

Our ref. T4999rfmh

Barbara Stevenson  
Utility Regulator  
Queen's House  
14 Queen Street  
Belfast  
BT1 6ED

4 March 2016

Dear Barbara,

### **Consultation on proposed modifications to Gas and Electricity Licences**

I am writing in response to the consultation on proposed modifications to Gas and Electricity licences published on 5 January 2016.

We are concerned that there appears to be both simultaneous consultation and Licence Modification proposals under Article 14 of the relevant Electricity or Gas Order. If there is to be a meaningful consultation process then the output from that process should inform the licence modifications proposed under Article 14. It would therefore seem that any changes following responses to the consultation would require further notification under Article 14.

We also note that while there are proposals for some “clean up” of licences, there are a number of redundant clauses in the Power NI licence that would benefit from most extensive “clean up”, for example in relation to references to Grid Code clauses or to the recovery of other licensee costs incurred in compliance with a fuel security period.

The following comments in this response relate to the proposals made in sections 3.10 and 3.11 of the consultation paper that are relevant to the Power NI Electricity Supply licence.

### **Comments on the proposals set out in Section 3.10**

#### **Licence Conditions 7 and 44**

The proposed definitions of “land bank” in both licence conditions refer to the “Successor Distributor Licence” when it should presumably refer to the “Successor Distribution Licence”.

#### **Licence Condition 66**

The proposed clause 7(c) of the licence conditions refers to “Distribution Transmission Owner” when it should presumably just refer to the “Distribution Owner”.

#### **Annex 3 – Determination of the PPB Amount**

The proposed sub-clause (b) of the definition of “D<sub>t</sub>” in Annex 3 of the licence proposes replacing reference to “Transmission Owner Licence” to “Successor Distribution Owner Licence” when it should presumably just be changed to “Successor Distribution Licence”.

### **Comments on the proposals set out in Section 3.11**

#### **Licence Condition 1 – definition of “Cancellable generating unit agreement”**

Firstly the markup does not reflect the actual definition in the Power NI’s current Supply Licence although it may reflect the definition in other Supply licences.

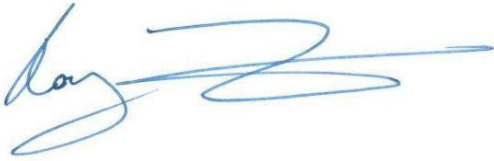
The proposed changes in relation to the definition of “Cancellable generating unit agreement” propose referring to “Annex 4 (as it may be varied from time to time) of the NIE Energy Supply Licence”.

However it would seem rational when making all these changes to tidy up references to also rename the Supply Licence held by Power NI Energy Limited to be the Power NI Energy Supply Licence rather than keeping it as the NIE Energy Supply Licence.

In that case the definition change should refer to “Annex 4 (as it may be varied from time to time) of the Power NI Energy Supply Licence”

If you would like to discuss any of these comments further please contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Roy Foreman', with a stylized, flowing script.

Roy Foreman

MD, PPB