

Consultation on Proposed Modifications to Gas and Electricity Licences

January 2016

Phoenix Natural Gas Ltd. ("**PNGL**") is the largest natural gas distribution business in Northern Ireland, being the owner and operator of the Licence for the distribution of natural gas in the Greater Belfast Area and Larne.

PNGL welcomes the opportunity to respond to the Utility Regulator ("**UR**") consultation on proposed modifications to gas and electricity licences ("**the Consultation**") and comments on the two modifications proposed to PNGL's Licence, 6 and 7, below:

- *Licence modification 6*

PNGL welcomes the alignment of the definition of domestic consumer in the gas conveyance and supply licences.

- *Licence modification 7*

PNGL welcomes the alignment of the provision of switching information by distribution companies with the timetables outlined in REMM.

PNGL welcomes the clarity each will bring to the market processes they support.

PNGL would also take this opportunity to comment on licence modification 5 which would introduce a new condition into gas supply licences placing a duty on gas suppliers to offer terms to any domestic consumer. PNGL notes the exemptions included under LC2.17A.4. PNGL believes that an additional exemption is required to cover instances where the Network Operator is unable to offer a connection e.g. to ensure the safety and integrity of its network in the authorised area. It is unclear whether the exemption in paragraph (a) is intended to cover this and while the exemption in paragraph (b) may cover this in part, additional clarification is needed to ensure that supplying gas to a Domestic Premises is in compliance with the relevant Network Operator's operating policies.

PNGL also notes that UR does not think that modification 5 contradicts or takes precedence over the Retailer Code of Practice. Under the Retailer Code of Practice, if the customer wishing to switch supplier is in debt and does not accept an option provided by the supplier for dealing with the debt amount, then the new supplier will not proceed with the switch. PNGL also notes that LC2.17.A.4 includes an exemption from LC2.17.A.2 where a gas supplier has given the customer at least 7 days' notice of its intent to stop providing a supply of gas. PNGL would point out that this timeline may not be achievable in instances where the gas supplier is notified by the Network Operator of a proposed permanent disconnection from the system due to the confirmation of an energy theft event. PNGL therefore suggests that paragraph (c) is clarified to ensure that modification 5 does not contradict or take precedence over the relevant Network Operator's revenue protection policies.