

Aidan Hogan BGE(NI) Bord Gais Networks, P0 Box 51, Gasworks Road, Cork.

20 January 2014

Dear Aidan

Re: BGE(NI) Code Modification Proposal 12

Thank you for your recent submission of the Final Modification Report in respect of the above named modification. The modification covers the implementation of Congestion Management Procedures (CMP) in the transportation network code as required to ensure compliance with the EC Regulation 715/2009. The Northern Ireland Authority for Utility Regulation (NIAUR) has considered the issues raised by this modification and the FMR.

BGE(NI) conclusion

BGE(NI) states in its FMR that the relevant objective (condition 2.4 of the BGE(NI) Licence), would be better facilitated by the Licensee's Network Code as a result of this modification. The code modification is required to ensure EU compliance within the required timeframes and should result in Capacity, which would otherwise be unavailable, becoming accessible to the market.

Authority review and conclusions

We note that there was one third party representation received by BGE (NI) during the consultation period from Phoenix Natural Gas.

We have reviewed the FMR for code modification proposal 12 alongside the modifications proposed by PTL in code modification 25 and BGTL in code modification proposal 10. We wish to ensure that the codes are aligned where possible. We have also considered whether the modification would better facilitate the 'relevant objective' as defined in your gas conveyance licence – Condition 2.4.1.

Accordingly, we have concluded that the modifications proposed should be made.

Decision

As provided for in condition 2.4.7(c) of the BGE(NI) licence we direct BGE(NI) to implement the modifications set out in the updated FMR submitted on 17 January.

The modifications should be implemented by 20 January 2014. You should note that we may use the relevant powers to make changes consistent with our statutory duties in future as we believe appropriate.

Yours sincerely

Brian McHugh

For and on behalf of NIAUR