastructure market with, in particular, a strong track record of investing in the regulated utilities sector. Based on our long-standing relationship with iCON, which includes successfully completed financings of iCON-sponsored transactions, including iCON's recent acquisition of Firmus, we would expect to be able to complete the financing in a timely and efficient manner on competitive terms.

With our knowledge of the industry and long-standing successful track record in the UK infrastructure sector, Bank is particularly well positioned to support Gas to the West – Distribution.

We confirm that we have presented a preliminary review of Gas to the West – Distribution to our senior management, which has given in principle approval for us to provide this letter of support to you.

As you will appreciate, our participation in the Gas to the West – Distribution financing will be conditional upon, among other things:

- (a) completion of satisfactory documentation, including a grant of a license, in respect of the transaction;
- (b) completion of satisfactory financing and security documentation;
- (c) completion of satisfactory due diligence investigations;
- (d) receipt of all internal approvals including relevant credit committee approvals; and
- (e) prevailing debt market conditions.

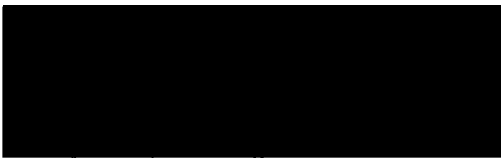
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You may make any disclosure required under any applicable law or regulation. You will inform us (to the extent permitted by law and regulation) of the circumstances of any such required disclosure.

For the avoidance of doubt, this letter shall not be read beyond its scope and is not intended, in any way, to create legal relations between us, or to impose on us any legal obligation or duty to you or any other person with respect to any offer of financing or underwriting commitment, although we trust it will assist you in your discussions. We make no representation upon which you or any other person may rely in this letter and we shall not incur any liability to any person as a result of this letter.

This letter shall be governed by and construed in accordance with English law. No third party rights shall arise as a result of this letter.

Yours sincerely,



Associate Director
Infrastructure & Transport
The Royal Bank of Scotland plc

Direct tel: 020 7678 1011
Email: christoph.meseg@rbs.com