

Mr Mark Raphael
Gas Market Operator (NI)
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Ref: CNO/G/TH/206

31st July 2017

Dear Mark

Gas Balancing of Transmission Networks – Interim Measures, Update Report

Thank you for the Interim Measures Update Report jointly submitted to us on 19 July 2017 by Premier Transmission Ltd., Belfast Gas Transmission Ltd., West Transmission Ltd and GNI (UK).

The Interim Measures Update Report is the first annual report on the implementation of Interim Measures in the gas year 2015=16, as provided for in the EU Balancing Regulation, EU 312/2014.

We note that prior to submitting this report you consulted with stakeholders, in accordance with Article 46 (2) of the Regulations, and that this resulted in one response. We note their support for the proposed continuation of interim measures given the current state of development of the local wholesale market.

Prior to reaching a decision on this report the Utility Regulator has also consulted with the national regulatory authorities in adjacent entry exit zones¹, namely the Commission for Energy Regulation in the Republic of Ireland and the Office of Gas and Electricity Markets in Great Britain.

We have reviewed the report submitted against the requirements of Regulation (EU) 312/2014, particularly those in Article 46 and including an assessment against the objectives required by Article 46(4). We consider that the proposed continuation and updating of the interim Measures will further the achievement of these objectives. We note that all network users will continue to be subject to the same network code and so are exposed to the same tolerance and cash out arrangements. We note the proposed adjustments to the balancing services to be to be procured by a competitive tender process. We consider that the Interim Measures proposed will promote greater liquidity and more efficient price discovery in the wholesale market.

Following our assessment the Utility Regulator has decided to approve the Interim Measures Update Report submitted on 17th July 2017r, We intend to notify both the Agency and the European Commission of our decision forthwith.

The four licence holders should keep the impact of the Interim Measures applied under review and jointly update the Interim Measures Report as required by the Regulation. Please be aware that we intend to publish this decision and the Interim Measures Update Report on our website. We would expect that you would also publish the report on your own website.

Yours sincerely



Tanya Hedley

Director of Compliance & Network Operations

¹ Article 46 (4)