

Donal Kissane
BGE(NI)
Bord Gais Networks,
P0 Box 51,
Gasworks Road,
Cork.

29 June 2012

Dear Donal

Re: BGE(NI) Code Modification Proposals 9, 10 and 11

Thank you for your recent submission of the Final Modification Reports in respect of the above named modifications. The Northern Ireland Authority for Utility Regulation (NIAUR) has considered the issues raised by this modification and the FMR. The Authority has concluded that the modification would better facilitate the “relevant objective” as defined in your gas conveyance licence - Condition 2.4.1.

Reasons for the Authority’s decision

BGE(NI) Code Modification Proposal 9 - Implementation of Daily Capacity

We note that no responses were received to this consultation.

BGE(NI) states in its FMR that the relevant objective would be better facilitated through the implementation of this modification allows Shippers to apply for Capacity on the Transportation System down to a minimum period of one day. Previously Shippers were required to make Capacity bookings on an annual or multi-annual basis. The Authority would agree with this conclusion.

BGE(NI) Code Modification Proposals 10 &11 - Implementation of Charging and Credit Procedures Changes to achieve IME2 Compliance & Implementation of Virtual Reverse Flow to achieve IME2 Compliance

We note that no responses were received to this consultation.

BGE(NI) states in its FMR that the relevant objective would be better facilitated through the implementation of this modification will allow Registered Shippers to

physically import gas from Moffat through the South North Pipeline and virtually export gas from the BGE (NI) Transportation System at the South North and Carrickfergus Virtual Exit Points.

The Authority directs that BGE(NI) make the modifications set out in Final Modification Reports 10 and 11 with the exception of the clauses below which should be deleted or amended as indicated:

The clauses immediately below should be deleted entirely or partially as indicated:

6.7.2(c)(iii)

Addition in 6.8.1

6.8.1(e)

Addition in 6.8.2

Addition in 6.8.5

Addition in 6.8.6

Addition in 6.10.1

Addition in 7.2.3(v)

Addition in 7.3.2(b)

17.4.2

17.5.4 (b)

17.5.6

19.11.4(b)

Additions to 19.11.4(c)

Additions to 19.13.1

19.14

19.15

19.16

20.2.5

Addition to 20.5.1

Delete following definitions: CER transmission licence, CER, Gas shipping licence, NGEM

The clauses below should be amended:

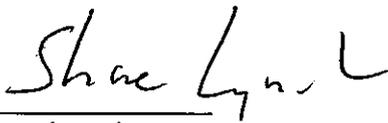
- 3.1.6(b) should include a reference to checking the meter (linked to 9.2.2(b)(i) below)
- 9.2.2(b)(i) should include a reference to the metered quantity or the aggregate nominated quantity as discussed on Thursday by teleconference.
- Appendix 4 Credit committee should be consistent in both codes – in this regard references to 'firm or interruptible capacity' should be returned to the original drafting of reserved capacity.

You should note that clauses 6.18.1 and 18.3.5 are approved but it would be useful to know whether there are similar clauses in BGE(UK)'s CSA with National Grid.

Conclusion

Accordingly, and as required by Section 10 of your Transportation Code Modification Rules, NIAUR directs BGE(NI) to implement the proposed modifications 9, 10 & 11 Except where indicated above that deletions or amendments should be made. 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

A handwritten signature in black ink that reads "Shane Lynch". The signature is written in a cursive style with a long, sweeping tail on the letter "h".

Shane Lynch

For and on behalf of NIAUR

