

Annex G –Modifications to SGN Licence

This Annex sets out the modifications to the SGN Licence.

The first part covers the modifications to the licence Condition 'Connection Charges and Obligation to Connect'. The second part covers the modifications to other licence conditions.

- Deletions are indicated by red text which has been struck through.
- Additions are indicated by red text which is underlined.
- Green highlight indicates wording which has been changed from that set out in the Consultation.

LICENCE CONDITION – CONNECTION CHARGES AND OBLIGATION TO CONNECT

Condition 2.3: Connection Charges and Obligation to ~~permit a Connection~~Connect

2.3.1 Statement of connection charges and terms for connection ~~and meter connections and disconnections~~to the Network

~~Subject to Conditions 2.3.2 and 2.3.3, the~~

The Licensee shall, no later than 3~~three~~ months after ~~the coming into force of this licence give Condition takes effect, prepare and submit to~~ the Authority a statement for ~~the approval of the Authority as to form and content, a statement~~ showing the methods by ~~which,~~ and the principles on, which charges are to be determined by the Licensee, for:

~~(a) connecting any premises to the Network, maintaining, repairing and renewing the connection, and disconnecting the premises and removing gas fittings owned by it and comprised in the connection; from, the Network;~~

~~(a) connecting any premises; and disconnecting~~

~~(b) any non-standard gas metersmeter and any gas metersmeter that is not owned by the Licensee in any premises;~~

~~(e) connecting to the Network any pipe-line system to (or from which gas will be conveyed by means of the Network and maintaining, repairing and renewing the connection,~~

~~(b) and in any such affiliate or related undertaking of the Licensee) and is located in any premises,~~

~~and in each case the Licensee shall when giving such a statement shall include in that statement:-~~

~~(i) the methods by, and principles on, which charges are to be determined by the Licensee for maintaining, repairing or modifying any connection between the Network and any premises, including removing any gas fittings that are owned by the Licensee and comprised in the connection; and~~

~~(ii) the Licensee's other terms for ~~the~~such a connection, and an explanation of those terms together with the Licensee's technical design and operational requirements which shall apply to the making of any particular, or particular type of, connection.~~

2.3.2 Connections by any pipe-line system to the Network

Where a connection to the Network is requested for any pipe-line system to or from which gas will be conveyed by means of the Network, the terms of such connection shall be agreed between the Licensee and the person requesting such a connection to the Network, on a case-by-case basis. This principle shall be included in the statement referred to in Condition 2.3.1.

2.3.3 Explanation of connection charging methodology for introducing gas to the Network

The Licensee shall comply with any direction given by the Authority to submit a statement to the Authority for approval showing, so far as reasonably practicable, the methods by which and the principles on which charges are to be made by the Licensee for making a connection for the purposes of introducing gas into the Network and, in the context of making such a connection, for:

(a) modifying apparatus and works associated with a pipe-line so as to increase the capacity of a pipe-line; or

(b) supplying and installing any pipe-line or works,

including where practicable an indication of likely costs and other terms for the making of such a connection.

2.3.4 Other requirements to be included in the statement

A statement submitted to the Authority by the Licensee under Condition 2.3.12-3.2
statement and cases and classes of cases

The statement given by the Licensee under Condition 2.3.1 shall:

shall:

- (a) subject to Condition ~~2.3.5(b)~~, 3.15, clearly distinguish between cases and classes of cases of person for whom the Licensee proposes different methods by, or principles on which charges are to be determined for connection; ~~and~~
- (b) in respect of any such case₂ or class of cases₂, show that element of connection costs the Licensee proposes to recover by way of conveyance charges to gas suppliers₂, including any Separate Business engaged in the supply of gas₂;
- (c) identify the types of connection where:
 - (i) a standard quotation will be provided on a request for a quotation in accordance with Condition 2.3.12(a); and
 - (ii) a non standard quotation will be provided on a request for a quotation in accordance with Condition 2.3.12(b).

2.3.3-2.3.5 The statement to give likely indication of costs ~~and additional duty to provide information~~

Any

A statement given submitted to the Authority by the Licensee under Condition 2.3.1 shall ~~also:~~

- (a) where practicable, indicate for the Authority's information ~~where practicable indicate~~ the costs likely to arise in respect of work done and materials used in connecting any premises, ~~non-standard or gas meters, meter (including a non standard gas meters, meter, or a gas meter not owned by the Licensee or pipeline system and the Licensee shall:);~~
- (a)(b) ~~prepare the statement in~~ include such ~~a manner~~ information as will reasonably enable any person to estimate the Licensee's connection charges in ~~those circumstances; connecting any premises or gas meter (including a non standard gas meter, or a gas meter not owned by the Licensee); and~~
- (c) ~~(b) enable a person~~ include such information as will reasonably enable any Relevant Person requesting a connection ~~in those circumstances~~ to the Network to determine ~~what~~ the works and/or other actions he would need to undertake, including₂ without limitation₂, any work or action required to comply with the

Licensee's technical design and ~~operation~~operational requirements, in order for the ~~Licensee to provide the connection.~~

~~2.3.4 Authority's consent required to stated connection charges and publication of statement to be made.~~

~~2.3.6 Subject to the Authority's prior approval to the form and contents~~Standards of any Performance Regulations

The Licensee shall ensure that each statement given submitted by it to the Licensee Authority under Condition ~~2.3.1 as they relate to charges for~~2.3.1 includes, for the purposes of the Standards of Performance Regulations:

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

~~(a) publish that statement in such manner as will secure adequate publicity for it; and~~

~~(b) send a copy of any such statement to any person who asks for one;~~

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

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

2.3.7 Authority's approval

The Authority shall, in approving the Licensee's basis for charging for connection the Authority shall as set out in the statement submitted to it by the Licensee under Condition 2.3.1, have regard to the need of the Licensee to be able to finance the carrying on of its activities and obtain a return equal to that which is, in the reasonable opinion of the Authority is, appropriate.

~~2.3.8 2.3.5 Connection charges Publication of and terms for connection and prohibition on undue discrimination and connection of pipe-line systems compliance with statement~~

The Licensee shall:

~~(a) not charge for a connection of premises, of any non-standard gas meter, gas meter not owned by it or any pipe-line system to the Network on any basis or establish other terms for the connection on any basis other than contained in the statement published under Condition 2.3.4;~~

~~(a) (b) not show any undue preference towards or undue discrimination against any person or case or classes of cases of person (including any other business of the Licensee) seeking a connection of premises to the Network, or of any non-standard gas meter, or gas meter not owned by the Licensee (or any affiliate or related undertaking of the Licensee) or any person who operates or proposes to operate a pipe-line system (including any other business of the Licensee), in relation to the connection of that system to the Network and, in the case of a pipe-line system to be connected to the Network, the Licensee shall not refuse a request for connection where the person seeking the connection is willing to pay the Licensee's charges for connection and comply with the Licensee's other terms for connection, including any terms as to technical and safety matters; and put in place and comply with the statement, as approved by the Authority under Condition 2.3.7;~~

~~(b) publish each approved statement in such manner as will secure adequate publicity for it; and~~

~~(c) send a copy of any such statement to any person who requests one.~~

~~(e) within 28 days of receiving a request for the quotation of connection charges covered by the published statement, provide the person requesting the quotation with a specific statement of the connection charges and other terms of connection applicable to the request for a quotation;~~

~~and for the purposes of Condition 2.3.5(e) and the Licensee's obligation to provide a specific statement of connection charges, a request for the quotation of connection charges shall be treated as such if it is in such form as the Licensee can reasonably be expected to provide a specific statement of connection charges in return.~~

2.3.6-2.3.9

Direction by the Authority

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

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

~~(ii)(b)~~ the charges and other terms for connection it has determined and included in the latest published statement,

in order to ensure that they are (or continue to be) proportionate and applied in a non-discriminatory manner, the Authority may direct the Licensee to revise its methods, principles, charges or terms (as the case may be) in accordance with the provisions of the direction.

~~(b) The Licensee shall comply with the requirements of any direction issued by the Authority under this Condition 2.3.6 and shall publish revised statements as soon as reasonably practicable in accordance with Condition 2.3.4.~~

2.3.7 2.3.10 Revising connection charges

Without prejudice to Condition ~~2.3.6~~, 3.9 the Licensee shall:

- (a) periodically, and on each occasion Condition 2.3 is modified, review its published statement for compliance with the Licensee's obligations under the Licence and propose, and submit to the Authority for approval, any changes necessary in light of the review;
- (b) not revise the basis of its charges for a connection of any premises, ~~any gas meter (including a non-standard gas meter, any or a gas meter not owned by it or any pipe line system to the Network, the Licensee),~~ or the other terms for the connection, without first giving the Authority a revised statement in the same terms as ~~in~~ Condition 2.3.1 and, where such revision is other than any increase in the Retail Prices Index, obtaining ~~the Authority's~~ Authority's approval to such a revision ~~in the same terms as Condition 2.3.4.~~

2.3.11 Compliance with a Direction

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

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2.3.12 Quotation Requests

The Licensee shall ~~ensure that statement submitted by it to the Authority under, in accordance with~~ Condition 2.3.1 ~~or Condition 2.3.7~~ is also accompanied by:

- ~~(a) a statement, issued from time to time by the Licensee and agreed with the Authority after such consultation as the Authority directs, which describes for the purposes of 3.6 and the Standards of Performance Regulations a connection that is classed by the Licensee as a complex connection;~~
- (a) within 10 working days of receiving (b) a request from any Relevant Person ~~person~~ for a standard quotation in respect of a connection to the Network provide that Relevant Person ~~person~~ with a specific statement of the connection charges and other terms of connection, applicable to the request; and

- (b) within 28 days of receiving a request from any Relevant Person ~~person~~ for a non standard quotation in respect of a connection to the Network provide that Relevant Person ~~person~~ with a specific statement of the connection charges, and other terms of connection, applicable to the request.

2.3.13 Treatment of Request for Quotation

For the purposes of Conditions 2.3.12(a) and (b) and the Licensee's obligation to provide a specific statement of connection charges, a request for a quotation of the applicable connection charges shall be treated as such if it is in such form that it can be reasonably expected of the Licensee to provide a specific statement of connection charges in response to it.

2.3.14 Accuracy of Quotations

The Licensee shall:

- (a) ~~, issued from time to time~~ submit to the Authority for its approval an accuracy review scheme through which any Relevant Person ~~person~~ can require the Licensee to review the accuracy of a quotation provided to that Relevant Person ~~person~~ for a new connection or altering an existing connection; and
- (b) publish the approved accuracy review scheme in such manner as will secure adequate publicity for it.

The agreed accuracy review scheme shall be the published accuracy scheme for the purposes of the Standards of Performance Regulations.

2.3.15 Prohibition on undue discrimination

The Licensee shall not show any undue preference towards or undue discrimination against any person or cases or classes of cases of person (including any other business of the Licensee):

- (a) seeking, and entitled pursuant to the provisions of Condition 2.3.16, a connection to be made between their premises and the Network;
- (b) seeking a connection to be made between a non standard gas meter, or a gas meter not owned by the Licensee ~~and agreed with~~(or any affiliate or related undertaking of the Authority ~~after~~Licensee), and the Network;
- (c) that own or operate (or proposes to own or operate) a pipe-line system and seek a connection of that system to the Network;
- (d) seeking a connection for the purposes of introducing gas to the Network.

2.3.16 Obligation to Connect

Upon acceptance by the Relevant Person of the quotation made pursuant to Condition 2.3.12, any **requirements** pursuant to 2.3.17 and subject to Condition 2.3.18, the Licensee shall make a connection to the Network on the basis of such ~~consultation~~quotation.

2.3.17 Connection Requirements

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

(i) the owner of the premises in respect of which the connection is to be made accepts the Licensee's terms and conditions (including as set out in the statement submitted to the Authority directs, which describes for the purposes of the Standards of Performance Regulations a connection that is classed by the Licensee as an excluded connection, by the Licensee under Condition 2.3.1) for making the connection, including terms in respect of:

(a) the design and operational requirements which apply; and

(b) the recovery by the Licensee of its charges for making the connection;-

and

(ii) A gas supplier confirms to the Licensee its willingness to supply gas (or continue to supply gas) to the occupier of the premises following the making of the connection.

2.3.18 No obligation to connect premises

Nothing in Condition 2.3.16 shall require the Licensee to make or maintain the connection:

(a) if the making or maintaining of the connection involves danger to the public and / or a risk to the safety of the Network, provided that the Licensee has taken all such reasonable steps to prevent such danger from occurring;

(b) if there is insufficient capacity in the Network; or

(c) if the Licensee has reasonable grounds to believe the making of the connection would be in conflict with:

(i) the relevant objectives set out in Condition 2.54.1; or

(ii) any public service obligation (where applicable)

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

2.3.92.3.19 Resolution of disputes by the Authority

(a) This Condition 2.3.9 applies where

Where:

(a) there is a dispute between the Licensee and any person entitled or claiming to be entitled to requiring ~~(and otherwise entitled to)~~ a connection to the Network in respect of the terms of an agreement for the connection to be made ('connection agreement').

(b) ~~Where this Condition 2.3.9 applies,~~ any party to the dispute may make an application to the Authority for determination of the terms of the connection agreement.

~~(e)(b) Paragraph (d) applies where~~ the Authority receives an application pursuant to sub-paragraph ~~(b) above~~ and the dispute:

(i) has not previously been referred by either party to the ~~General~~ Consumer Council for Northern Ireland for investigation; or

(ii) has previously been referred by one of the parties to the ~~General~~ Consumer Council for Northern Ireland but the ~~General~~ Consumer Council for Northern Ireland has advised the Authority that it has not concluded its investigation of the dispute.

~~(d) Where this paragraph applies~~ the Authority may refer the dispute to the ~~General~~ Consumer Council for Northern Ireland for the purposes of enabling the ~~General~~ Consumer Council for Northern Ireland to assist the parties in the resolution of the dispute.

~~(e)(c) Where~~ the Authority refers the dispute to the ~~General~~ Consumer Council for Northern Ireland under paragraph (b) it will at the same time inform the parties of that referral.

~~(f)(d) Where~~ the ~~General~~ Consumer Council for Northern Ireland has not been able to assist the parties in the resolution of the dispute within 3 months of the Authority's referral under paragraph (b) (the 'applicable timescale'), either party to the dispute may refer the dispute/matter back to the Authority for determination.

~~(g)(e) Paragraph (h) applies in respect of~~ a dispute: referred to the Authority under paragraph (a):

(i) ~~which~~ is not referred by the Authority to the ~~General~~ Consumer Council for Northern Ireland under paragraph ~~(d)~~; or

(ii) ~~which has been~~ is referred by the Authority to the Consumer Council for Northern Ireland under paragraph (c) but is referred back to the Authority ~~for determination~~ under paragraph ~~(f)(d)~~.

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

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

~~2.3.10 Explanation of connection charging methodology for introducing gas to the Network~~

~~The Licensee shall comply with any direction given by the Authority to furnish it with a statement showing, so far as reasonably practicable, the methods by which and the principles on which charges are to be made by the Licensee for making a connection for the purposes of introducing gas into the Network and, in the context of making such a connection, for:~~

- ~~(a) — modifying apparatus and works associated with a pipe line so as to increase the capacity of the pipe line; or~~
- ~~(b) — supplying and installing any pipe line or works;~~

~~including where practicable an indication of likely costs and the other terms for doing so.~~

~~2.3.11 Authority's consent required for charges and other terms for introducing gas to the Network and prohibition on undue discrimination and connections for introducing gas to the Network~~

~~The Licensee shall not:~~

- ~~(a) charge for a connection to introduce gas to the Network on any basis or on any other terms without the consent of the Authority; and~~
- ~~(b) — show any undue preference towards or undue discrimination against any person (including any other business of the Licensee) seeking a connection to introduce gas to the Network and, in the case of a connection to introduce gas to the Network, the Licensee shall not refuse a request for connection where the person seeking the connection is willing to pay the Licensee's charges for connection and comply with the Licensee's other terms for connection, including any terms as to technical and safety matters.~~

~~2.3.12 Publication of connection charge statements~~

The Licensee shall:

- ~~(a) publish a statement of the basis of its connection charges for introducing gas to the Network and its other terms for connection as the Authority has consented to under Condition 2.3.11 in such manner as will secure adequate publicity for it; and~~
- ~~(b) send a copy of any such statement to any person who asks for one.~~

2.3.13 Obligation to permit a connection

~~Subject to a person who has a licence or exemption to convey gas:~~

- ~~(a) satisfying any technical and safety criteria contained in the Network Code;~~
- ~~(b) satisfying the Licensee's technical design and operational requirements; and~~
- ~~(c) paying to the Licensee a connection fee (determined by the Licensee except insofar as the Authority otherwise directs or determines under Condition 2.3.8(b)), to connect a pipe line between the Network and the premises;~~

~~then the Licensee shall permit a connection to the Network by that person.~~

2.3.14 Reasons for Refusal

~~Where the Licensee refuses a request for connection to the Network it shall provide duly substantiated reasons for doing so.~~

2.3.15 Accuracy of quotations

The Licensee shall:

- ~~(a) from time to time submit to the Authority for its agreement an accuracy review scheme through which any customer can require the Licensee to review the accuracy of quotation provided to that customer for obtaining or renewing a connection to the Network; and~~
- ~~(b) publish the agreed accuracy review scheme in such manner as will bring it to the attention of customers.~~

~~The agreed accuracy review scheme shall be the published accuracy scheme for the purposes of the Standards of Performance Regulations.~~

~~2.3.16~~ 2.3.10 Interpretation and construction

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

~~2.3.17(b)~~ 2.3.17(b) In this Condition:

~~."Standards of Performance" means The Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014.~~

(i) "Standards of Performance Regulations" means The Gas (Individual Standards of Performance) Regulations (Northern Ireland) 2014.

(ii) "Relevant Person" is a person who is the:

(a) owner of the premises; or

(b) occupier of the premises

in respect of which the request for connection is made.

OTHER LICNECE CONDITIONS

Condition 1.1: Interpretation and Construction

1.1.6 Definitions

Except where expressly stated to the contrary and unless the context otherwise requires, the following terms shall have the meanings ascribed to them below:

- "affiliate"** means, in relation to any person, any company which is a subsidiary of such person or a company of which such person is a subsidiary or a company which is another subsidiary of a company of which such person is a subsidiary;
- "amount"** means, in relation to gas, the energy content thereof expressed in kilowatt hours;
- "auditors"** means the Licensee's auditors for the time being holding office in accordance with the requirements of the Chapter 2 of Part 16 of the Companies Act 2006;
- "authorisation of persons"** means the power of the Licensee to authorise persons, pursuant to Schedule 5 of the Order;
- "Authority"** means the Northern Ireland Authority for Utility Regulation;
- "balancing"** means (in relation to the Network Code and relevant period for balancing under the Network Code) taking such measures as may be available to the Licensee, in particular measures:

(a) for managing the relationship between deliveries of gas to and offtakes from the Network during that period; and

(b) to maintain pressures in the Network at all levels,

which in the reasonable opinion of the Licensee ensure the safety and efficiency of the Network in that or any subsequent relevant period;

"company" means a company within the meaning of section 1(1) of the Companies Act 2006 or any other body corporate;

"Competition and Markets Authority" or "CMA" means the body of that name established by Section 25 of the Enterprise and Regulatory Reform Act 2013.

"consumer" means any person supplied with gas to premises;

"conveyance charges" means the charges made by the Licensee for the conveyance of gas;

"conveyance services" means all services provided by the Licensee of conveying gas to, through and within the Licensed Area;

"Department" means the Department of Enterprise, Trade and Investment;

"distribution system operator" means any person authorised to convey gas through local or regional pipe-lines by virtue of holding a licence granted under Article 8(1)(a) of the Order;

"domestic consumer"	means a consumer supplied, or requiring to be supplied, with gas at Domestic Premises;
"domestic premises"	means premises where the supply of gas is taken wholly or mainly for domestic purposes;
"Energy Order"	means the Energy (Northern Ireland) Order 2003;
"exemption holder"	means the holder of an exemption under Article 7 of the Order;
"exercise of powers of entry"	means the Licensee entering any premises, in accordance with the powers conferred by Schedule 5 of the Order;
"financial year"	has the meaning given to it in Condition 1.2;
"gas supplier"	means any person authorised by licence under Article 8(1)(c) of the Order or by exemption under Article 7 of the Order to supply gas including the Licensee as so authorised or exempted;
"Grant"	means the commencing section of this licence by which the Authority grants the Licensee the licence;
"High Pressure Conveyance Licence"	means the gas conveyance licence originally granted, on the same date as the Grant, to Northern Ireland Energy Holdings Limited;
"High Pressure Conveyance Licensee"	means the person from time to time authorised to convey gas under the High Pressure Conveyance Licence;
"high pressure pipe-line"	means any pipe-line having a design operating pressure exceeding 7 bar gauge;

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

equipment or apparatus used for, or for any purposes connected with, the conveyance of gas through such pipe-lines) which pipe-lines shall, in the case of conveyance to consumer's premises and for the purposes of this definition be deemed to terminate immediately prior to the inlet to the first gas meter at such premises;

"Network Code" means the document prepared by the Licensee under Condition 2.4;

"non-domestic consumer" means a consumer who is not a domestic consumer;

"non-domestic premises" means premises which are not domestic premises;

"~~non-standard~~non standard gas credit meter" means a gas credit meter owned by the Licensee which is not a standard gas credit meter;

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

"~~non-standard~~non standard gas pre-payment meter" means a gas pre-payment meter owned by the Licensee which is not a standard gas pre-payment meter;

"Order" means the Gas (Northern Ireland) Order 1996;

"owned" means in relation to any gas meter title in or control over a meter and includes meters leased to a person;

"person" means any company, firm, partnership, association, body corporate or individual;

"related undertaking" means any undertaking in which any person has a participating interest within the meaning of section 421A of the Financial Services and Markets Act 2000;

"separate accounts" means the accounts which are to be prepared for each Separate Business;

"Separate Business" means, each of the activities of the Licensee connected with:

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

each taken separately from one another and from any other business of the Licensee or any affiliate or related undertaking of the Licensee, but so that where all or any part of any such business is carried on by an affiliate or related undertaking of the Licensee (save in respect of an affiliate or related undertaking which has a separate licence or exemption), such part of the business as is carried on by that affiliate or

related undertaking shall be consolidated with any other such business of the Licensee (and of any other affiliate or related undertaking of the Licensee) so as to form a single Separate Business;

"Storage Facility"

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

- (a) any part of the facility that is used for production of gas; and
- (b) any facility which is reserved exclusively by or for the Licensee in carrying out functions authorised by the Licence;

"standard gas credit meter"

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

"standard gas meter"

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

"standard gas pre-payment meter"

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

"subsidiary"

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

"transportation arrangements"

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

"working day"

means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank

holiday within the meaning of the Banking and Financial Dealings Act 1971.

Condition 1.4: Consultation with the ~~General Consumer Council~~Consumer Council for Northern Ireland

1.4.1 Policy statements for ~~General Consumer Council~~Consumer Council for Northern Ireland

The Licensee shall in due time consult with the ~~General Consumer Council~~Consumer Council for Northern Ireland in the formulation of:

- (a) its policies for the conduct of its business activities relating to the conveyance of gas insofar as they may affect consumers; and
- (b) the general arrangements for their implementation;

and shall:

- (c) give the ~~General Consumer Council~~Consumer Council for Northern Ireland reasonable notice of the publication, announcement or implementation (if no publication or announcement is made) of details of any significant change in any such policies and general arrangements; and
- (d) give to the ~~General Consumer Council~~Consumer Council for Northern Ireland as the ~~General Consumer Council~~Consumer Council for Northern Ireland may reasonably request an explanation of any such significant change and of the implementation of those policies.

Condition 1.13: Payment of Fees to the Authority

- 1.13.1 In respect of each year, beginning on 1 April, during which the Licence is in force, the Licensee shall pay to the Authority a fee of the amount determined in accordance with this Condition (the **licence fee**).

1.13.2 The Licensee shall pay to the Authority the licence fee for each year (the **relevant year**) within 30 days of the Authority giving notice to the Licensee of the amount due from the Licensee for the relevant year.

1.13.3 For each relevant year, the licence fee shall be the total of:

- (a) an amount that is the Relevant Contribution to the Estimated Costs of the Authority for the relevant year;
- (b) an amount that is the Relevant Contribution to the Estimated Costs of the ~~Consumer Council~~Consumer Council for Northern Ireland with regard to the exercise of its functions relating to gas consumers for the relevant year; and
- (c) an amount which is the difference (which may be a positive or negative amount), if any, between:
 - (i) the licence fee that would have been due from the Licensee for the year immediately preceding the relevant year (the **previous year**) had such fee been calculated in relation to the actual costs of:
 - (A) the Authority for the previous year; and
 - (B) the ~~Consumer Council~~Consumer Council for Northern Ireland with regard to the exercise of its functions relating to gas consumers for the previous year; and
 - (ii) the licence fee paid by the Licensee for the previous year,

provided that where the Licence is in force for only a part of the relevant year, the amount payable in respect of that year shall be a proportionate part of the licence fee due for the full year.

1.13.4 Where:

- (a) the Estimated Costs of the Authority or of the ~~Consumer Council~~Consumer Council for Northern Ireland are revised during the course of the relevant year (**Revised Costs**);

- (b) the Licensee has paid the licence fee for the relevant year; and
- (c) the Revised Costs would, had they applied to the calculation of the licence fee paid by the Licensee, have resulted in the calculation of a lower licence fee than that paid by the Licensee,

the Authority may, where it is reasonable for it to do so taking into consideration the timing of the Revised Costs and the provisions of Condition 1.13.3(c), refund to the Licensee the difference between the amount of the licence fee paid by the Licensee and the amount of the lower licence fee referred to in Condition 1.13.4(c).

1.13.5 Where the Licensee fails to pay the amount of the licence fee as notified to it under Condition 1.13.2 within the 30 day period specified, it shall with effect from the end of that 30 day period pay simple interest on the amount at the rate which is from time to time equivalent to the base lending rate of an institution designated by the Authority for this purpose.

1.13.6 In this Condition:

“Estimated Costs”

(i) in relation to the costs of the Authority, means the costs estimated by the Authority as likely to be its costs for the relevant year as calculated in accordance with the Principles;

(ii) in relation to the costs of the ~~Consumer Council~~ Consumer Council for Northern Ireland, means either:

(A) the costs notified to the Authority by the ~~Consumer Council~~ Consumer Council for Northern Ireland as its estimated costs for the relevant year as approved by the Department; or

(B) in the event that the Authority does not receive such notification by 31 July in the relevant year, the costs estimated by

the Authority (having regard to any estimate of such costs in any forward work programme published by the ~~Consumer Council~~Consumer Council for Northern Ireland in respect of the relevant year) as likely to be the costs of the ~~Consumer Council~~Consumer Council for Northern Ireland for the relevant year.

“Principles”

means the principles determined by the Authority for the purposes of this Condition generally, following consultation with the Licensee and with others likely to be affected by the application of such principles and as notified to the Licensee in writing.

“Relevant Contribution”

means, in respect of the Estimated Costs, the level of contribution to those costs applicable, whether by way of a specified amount or a stated proportion, to the Licensee as determined under or in accordance with the Principles.

Condition 2.2: Conveyance Charges, Other Terms for the Conveyance of Gas and the provision of Conveyance services

2.2.6 Resolution of Disputes

Where:

~~—~~(a) ~~This condition 2.2.6 applies where~~ there is a dispute, between the Licensee and any person entitled, or claiming to be entitled, to be provided with conveyance services by the Licensee pursuant to this Condition 2.2, in respect of the terms of the agreement offered by the Licensee to such person pursuant to this Condition 2.2.7

~~(b) Where this condition 2.2.6 applies,~~ any party to the dispute may make an application to the Authority to determine the terms of the agreement in dispute.

~~(eb)~~ ~~Paragraph (d) applies where~~ the Authority receives an application pursuant to sub-paragraph ~~(ab)~~ ~~above~~ and the dispute:

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

~~(d)~~ ~~Where this paragraph applies~~ the Authority may refer the dispute to the ~~General Consumer Council~~ Consumer Council for Northern Ireland for the purposes of enabling the ~~General Consumer Council~~ Consumer Council for Northern Ireland to assist the parties in the resolution of the dispute:-

~~(ec)~~ ~~Where~~ the Authority refers the dispute to the ~~General Consumer Council~~ Consumer Council for Northern Ireland it will at the same time inform the parties of that referral:-

~~(fd)~~ ~~Where~~ the ~~General Consumer Council~~ Consumer Council for Northern Ireland has not been able to assist the parties in the resolution of the dispute within 3 months of the Authority's referral under paragraph (b) (the 'applicable timescale'), either party to the ~~matter~~ dispute may refer the matter back to the Authority for determination:-

~~(ge)~~ ~~Paragraph (h) applies in respect of~~ a dispute: referred to the Authority under paragraph (a):

- ~~(i)~~ ~~(i) which~~ is not referred by the Authority to the ~~General Consumer Council~~ Consumer Council for Northern Ireland under paragraph ~~(cd)~~; or
- (ii) ~~which has been~~ is referred by the Authority to the Consumer Council for Northern Ireland under paragraph (c) but is referred back to the Authority ~~for determination~~ under paragraph ~~(df)~~:-

~~(b)~~ ~~(h)Where this paragraph applies~~ the Authority may, having given both parties not less than one month in which to make any further representations, settle the terms of the agreement dispute in such manner as appears to the Authority to be reasonable having (insofar as is relevant) regard in particular to the following considerations:

~~(iii)~~ the efficient and safe operation of the Network by the Licensee;

~~(iv)~~ the conveyance by the Network of:

(A) the quantities of gas which the Licensee requires or may reasonably be expected to require to be conveyed by the Network to enable the Licensee to comply with the conditions of the licence; and

(B) the quantities of gas of any person who has a right to have gas conveyed by the Network is entitled to require to be so conveyed in exercise of that right.

~~(f)~~ ~~Where~~ the person entitled or claiming to be entitled to conveyance services from the Licensee wishes to proceed on the basis of the terms ~~of~~ the agreement as settled by the Authority, the Licensee shall forthwith enter into and implement such agreement in accordance with its terms.

Condition 2.12: Provision and Return of Meters

2.12.1 Provision of ~~Non-standard~~Non standard Credit Meters and Pre-payment Meters

The Licensee shall:

(a) comply with any reasonable request by any gas supplier wishing to supply gas to premises to provide and install at those premises a gas meter owned by the Licensee being a ~~non-standard~~non standard gas credit or pre-payment meter (but being of an appropriate type), specified by the gas supplier if:

(i) a meter of that type is readily available to the Licensee;

and

(ii) if the Licensee's capital, installation and (if any) operational costs of the ~~non-standard~~non standard gas credit or pre-payment meter are greater than those like costs of a corresponding standard gas credit or pre-payment meter, as the case may be, then the Licensee shall be entitled to receive from the gas supplier the difference in the costs in accordance with principles and methodologies which the Authority has approved;

or

(iii) if the Licensee's capital, installation and (if any) operational costs of the ~~non-standard~~non standard gas credit or pre-payment meter are less than those like costs of a corresponding standard gas credit or pre-payment meter, as the case may be, then the Licensee shall pay the gas supplier the difference in the costs in accordance with the principles and methodologies which the Authority has approved,

provided that if the gas supplier's request is to replace an existing gas meter at premises connected to the Network by means of a service pipe, and that meter may otherwise be utilised by the gas supplier and is operational within the limits of required accuracy, then the provisions of Condition 2.12.3(a)(ii) and (iii) shall not apply and the Licensee shall be entitled to charge its full costs of providing, installing and operating the gas meter

requested by the gas supplier in accordance with principles and methodologies approved by the Authority;

- (b) comply with a request under Condition 2.12.3(a) prior to the commencement of the supply of gas to those premises by the gas supplier or at the request of the gas supplier at any time thereafter as soon as is reasonably practicable.

Condition 2.16: Preparation, Revision of and Compliance with Codes of Practice

2.16.1 Application

This Condition applies to any Code of Practice (**Code**) which the Licensee is, pursuant to Conditions 2.13, 2.14 and 2.15 of this Licence, required to prepare, submit to and have approved by the Authority.

2.16.2 Requirement for Approval

The Licensee shall, before submitting any Code to the Authority for its approval, consult the ~~General Consumer Council~~ Consumer Council for Northern Ireland and shall consider any representations made by it about the Code or the manner in which it is likely to be operated.

2.16.3 Review of Code

The Licensee shall:

- (a) whenever requested to do so by the Authority; and
- (b) where the request relates to the Distribution Marketing Code, in conjunction with all other distribution system operators authorised to convey gas through low pressure pipe-lines,

review the relevant Code to which the request relates and the manner in which it has been operated, with a view to determining whether any modification should be made to that Code or to the manner of its operation.

2.16.4 Consultation

In carrying out any review under Condition 2.16.3 the Licensee shall consult the ~~General Consumer Council~~Consumer Council for Northern Ireland and shall consider any representations made by it about the Code or the manner in which it is likely to be or has been operated.

2.16.5 Authority Powers

The Authority, following consultation with the Licensee, the ~~General Consumer Council~~Consumer Council for Northern Ireland and any other person who in the opinion of the Authority is likely to be interested or affected, may

- (a) direct the Licensee to make such modifications to any Code as the Authority considers are necessary or expedient to meet the relevant objectives of that Code;
- (b) from time to time make such modifications to Conditions 2.13, 2.14 and 2.15, as the Authority considers are necessary or expedient.

2.16.6 Action following modification of Conditions

Where the Authority modifies a Condition in accordance with Condition 2.16.5(b):

- (a) it shall:
 - (i) send a copy of the modification to the Licensee and the Department;
 - (ii) publish a copy of the modification in such manner as it considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the making of the modification; and
- (b) the Licensee shall revise the Code to which the modification relates in such manner and to such extent as is required to ensure that the Code reflects and complies with the modified Condition.

2.16.7 Code Revisions

Where the Licensee revises a Code:

- (a) in accordance with Condition 2.16.6(b);

(b) following a review undertaken in accordance with Conditions 2.16.3 and 2.16.4; or

(c) following a direction from the Authority under Condition 2.16.5(a),

it shall submit the revised Code to, and have it approved by, the Authority.

2.16.8 Publication of Code

The Licensee shall as:

(a) soon as practicable following the Authority's approval of a Code (including following a revision):

(i) send a copy of the Code to the Authority and the ~~General Consumer Council~~ Consumer Council for Northern Ireland; and

(ii) draw the attention of its consumers to the Code and of how they may inspect or obtain a copy of it;

(b) publish on and make readily accessible from its website a copy of the Code;

(c) give or send free of charge a copy of the Code (as from time to time revised) to any person who requests it; and

(d) make available to members of the public, in such form and in such manner as the Authority considers appropriate, information published by the Authority pursuant to Article 7 of the Energy Order.

2.16.9 Compliance

Subject to Condition 2.16.11, the Licensee shall comply with each Code to which this Condition applies and which has been approved by the Authority.

2.16.10 Monitoring Implementation and Operation

The Licensee shall provide the Authority with all assistance reasonably necessary to enable the Authority to monitor the implementation and operation of any Code and this assistance shall include providing statistical data at such times and in such a

format as the Authority reasonably requires and permitting the Authority access to relevant documentation held by the Licensee.

2.16.11 Directions relieving Licensee of Obligations

The Authority may (following consultation with the Licensee, and in the case of the Distribution Marketing Code, other distribution system operators authorised to convey gas through low pressure pipe-lines) issue directions relieving the Licensee of any of its obligations under Conditions 2.13, 2.14 and 2.15 and this Condition to such extent as may be specified in those directions and subject to such terms and conditions as the Authority thinks fit.

Condition 2.17: Terms and Conditions of Gas Contracts with Domestic Consumers

2.17.3 Provision of Information to Customers

Before entering into or concluding a Gas Contract with any domestic consumer, the Licensee shall give the domestic consumer:

- (a) a written copy of the full terms and conditions of the Gas Contract, including without limitation all the information referred to in Condition 2.17.4; and
- (b) details of how the domestic consumer can contact, and the relevant address and telephone number of, the ~~General Consumer Council~~Consumer Council for Northern Ireland for further help and advice, including in particular with regard to their rights in relation to the supply of gas services provided by the Licensee.

Condition 2.18: Standards of Performance

2.18.4 Report to Authority and ~~General Consumer Council~~Consumer Council for Northern Ireland

As soon as is reasonably practicable after the end of each year ending on 31 December, the Licensee shall submit to the Authority and ~~General Consumer Council~~Consumer Council for Northern Ireland a report dealing with the matters mentioned in

Conditions 2.18.2 and 2.18.3 which shall include a comparison of the Licensee's performance against the established standards in relation to that year and shall:

- (a) make public the report so submitted in such manner as will in the reasonable opinion of the Licensee secure adequate publicity for it; and
- (b) send a copy of it free of charge to any person requesting one,

except that, in performing the obligations under Conditions 2.18.4(a) and (b), the Licensee shall ensure that individual consumers cannot readily be identified except where they have consented.