

Chris Shine  
Head of Finance and Regulation  
SGN Natural Gas  
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05 June 2017

Ref: CNO/G/TH/187

Dear Chris,

### **SGN Natural Gas Connection Policy**

Thank you for the submission of your revised connection policy issued to us for approval on 18<sup>th</sup> May 2017.

We have reviewed the connection policy submitted and are satisfied with the changes that you have made. We have also shared the connection policy with the Consumer Council who have suggested a few minor amendments as shown in Annex 1 to this letter. Please accept this letter as formal approval, under Condition 2.3.1 of your licence, of the connection policy, subject to the changes suggested by the Consumer Council being made.

We have made you aware of other areas of connection policy that will require further revisions. These are required for a number of reasons including giving consideration to the outcome of a recent dispute process. We have also discussed the value of further alignment of connection policies across licence holders. The Utility Regulator will therefore be conducting a further review of gas distribution connection policies later on this year. We agree that this review should include all three NI Gas Distribution Network Operators (GDNs) where the changes impact on all parties.

We note your point on the financial thresholds. These thresholds were introduced in Northern Ireland as part of the review of the PNGL connection policy in 2014. We acknowledge that SGN was not involved in the discussions at the time as they did not hold an NI gas conveyance licence then. However, as part of the connection policy review following the publication of the GD17 final determination, we provided all three NI GDNs with an equal opportunity to discuss matters relating to their respective connection policies. In particular, we provided SGN with an explanation for the financial thresholds at our meeting on 27/01/2017 as well as as part of further communication with SGN regarding the connection policy. We consider that the financial thresholds are appropriate, that they should apply consistently across all

three NI GDNs and that no convincing arguments to the contrary have been presented. As discussed, we are prepared to consider any evidence you can provide as to why such thresholds should not apply to SGN as part of further connection policy reviews.

Yours sincerely



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**Tanya Hedley**  
**Director of Compliance and Network Operations**  
**For and on behalf of NIAUR**