Consultation

Energy

Proposed Amendments to the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 and the Published Criteria

July 2013
Contents

1 Introduction and background Page 2

2 Proposed amendments to the Gas (Applications for Licences and Extensions) Regulations (NI) 1996 Page 5

3 Proposed amendments to the Published Criteria Page 7

4 Impact of implementing the proposals Page 12

5 How to respond Page 13

Annex A
Draft amendments to the Gas (Applications for Licences and Extensions) Regulations (NI) 1996 Page 15

Annex B
Draft Published Criteria Page 44

Annex C
Draft Regulatory Impact Assessment Page 57

Annex D
Draft Equality Screening Assessment Page 63
1.1 In this consultation paper, the Department of Enterprise, Trade and Investment ("the Department") is seeking views and comments on proposed amendments to the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 ("the Gas Applications Regulations") and to the criteria published by the Department ("the Published Criteria") against which licence applications are assessed.

OBJECTIVE OF CONSULTATION

1.2 The Gas Applications Regulations were established to provide a structured and regulated system for natural gas companies wishing to apply for a licence to operate within Northern Ireland. The Regulations prescribe the manner in which, under Article 8(1) of the Gas (Northern Ireland) Order 1996 ("the Gas Order"), companies may apply to the Northern Ireland Authority for Utility Regulation ("the Authority") for a licence to convey, store or supply gas and, under Article 8(2) of the Gas Order, for an extension to an existing gas licence.

1.3 The proposed amendments to the Gas Applications Regulations aim to:

- Incorporate arrangements for applying, under Article 8(1) (d) of the Gas Order, for the newly created licence to operate an Liquefied Natural Gas (LNG) facility;

- Update Schedule 1 which provides a Form of Application for anyone wishing to apply for a gas licence; and

- Update Schedule 2 Parts I to III of the Regulations which list documents and other particulars to accompany an application for a gas conveyance, gas supply or gas storage licence, and provide a new Part IV which lists documents and other particulars to accompany an application for an LNG licence.

1.4 The Department also proposes to revise and update the Published Criteria against which the Authority will assess any licence application.

BACKGROUND

New LNG Licence

1.5 The Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2013, which came into operation on 12 April 2013, created a new category of gas licence which may be granted by the Authority under Article 8(1) of the Gas Order, that is, (d) a licence to operate a Liquefied Natural Gas ("LNG") facility. Northern Ireland does not have any LNG facilities at present and none are planned or anticipated but operating an LNG facility has been made a licensable activity in order to comply with the Gas Directive.

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which is part of the Third Energy Package of European legislation. Having created a newly licensable activity, the Department would propose to amend the Gas Applications Regulations in order to incorporate appropriate references to the LNG licence.

Amendments to Schedules and Published Criteria

1.6 The Department would also propose to amend and update Schedule 1 of the Gas Applications Regulations, which provides a Form of Application for anyone wishing to apply for a gas licence, in order to incorporate references to the LNG licence; update references to the relevant companies’ legislation; and insert a ‘confirmation of statement’ section which should be completed and signed by an applicant for any category of gas licence. The Department would further propose to update Schedule 2 Parts I to III of the Gas Application Regulations in order to update the list of documents which should accompany an application for a gas conveyance, gas storage or gas supply licence. These suggested updates are designed, in particular, to facilitate the objective and transparent assessment of applications for new gas conveyance licence(s) to develop the natural gas infrastructure in currently unlicensed areas of Northern Ireland where energy consumers do not yet have access to natural gas.

1.7 As outlined in the Strategic Energy Framework 2010 which was endorsed by the Northern Ireland Executive, the Department is committed to encouraging further development of new natural gas networks in Northern Ireland, where it is economic to do so, with the aim of:

- bringing greater consumer fuel choice;
- providing an option for businesses to use a cleaner, more efficient and potentially cheaper fuel;
- helping to shift the dependence on coal and oil for household heating;
- helping to alleviate fuel poverty;
- enhancing security of energy supply;
- reducing CO2 and other harmful environmental emissions.

1.8 At the present time, the Department would wish, in particular, to encourage licence applications from developers to extend the gas network to the main towns in the West and North-West of Northern Ireland, including Dungannon, Cookstown, Magherafelt, Omagh, Enniskillen/Derrylin and Strabane. Following completion of a detailed economic appraisal on extending the gas network to these areas, at its meeting on 10 January 2013, the Northern Ireland Executive agreed in principle to provide government subvention up to £32.5 million to assist this project. It is anticipated that the Authority will invite applications for proposals to develop new gas networks in specific areas in the West and North-West later this year. The successful applicant(s) will be awarded an exclusive gas conveyance licence in this area [licences to convey gas through a high pressure (greater than 7 bar) system or through a lower pressure (7 bar or below) system may be awarded jointly or separately].

1.9 The Department has reviewed the existing Gas Applications Regulations and Published Criteria with a view to ensuring that they provide a fair and objective basis for the Authority to assess future applications and grant an exclusive gas conveyance licence(s) for the West and North-West. Deliberations have also been informed by responses to the Authority’s recent consultation paper on ‘Gas Network Extensions in Northern Ireland’ which closed on 29 May 2013.

ASSESSMENT OF IMPACTS

1.10 This paper outlines the proposals by the Department to amend the Gas Applications Regulations and the Published Criteria and considers the potential impact of these proposals. Issues addressed relate to the application process in Northern Ireland for gas licences and are largely technical in nature. As such, it is felt that neither the Gas Applications Regulations nor the Published Criteria should have a significant impact on individuals in any of the Section 75 equality groups, or on particular regions or communities, rural or otherwise. Indirectly, the proposed amendments should have a positive impact by facilitating the award of new gas licences which should make a cleaner, more efficient and potentially cheaper source of fuel available to a greater number of local energy consumers.

2 http://www.uregni.gov.uk/news/gas_to_the_west_consultation
1.11 This consultation will primarily be of interest to those natural gas companies wishing to apply for a gas licence to operate in Northern Ireland, including those wishing to obtain an LNG licence or an exclusive gas conveyance licence.

STRUCTURE OF THIS CONSULTATION PAPER

1.12 The consultation document will address the proposed amendments to the Gas Applications Regulations and to the Published Criteria in more detail in Chapter 2 and Chapter 3 respectively. The potential impact of implementing the proposals is set out in Chapter 4. The Department is interested in your views on all the proposals and issues identified in this consultation paper. Chapter 5 sets out details on how to respond.

1.13 Annex A details the draft legislative amendments to the Gas Applications Regulations and Annex B details the draft revised Published Criteria. Annex C provides the draft Regulatory Impact Assessment which considers how implementation of the proposals is likely to affect businesses, particularly natural gas companies. Annex D sets out the draft Equality Screening form, which assesses the likely impact of the proposals and regulations on the Section 75 equality groups.
2

GAS (APPLICATIONS FOR LICENCES AND EXTENSIONS) REGULATIONS (NORTHERN IRELAND) 1996

2.1 The Gas Applications Regulations were established to provide a structured and regulated system for natural gas companies wishing to be licensed to operate in Northern Ireland. They currently set out the manner and form in which applications for a licence to convey, store or supply gas, or for an extension to an existing gas licence, should be made together with the fee payable for each type of application. In addition, they specify the information that applicants must provide in order for the Authority to consider granting a licence.

2.2 The Gas Applications Regulations can be viewed at:


Please note that these Regulations were recently amended and updated by the Gas (Applications for Licences and Extensions) (Amendment) Regulations (NI) 2013, primarily to provide for an increase in the fees payable upon application for each category of gas licence:

http://www.legislation.gov.uk/nisr/2013/24/contents/made

PROPOSED AMENDMENTS TO THE GAS APPLICATIONS REGULATIONS

LNG Licence

2.3 As outlined in Chapter 1, the Department recently amended Article 8(1) of the Gas Order in order to create a new licensable activity, that is, operation of an LNG facility. In line with this amendment to the Gas Order, the Department would propose to amend the Gas Applications Regulations in order to incorporate, where appropriate, references to arrangements for applying for the new LNG licence and to specify the fee which will be payable upon application for such a licence.

2.4 The proposed amendments, which are detailed in the draft amending Regulations at Annex A will:

- In Regulation 2 of the Gas Applications Regulations, extend the definition of an “extension” to include an extension to an LNG licence and insert a definition for “LNG licence”;

- To Regulation 4(1), add “(d) an application for an LNG licence, or for an extension, shall be accompanied by the documents and other particulars specified in Part IV of Schedule 2”;
• To Regulation 4(2), add a reference to the new “Part IV” of Schedule 2;

• To Regulation 4(3), add a reference to “paragraph 14 of Part IV of Schedule 2”;

• To Regulation 6(1)(b), add “(iv) in case of an LNG licence in the area in which the LNG facility to which the licence relates is to be located”;

• In Regulation 7, insert “(3A) The fee payable with an application for an LNG licence shall be £2000”; and

• Into Schedule 2, insert a new section, “Part IV Documents and other particulars to accompany an application for an LNG licence or extension”.

Proposed Amendments to Schedules

2.5 The Department would also propose to:

• Update Schedule 1 of the Gas Applications Regulations, which provides a Form of Application for anyone wishing to apply for a gas licence, in order to incorporate references to the LNG licence; update references to the relevant companies’ legislation; and insert a ‘confirmation of statement’ section which should be completed and signed by an applicant for any category of gas licence; and

• Update Schedule 2 Parts I to III of the Gas Application Regulations in order to update the list of documents which should accompany an application for a gas conveyance, gas storage or gas supply licence, in particular, clarifying the information required to prove that an applicant is a ’fit and proper person’ to hold a licence.

DRAFT LEGISLATION

2.6 The draft Gas (Applications for Licences and Extensions) (Amendment No 2) Regulations (Northern Ireland 2013 are attached for further information at Annex A.

Please note that, for ease of reference, all proposed amendments/additions to Schedule 1 and Schedule 2 Parts I – III are shown in blue ink.

QUESTIONS FOR CONSIDERATION

(a) Do you agree with the Department’s assessment of the action required to update the Gas Applications Regulations in order to reflect the new LNG licence?

(b) Do you agree with the Department’s assessment regarding the proposed changes to the Form of Application which is listed at Schedule 1 of the draft amending Regulations at Annex A?

(c) Do you agree with the Department’s assessment regarding the documents and other particulars which should accompany applications for a gas conveyance, gas storage, gas supply or LNG licence as specified in Schedules 2 – 5 of the draft amending Regulations at Annex A?

(d) Are there any other issues to consider that we have not anticipated in this Chapter?
PROPOSED AMENDMENTS TO THE PUBLISHED CRITERIA

3.1 Article 4(2) of the Gas Directive requires that “Where Member States have a system of authorisation, they shall lay down objective and non-discriminatory criteria which shall be met by an undertaking applying for an authorisation to build and/or operate natural gas facilities or applying for an authorisation to supply natural gas”. In line with this requirement, the Department has produced Published Criteria against which the Authority will assess an application for a gas licence in Northern Ireland. The Published Criteria were updated earlier this year to add information in respect of applications for a gas storage or LNG licence, and applications for consent to construct gas storage or LNG facilities, in order to ensure compliance with the Gas Directive. The current set of Published Criteria is available on the Department’s website at:

http://www.detini.gov.uk/energy-guidance-2

3.2 The Department has recently reviewed the Published Criteria with a view to ensuring that the criteria are appropriate. As a result, it is proposed to revise the criteria in order to ensure that they are as clear and succinct as possible, and to add a new section outlining the specific selection and assessment criteria by which the Authority should determine the grant of an exclusive gas conveyance licence, in a situation where more than one applicant applies for an exclusive licence, or an extension of an existing licence, over the same area at approximately the same time.

SELECTION CRITERIA

3.3 In order to ensure that only applications from companies which have the necessary finance and skills to construct and operate major gas infrastructure are considered in detail, it is proposed that applicants should firstly prove their ‘Financial Resources and Standing’. Only companies which meet this requirement would progress to the next stage where their applications for an exclusive gas conveyance licence would be assessed in detail and scored by Authority.

3.4 In order to demonstrate ‘Financial Resources and Standing’, it is proposed that each applicant should prove that their company can support the expenditure needed over time to undertake the activities required to meet the requirements of the licence. This would require the applicant to demonstrate that they have access to financial resources at least equal to 120% of the total amount of capital, as determined by the Authority, needed to fund the licensed activity. This could be demonstrated in a number of ways:

- **Where corporate finance is proposed**, the applicant should provide evidence of having net assets to a level at least equal to 100% of the amount of corporate finance proposed by the applicant;

- **Where debt finance is proposed**, the applicant should provide evidence from the last five years of:
  - raising debt finance; or
  - investing in an infrastructure business with debt finance; or
- obtaining a letter(s) of comfort from a financial institution or institutions with at least a Grade ‘A’ credit rating stating their willingness to provide debt finance,

  to a level at least equal to 100% of the debt finance proposed by the applicant;

- **Where equity finance is proposed**, the applicant should provide evidence from the last five years of:

  - holding net assets; or
  - raising equity finance; or
  - obtaining a letter(s) of comfort from an entity or entities with at least an Investment Grade credit rating stating their willingness to provide equity finance;

  to a level at least equal to 100% of the equity finance proposed by the applicant.

### ASSESSMENT CRITERIA – BEST VALUE

#### 3.5 For each applicant who demonstrates their ‘Financial Resources and Standing’ as outlined above, it is proposed that their application should be scored by the Authority on the basis of a series of assessment criteria to determine which application represents ‘Best Value’ for gas consumers in Northern Ireland. These would include:

- **Applicant Determined Costs**

  It is proposed that each applicant’s **Applicant Determined Costs** should be measured in terms of Net Present Value (NPV) and calculated via the Data Input Workbook supplied by the Authority as part of the Form of Application contained in Schedule 1 of the Gas Applications Regulations. Maximum available marks would be awarded to the applicant whose costs are lower than those of any other applicant. Other applicants would receive marks so that:

  (i) For any fraction of a percentage point increase in NPV costs compared to the lowest cost applicant, the mark awarded would be 1% below the maximum marks available;

  (ii) Less an additional 5% of those marks in respect of each further full percentage point by which its costs exceed those of the applicant with the lowest costs; and

  (iii) If the costs of any applicant are 20% or more above the costs of the applicant with the lowest costs, it is to be allocated zero marks.

- **Operational Business Plan**

  It is proposed that the marks attributable for each applicant in respect of its **Operational Business Plan** shall be those which the Authority considers appropriate in accordance with the Operational Business Plan template provided by the Authority to applicants. In allocating marks for this criterion, the Authority will consider:

  (i) The applicant’s statement of how it proposes to undertake the key licence activities, including engaging with key stakeholders; skills and experience of key staff members; identification and management of risk; and use of tendering arrangements;

  (ii) The applicant’s description of how the data that is supplied in the applicant’s completed Data Input Workbook was derived, including the completeness with which it has described the derivation of that data; identification and application of cost drivers; robustness of any assumptions made by it; use of evidence that is verifiable from previous experience; identification and quantification of risk; and an efficiency improvement plan; and

  (iii) Any other aspect of the Operational Business Plan which the Authority considers relevant.

  This would include marks for proposals in respect of high pressure gas pipelines (greater than 7 bar) and/or lower pressure gas pipelines (7 bar or less) as follows:
Building and Operating a High Pressure Gas Network (greater than 7 bar)

The marks attributable to each applicant in respect of Building and Operating a High Pressure Network shall be those which the Authority considers appropriate in accordance with the information provided by the applicant, and those marks shall be:

- based on the ability of the applicant to manage all the processes and resources necessary to build and operate the high pressure network in a timely, efficient and safe manner under the licence, if it were granted to the applicant;

- awarded having regard in particular to the applicant’s –
  - experience of managing the processes and resources necessary to construct a high pressure gas network;
  - experience of system operation in the context of a high pressure gas network;
  - proposals as to the securing, mobilisation and management of the internal resources necessary to construct a high pressure gas network;
  - proposals as to the securing, mobilisation and management of the external resources necessary to construct a high pressure gas network;
  - proposals as to the engagement with external stakeholders including all relevant regulatory authorities and statutory agencies other licence holders, and private entities necessary to construct a high pressure gas network;
  - proposals as to the timely delivery of the high pressure gas network.

Building and Operating a Lower Pressure Gas Network (pressure of 7 bar or less)

The marks attributable to each applicant in respect of Building and Operating a Lower Pressure Network shall be those which the Authority considers appropriate in accordance with the information provided by the applicant, and those marks shall be:

- based on the ability of the applicant to manage all the processes and resources necessary to build and operate the lower pressure network in a timely, efficient and safe manner under the licence, if it were granted to the applicant;

- awarded having regard in particular to the applicant’s –
  - experience of managing the processes and resources necessary to construct a lower pressure gas network;
  - experience of system operation in the context of a lower pressure gas network;
  - proposals as to the securing, mobilisation and management of the internal resources necessary to construct a lower pressure gas network;
  - proposals as to the securing, mobilisation and management of the external resources necessary to construct a lower pressure gas network.

The marks attributable to each applicant will also focus on Maximising Connections and shall be those which the Authority considers appropriate in accordance with the information provided by the applicant, and those marks shall be:

- based on the ability of the applicant to maximise the number of premises connecting to a gas network under the licence, if it were granted to the applicant;

- awarded having regard in particular to the applicant’s –
- experience of achieving connections in any area not previously supplied with gas through a gas network;
- proposals as to the development of relationships with businesses and social landlords, and experience of doing so;
- proposals as to the promotion of connections to vulnerable consumers, and experience of doing so.

In awarding marks for Operational Business Plan, 20% of the marks that are available shall be attributed to sub-paragraph (i), 50% to sub-paragraph (ii), and 30% to sub-paragraph (iii).

• **Innovation & Technology Transfer**

In allocating marks for ‘Innovation and Technology Transfer’, it is proposed that the Authority will consider each applicant’s submission in respect of the following:

(i) ability to achieve Innovation and Technology Transfer in relation to environmental sustainability; efficiency in the use of gas and the use of new sources of gas; cost efficiency; and development of a gas network under the licence, if it were granted to the applicant, to more remote geographical areas;

(ii) consideration of the applicant’s history of innovation; ability to secure funding from other governmental or regulatory authorities; proposals to transfer innovation into/within Northern Ireland; and existing skills and experience.

In awarding marks for Innovation and Technology Transfer, 50% of the marks that are available shall be attributed to sub-paragraph (i) and 50% to sub-paragraph (ii).

**WEIGHTING OF THE CRITERIA**

3.6 In applying the assessment criteria set out above, it is proposed that the Authority should adopt the marking scheme detailed in the table below in order to determine overall ‘Best Value’.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Marking Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Determined Costs</td>
<td>50%</td>
</tr>
<tr>
<td>Operational Business Plan</td>
<td>40%</td>
</tr>
<tr>
<td>Innovation &amp; Technology Transfer</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**GRANTING A LICENCE**

3.7 As outlined above, where there is more than one applicant for an exclusive gas conveyance licence(s), or extension of an existing licence, each applicant would be awarded marks by the Authority with a view to determining which application represented the ‘Best Value’ for gas consumers in Northern Ireland. An applicant would be deemed to represent ‘Best Value’ when it falls within Scenario A, B or C below:

Scenario A: An applicant falls within Scenario A where –

(i) The Authority has indicated its intention to grant more than one exclusive gas conveyance licence in respect of the same authorised area, but in relation to different descriptions of gas conveyance activity;
(ii) The applicant has made an application in respect of all such licence areas;

(iii) Taking account of best value requirements, the applicant meets all the criteria in respect of each licence; and

(iv) The sum of the marks awarded to the applicant is higher than the sum of the marks awarded to any other individual applicant or combination of applicants in respect of their applications for those licenses.

**Scenario B:** An applicant falls within Scenario B where no applicant falls within Scenario A, and the applicant obtained a higher number of marks than any other applicant.

**Scenario C:** This scenario will apply where no applicant falls within Scenario A and an applicant which falls within Scenario B withdraws its application before a licence has been granted to it by the Authority, and the applicant obtained the second highest number of marks of any applicant.

**Scenario D:** This scenario will apply where there are no applications for a particular conveyance (transmission or distribution) licence, hence no licences can be awarded as part of the same competition.

3.8 All of the proposed amendments to the Published Criteria are incorporated for ease of reference in an draft version of the full document at Annex B.

**QUESTIONS FOR CONSIDERATION**

(a) Do you agree with the Department’s assessment of the selection and ‘Best Value’ assessment criteria with which the Authority would assess applications for an exclusive gas conveyance licence?

(b) Are there any particular issues concerning the Published Criteria that we have not anticipated in this Chapter?
4.1 The Department has considered the potential impact of implementation of the proposed amendments to the Gas Applications Regulations and the Published Criteria in relation to a number of key groups.

REGULATORY IMPACT

4.2 The Department has prepared a draft partial Regulatory Impact Assessment (RIA) to assess the likely impact of these proposals in terms of costs, benefits and risks to businesses and, in particular, to small businesses. The draft partial RIA is attached at Annex C.

4.3 The partial RIA has identified that the key benefit of implementing the proposed amendments is that they will (a) establish appropriate arrangements for applying for the new LNG licence, (ii) help to ensure consistency of handling across all licence applications, and (iii) mean that the award process for an exclusive gas conveyance licence in particular is both robust and transparent.

EQUALITY IMPACTS

4.4 The Department is required under Section 75 of the Northern Ireland Act 1998, to have due regard to the need to promote equality of opportunity between persons of religious belief, political opinion, racial group, marital status or sexual orientation; between men and women generally; between persons with a disability and person without; and between persons with dependents and persons without. Without prejudice to these obligations, the Department is also required to carry out its functions, to have regard to the desirability of promoting good relations between persons of different religious beliefs, political opinion or racial group.

4.5 The Department conducted a screening exercise to assess the likely impact of the proposed amendments to the Gas Applications Regulations and the Published Criteria on Section 75 groups. The draft screening form is attached at Annex D. The screening exercise has concluded that, as the Gas Applications Regulations and the Published Criteria are largely technical in nature and simply set out the process for applying for gas licences and the regulatory and legal framework within which the Authority will consider such applications, they should not impact directly upon individuals, including those within any of the Section 75 categories. However, it is noted that the Regulations and the Published Criteria should contribute generally towards the effective regulation of the natural gas industry in Northern Ireland with the best interests of customers in mind.

IMPACT ON RURAL COMMUNITIES AND AREAS

4.6 The Department has also considered how implementation of the proposed amendments to the Gas Applications Regulations and to the Published Criteria might impact on rural areas or communities. It is not envisaged that the proposals should have any particular negative (or positive) impact on rural areas which mostly lie outside the current natural gas network. As already noted, consideration is being given to extending the natural gas network in Northern Ireland where it is economic to do so, e.g. to the West and North-West, and a separate rural proofing exercise has been carried out on this work.
5.1 The Department would welcome your views and comments on the proposals set out in this consultation paper, including the draft amending Regulations at Annex A; the amended Published Criteria at Annex B; the partial RIA at Annex C; and the draft equality screening form attached at Annex D.

5.2 The consultation period will close on 6 September 2013. Responses to this consultation should reach the Department on or before that date, and should be forwarded to gasapplicationslicences@detini.gov.uk

OR by post to:

Energy Markets
Department of Enterprise, Trade and Investment
Room 44
Netherleigh House, Massey Avenue,
Belfast

Telephone: 02890529279
Fax Number: 02890 529549
Textphone: 02890529304

All responses should include the name and postal address of the respondent.

Confidentiality & Data Protection

5.3 Your response may be made public by the Department. If you do not want all or part of your response or name made public, please state this clearly in the response by marking your response as ‘CONFIDENTIAL’. Any confidentiality disclaimer that may be generated by your organisation’s IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been specifically requested.

5.4 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA)). If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

5.5 In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
**Copies of the consultation**

5.6 This consultation document is being produced primarily in electronic form and may be accessed on the DETI Energy website: [www.energy.detini.gov.uk](http://www.energy.detini.gov.uk)

5.7 If you require access to this consultation paper in hard copy, or in a different format – e.g. Braille, disk, audio cassette – or in a minority ethnic language please contact 028 9052 9279 and appropriate arrangements will be made as soon as possible.
The Department of Enterprise, Trade and Investment (*) makes the following Regulations in exercise of the powers conferred by Article 8(3) of the Gas (Northern Ireland) Order 1996 (**).

Citation and commencement

1. These Regulations may be cited as the Gas (Applications for Licences and Extensions) (Amendment No. 2) Regulations (Northern Ireland) 2013 and come into operation on *** 2013.

Amendment of the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996

2. —(1) The Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996(†) are amended in accordance with the following paragraphs.

   (2) In regulation 2—

      (a) in the definition of “extension” omit the “and” at the end of sub-paragraph (b) and at the end of sub-paragraph (c) insert “and” and thereafter add—

         “(d) an LNG licence, an extension of that licence under Article 8(2)(d) of the Order;”;

      (b) after the definition of a “gas supply licence” insert—

         “LNG licence” means a licence under Article 8(1)(d) of the Order;”.

   (3) In regulation 4—

      (a) at the end of paragraph (1) (c), for the full-stop substitute “;” and thereafter insert—

         “(d) an application for an LNG licence, or for an extension, shall be accompanied by the documents and other particulars specified in Part IV of Schedule 2.”;

      (b) in paragraph (2) for “and III” substitute “, III and IV”; and

      (c) for paragraph (3) substitute “(3) Where a modification of any standard condition is specified in accordance with paragraph 19 of Part I of Schedule 2, paragraph 14 of Part II of

(*) The Department of Economic Development was renamed the Department of Enterprise, Trade and Investment by Article 3(5) of the Departments (Northern Ireland) Order 1999 (S.I. 1999/283 (N.I. 1))


Schedule 2, paragraph 16 of Part III of Schedule 2 or paragraph 14 of Part IV of Schedule 2, the obligation imposed by paragraph (2)(a) shall be modified accordingly.”.

(4) In regulation 6(1)(b) omit the “and” at the end of sub-paragraph (ii) and at the end of sub-paragraph (iii) for the full-stop substitute “; and” and thereafter insert—
“(iv) in the case of an LNG licence in the area in which the LNG facility to which the licence relates is to be located.”.

(5) In regulation 7 after sub-paragraph (3) insert—
“(3A) The fee payable with an application for an LNG licence shall be £2000.”

(6) For Schedule 1 (Form of Application for a Gas Conveyance Licence, Gas Storage Licence or Gas Supply Licence) substitute the Schedule 1 set out in Schedule 1 to these Regulations.

(7) For Part I of Schedule 2 (Documents and other Particulars to accompany an Application for a Gas Conveyance Licence or Extension) substitute the Part I set out in Schedule 2 to these Regulations.

(8) For Part II of Schedule 2 (Documents and other Particulars to accompany an Application for a Gas Storage Licence or Extension) substitute the Part II set out in Schedule 3 to these Regulations.

(9) For Part III of Schedule 2 (Documents and other Particulars to accompany an Application for a Gas Supply Licence or Extension) substitute the Part III set out in Schedule 4 to these Regulations.

(10) After Part III of Schedule 2 insert the Part IV set out in Schedule 5 to these Regulations.

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on *** day of **** 2013.

A senior officer of the Department of Enterprise, Trade and Investment
### SCHEDULE 1

#### Form of Application for a Gas Conveyance Licence, Gas Storage Licence, Gas Supply Licence or LNG Licence

1. Full name of the applicant(s).

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2. Address of the applicant(s) or, in the case of a body corporate, the registered or principal office.

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3. Where the applicant is a partnership or other joint venture (other than a body corporate), the name and address of each party concerned.

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4. The name, address and telephone number of the person or persons to whom correspondence or enquiries concerning the application should be directed.

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5. The particular type of licence(s) sought, that is to say whether to convey gas and/or store gas and/or supply gas and/or operate an LNG facility, or an extension of any of these types of licence granted to the applicant at the time of this application.

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6. The date from which the licence or extension is desired to take effect.

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7. Status of the applicant, that is to say whether the applicant is a public limited company, private limited company, overseas company, other body corporate, partnership, unincorporated association, sole trader or other entity (and in the last case particulars of the legal status).

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8. If the applicant is a body corporate:—

(a) The jurisdiction under which it is incorporated.

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(b) If applicable, its registration number.

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(c) The full names and addresses of its current Directors (including any shadow director within the meaning of section 251 of the 2006 Act) or, where appropriate, the corresponding officers.

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(d) Where incorporated outside Northern Ireland the name, address and telephone number of a person or persons resident in Northern Ireland authorised to accept service of any notices or processes required to be served on the company.

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(e) The name and registered office of any holding company (within the meaning of section 1159 of the 2006 Act) of the applicant and the name and registered or principal office of any parent undertaking (within the meaning of section 1162 of the 2006 Act) of the applicant.

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9. If the applicant is neither a body corporate nor a sole trader, the name(s) and address(es) of the person or persons in whom effective control of the applicant rests.

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10. Where a holding of 20% or more of the shares (see Note 1) of an applicant is held by a body corporate or partnership or an unincorporated association carrying on a trade or business with or without a view to profit, the name(s) and address(es) of the holder(s) of such shares shall be provided specifying in each case the class of share held, the number of shares so held and the percentage of the aggregate number of shares of that class represented thereby.

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11. Details of any licences under the Order or the Electricity (Northern Ireland) Order 1992\(^{(a)}\) held, applied for (whether or not successfully) or intended to be applied for by the applicant (so far as is known to the applicant) by any person who is a related person in relation to the applicant(s). (See Note 2).

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12. Confirmation of statements by the applicant:

The applicant must have a senior officer indicate his or her confirmation of statements (a) to (g) below by **initialling** next to those statements and **signing** where indicated below. In relation to statement (c) only, if the senior officer is not able to confirm the statement then he or she need not initial this statement provided that the applicant provides a written description of the reasons why the senior officer cannot give such confirmation.

"I, acting as a duly authorised officer of the applicant hereby confirm that:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Confirmation</th>
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<tbody>
<tr>
<td>(a) the information provided in this application is true, accurate and complete.</td>
<td>Initial below</td>
</tr>
<tr>
<td>(b) the applicant has not breached any applicable legislation or regulations in preparing or making this application.</td>
<td>Initial below</td>
</tr>
<tr>
<td>(c) the applicant is not aware of any application to place it in liquidation, administration or receivership, or to commence any analogous process or proceeding in any jurisdiction, and that no such process has been commenced.</td>
<td>Initial below</td>
</tr>
<tr>
<td>(d) the applicant is acting as a principal in the licence application and not as an agent for any undisclosed person and the applicant has expressly authorised me to act on its behalf in completing this application.</td>
<td>Initial below:</td>
</tr>
</tbody>
</table>
(e) **For Gas Conveyance Licences Only**: the applicant hereby confirms that it has considered the implications of Directive 2009/73/EC and Articles 8B to 8L of the Order and understands that, if awarded the licence, it will be required to comply with the requirements set out therein so far as they relate to ownership unbundling, certification and designation.

(f) the applicant understands the obligations of a transmission system operator and/or distribution system operator; a gas storage operator; a gas supplier; or an LNG facility operator (as applicable) to comply with the conditions in the relevant licence.

(g) the applicant understands that knowingly or recklessly making a false, incomplete, or misleading statement in support of this application may lead to the grant of the licence being refused, and may result in criminal prosecution under Article 46 of the Order.”
13. In this schedule:-

“the 2006 Act” means the Companies Act 2006(b);
“senior officer” means the chairman, chief executive, other director or company secretary of the applicant.

Note 1
References to shares:—
(a) in relation to an applicant with a share capital, are to allotted shares;
(b) in relation to an applicant with capital but no share capital, are to rights to share in the capital of the applicant; and
(c) in relation to an applicant without capital, are to interests:—
   (i) conferring any rights to share in the profits or liability to contribute to the losses of the applicant; or
   (ii) giving rise to an obligation to contribute to the debts or expenses of the applicant in the event of a winding up.

Note 2
“Related person” means:—
(a) in relation to an applicant who is an undertaking within the meaning of section 1161 of the 2006 Act (“the principal undertaking”), a parent or subsidiary undertaking of the principal undertaking, or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning given by section 1162 of the 2006 Act; and
(b) in relation to any applicant (including such an undertaking) or connected person of the applicant with the meaning of Section 286 of the Taxation of Chargeable Gains Act 1992(c).

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(a) S.I. 1992 No. 231 (N.I. 1)
(b) 2006 c.46
(c) 1992 c.12
SCHEDULE 2

"SCHEDULE 2

Part I

Documents and other Particulars to accompany an Application for a Gas Conveyance Licence or Extension"

Financial information

1. If the applicant is a company copies of:–
   (a) the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
   (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) above relate, together with the appropriate auditors' reports;
   (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b) above.

2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:–
   (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
   (b) the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
   (c) such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).

3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts together with any auditors' reports, as indicate the financial state of affairs of the group in question:–
   (a) at the time of the application; and
   (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:–

(a) with an application made by the applicant in accordance with these Regulations; or
(b) subsequent to such an application in pursuance of a condition of the applicant's licence.

4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:–
   (a) at the time of the application; and
   (b) at the end of each of the three financial years preceding that time.
5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such particulars and documents as are provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

**Constitutional documents**

6. Where the applicant is a company:­
   
   (a) copies of its Memorandum and Articles of Association or other constitutional documents;
   
   (b) the names of its directors as at the date of the application; and
   
   (c) the names of its principal shareholders as at the date of the application.

7. Details of each parent undertaking, holding company and ultimate controller of the applicant, and full details of the position of the applicant within any group structure.

**Expertise of applicant**

8. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are incidental thereto.

9. A statement providing full details of the applicant’s experience in owning, developing or operating any network for the conveyance of gas.

10. Details of any licence or authorisation held by the applicant in a jurisdiction other than Northern Ireland which is equivalent to a licence under the Order or the Electricity (Northern Ireland) Order 1992.

**Proposed authorised area and pipeline system**

11. A statement as to the type of gas conveyance licence for which the applicant is applying, being:

   (a) a licence to convey gas through a high pressure system (greater than 7 bar);
   
   (b) a licence to convey gas through a lower pressure system (7 bar or below); or
   
   (c) a licence to convey gas through both high pressure and low pressure systems.

12. A map drawn to an appropriate scale showing:–

   (a) the area in which the applicant proposes to convey gas from one place to another (“the proposed area”);
   
   (b) the proposed configuration of the pipeline system the applicant would use for that purpose if the application were granted; and
   
   (c) any pipes used or to be used by the applicant wholly or mainly for the purpose of conveying gas to the proposed area if the application were granted.

13. A list of the district councils in whose area the proposed area lies.

**Development plan**

14. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension, if the application were granted, including estimates, for each year of the period required to complete the development, of:–

   (a) the length(s) (in kilometres), diameter(s) and design operating pressure(s) of the pipelines to be used for the authorised activities;
(b) the number of premises which may be connected to the pipeline system;
(c) the amount of gas, in therms, expected to be conveyed, separately identifying any amount to be conveyed to domestic premises;
(d) the total revenue from the authorised activities;
(e) the total capital costs of the authorised activities, showing separately such costs in relation to procuring and laying pipe-lines, providing and installing meters, procuring and installing other operational plant and machinery, and overhead and administrative requirements (in all cases excluding finance charges);
(f) the total operating costs of the authorised activities, showing separately such costs in relation to fuel (including gas purchases), staff costs, rent and rates, development costs and insurance; and
(g) net annual cashflow,
and stating, where appropriate, the assumptions underlying the figures provided.

System security standards
15. Particulars of the proposed system security standards for the pipeline network.

Safety requirements
16. Such particulars as will indicate whether any pipeline system through which the applicant would be authorised to convey gas if the application or extension were granted would be operated safely.
17. Particulars of the applicant's proposed arrangements to secure the performance of any obligations in relation to escapes of gas imposed on him by Schedule 5 to the Order.

Exclusive authority
18. Any exclusive authority to convey gas sought and justification for the conferral of such authority.

Standard conditions
19. Any modification requested to any of the standard conditions for a gas conveyance licence and the grounds on which the applicant believes that any such modification:
   (a) is requisite to meet the circumstances of a particular case; and
   (b) is such that no other holder of such a licence would be unduly disadvantaged by the making of the modification.
20. Particulars of the applicant's proposed arrangements for compliance with those standard conditions for a gas conveyance licence which are identified for this purpose.

Ownership unbundling
21. One of the following:-
   (a) a statement identifying any reason of which the applicant is aware why it would be unable to satisfy the ownership unbundling requirement set out at Article 8G of the Order; or
   (b) a statement signed by a senior officer of the applicant confirming that there is no such reason of which the applicant is aware.
Fit and proper person

22. One of the following:-
   (a) full particulars of all actual, pending or threatened regulatory enforcement actions that have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraphs 6(b) or (c) (‘relevant individuals’); or
   (b) a statement signed by a senior officer of the applicant confirming that there is no such actual, pending or threatened regulatory enforcement action.

23. One of the following:-
   (a) full particulars of all criminal convictions of the applicant or any relevant individuals, other than convictions for minor road traffic offences or in respect of which the applicant has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978; or
   (b) a statement signed by a senior officer of the applicant confirming that there are no such convictions.

24. One of the following:-
   (a) full particulars of all cautions given, prosecutions brought or threatened or any other action taken by a competent authority, within the six years prior to the date of the application, in relation to any actual or alleged contravention by the applicant or any relevant individuals of environmental (including town and country planning) legislation; or
   (b) a statement signed by a senior officer of the applicant confirming that there have been no such actions.

25. One of the following:-
   (a) full particulars of every application made by the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been refused; or
   (b) a statement signed by a senior officer of the applicant confirming that there have been no such refusals.

26. One of the following:-
   (a) full particulars of every licence held by the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been revoked or threatened to be revoked; or
   (b) a statement signed by a senior officer of the applicant confirming that there has been no such revocation or threat of revocation.

Interpretation

27. In this schedule:–
   “the 2006 Act” means the Companies Act 2006;
   “annual accounts” has the meaning given by section 471 of the 2006 Act;
   “auditors' report” means a report prepared under section 495 of the 2006 Act;
   “company” has the meaning given by section 1 of the 2006 Act;
   “competent authority” means any minister, ministry, department, agency, authority, official or statutory office holder;
   “domestic premises” means premises to which gas is conveyed at a rate which is
reasonably expected not to exceed 2,500 therms a year;
“group” has the meaning given by section 474(1) of the 2006 Act;
“group accounts” means such accounts as are required to be prepared by section 399 of the 2006 Act;
“holding company” has the meaning given by section 1159 of the 2006 Act;
“parent undertaking” and “subsidiary undertaking” have the meanings given by section 1162 of the 2006 Act;
“senior officer” means the chairman, chief executive, other director or company secretary of the applicant.
“ultimate controller” means, in respect of the applicant:-
(a) any holding company of the Licensee, which is not itself a subsidiary of another company;
and/or
(b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the applicant, or any holding company of the applicant, by virtue of:
(i) rights under contractual arrangements to which he is a party or of which he is a beneficiary;
(ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary,
(and for these purposes a person shall be considered to be connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in (i) and/or (ii) above),
but shall exclude any director or employee of a corporate body in his capacity as such and any minister, ministry, department, agency, authority, official or statutory person.
SCHEDULE 3

“SCHEDULE 2

Part II

Documents and other particulars to accompany an application for a Gas Storage Licence or Extension (see Note)

Financial information

1. If the applicant is a company copies of:—
   (a) the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
   (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) relate, together with the appropriate auditors' reports;
   (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b).

2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:—
   (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
   (b) the group accounts in respect of that group for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
   (c) such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).

3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts, together with any auditors' reports, as indicate the financial state of affairs of the group in question:—
   (a) at the time of the application; and
   (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:—

(a) with an application made by the applicant in accordance with these Regulations; or
(b) subsequent to such an application in pursuance of a condition of the applicant’s licence.
4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:—

   (a) at the time of the application; and

   (b) at the end of each of the three financial years preceding that time.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such information and documents as is provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

Constitutional documents

6. Where the applicant is a company:­

   (a) copies of its Memorandum and Articles of Association or other constitutional documents;

   (b) the names of its directors as at the date of the application; and

   (c) the names of its principal shareholders as at the date of the application.

7. Details of each parent undertaking, holding company and ultimate controller of the applicant, and full details of the position of the applicant within any group structure.

Expertise of applicant

8. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are reasonably incidental thereto.

9. A statement providing full details of the applicant’s experience in owning, developing or operating any facility for the storage of gas.

10. Details of any licence or authorisation held by the applicant in a jurisdiction other than Northern Ireland which is equivalent to a licence under the Order or the Electricity (Northern Ireland) Order 1992.

Proposed location of storage facility

11. A map drawn to an appropriate scale showing the proposed location of the gas storage facility to which the application relates.

Development plan

12. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension if the application were granted, including details of:­—

   (a) the type, design and capacity of the storage facility intended;
(b) the intended regime for acceptance of gas for storage and export of gas to gas networks;
(c) any intended arrangements for connection of the storage facility with any gas networks;
(d) estimated total revenue from the authorised activities in each of the first 10 years of operation of the storage facility;
(e) estimated total capital costs of the storage facility;
(f) estimated total operating costs of the authorised activities in each of the first 10 years of operation of the storage facility, showing separately such costs in relation to fuel (including gas purchases), staff costs, rent and rates, development costs and insurance; and
(g) net annual cashflow,

and stating, where appropriate, the assumptions underlying the figures provided.

Safety requirements

13. Such particulars as will indicate whether any gas storage facility in which the applicant was authorised to store gas if the application were granted would be operated safely.

Standard conditions

14. Any modification requested to any of the standard conditions for a gas storage licence and the grounds on which the applicant believes that any such modification:—

(a) is requisite to meet the circumstances of a particular case; and

(b) is such that no other holder of such a licence would be unduly disadvantaged if the modification were made.

15. Particulars of the applicants proposed arrangements for compliance with those standard conditions for a gas storage licence which are identified for this purpose.

Independence of Legal Form, Organisation and Decision-making

16. Where an applicant forms part of a vertically integrated undertaking, one of the following:-

(a) a statement identifying any reason of which the applicant is aware why it would be unable to satisfy the independence of legal form, organisation and decision-making requirement set out at Article 10A(8)(c) of the Order; or

(b) a statement signed by a senior officer of the applicant confirming that there is no such reason of which the applicant is aware.

Fit and proper person

17. One of the following:-

(a) full particulars of all actual, pending or threatened regulatory enforcement actions that have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraphs 6(b) or (c) (‘relevant individuals’); or

(b) a statement signed by a senior officer of the applicant confirming that there is no such actual, pending or threatened regulatory enforcement action.

18. One of the following:-

(a) full particulars of all criminal convictions of the applicant or any relevant individuals, other than convictions for minor road traffic offences or in respect of
which the applicant has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978; or

(b) a statement signed by a senior officer of the applicant confirming that there are no such convictions.

19. One of the following:

(a) full particulars of all cautions given, prosecutions brought or threatened or any other action taken by a competent authority, within the six years prior to the date of the application, in relation to any actual or alleged contravention by the applicant or any relevant individuals of environmental (including town and country planning) legislation; or

(b) a statement signed by a senior officer of the applicant confirming that there have been no such actions.

20. One of the following:

(a) full particulars of every application made by the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been refused; or

(b) a statement signed by a senior officer of the applicant confirming that there have been no such refusals.

21. One of the following:

(a) full particulars of every licence held by the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been revoked or threatened to be revoked; or

(b) a statement signed by a senior officer of the applicant confirming that there has been no such revocation or threat of revocation.

Interpretation

22. In this schedule:—

“the 2006 Act” means the Companies Act 2006;

“annual accounts” has the meaning given by section 471 of the 2006 Act;

“auditors’ report” means a report prepared under section 495 of the 2006 Act;

“company” has the meaning given by section 1 of the 2006 Act;

“competent authority” means any minister, ministry, department, agency, authority, official or statutory office holder;

“group” has the meaning given by section 474(1) of the 2006 Act;

“group accounts” means such accounts as are required to be prepared by section 399 of the 2006 Act;

“holding company” has the meaning given by section 1159 of the 2006 Act;

“parent undertaking” and “subsidiary undertaking” have the meanings given by section 1162 of the 2006 Act;

“senior officer” means the chairman, chief executive, other director or company
secretary of the applicant.

“ultimate controller” means, in respect of the applicant:-
(a) any holding company of the Licensee, which is not itself a subsidiary of another company;
    and/or
(b) any person who (whether alone or with a person or persons connected with him) is in
    a position to control, or to exercise significant influence over, the policy of the
    applicant, or any holding company of the applicant, by virtue of:
    (i) rights under contractual arrangements to which he is a party or of which he is a
        beneficiary;
    (ii) rights of ownership (including rights attached to or deriving from securities or
         rights under a trust) which are held by him or of which he is a beneficiary,
         (and for these purposes a person shall be considered to be connected with another
         person if they are party to any arrangement regarding the exercise of any such
         rights as are described in (i) and/or (ii) above),
but shall exclude any director or employee of a corporate body in his capacity as such
and any minister, ministry, department, agency, authority, official or statutory person.
SCHEDULE 4

“SCHEDULE 2

Part III

Documents and other particulars to accompany an application for a Gas Supply Licence or Extension (see Note)

Financial information

1. If the applicant is a company copies of:—

   (a) the most recent annual accounts of the applicant in respect of which an auditors’ report has been prepared, together with that report;

   (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) relate, together with the appropriate auditors’ reports;

   (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b).

2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:—

   (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors’ report has been prepared, together with that report;

   (b) the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors’ reports; and

   (c) such interim accounts for the group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).

3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts together with any auditors’ reports, as indicate the financial state of affairs of the group in question:—

   (a) at the time of the application; and

   (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 6 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:—
(a) with an application made by the applicant in accordance with these Regulations; or

(b) subsequent to such an application in pursuance of a condition of the applicant’s licence.

4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:—

(a) at the time of the application; and

(b) at the end of each of the three financial years preceding that time.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such information and documents as is provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

Constitutional documents

6. Where the applicant is a company:­

(a) copies of its Memorandum and Articles of Association or other constitutional documents.

(b) the names of its directors as at the date of the application; and

(c) the names of its principal shareholders as at the date of the application.

7. Details of each parent undertaking, holding company and ultimate controller of the applicant, and full details of the position of the applicant within any group structure.

Description of consumers to be supplied

8. Where the applicant proposes to supply gas to premises in a particular area or in an area of a particular description, such particulars as are necessary so that the area can be adequately and readily identified, whether by reference to an accompanying map drawn to an appropriate scale or some generally accepted description such as the name of a townland(s).

9. Where the applicant proposes to supply gas to a particular class or description of premises such particulars as are necessary so that the relevant class or description of the premises can be adequately and readily identified.

10. Where the applicant proposes to supply gas to particular premises:—

(a) the location of each of the premises in question, whether by name of the customer and postal address, by reference to an accompanying map drawn to an appropriate scale, or otherwise; and

(b) the nature of each of the premises and the purpose for which they are used.

11. Where the applicant proposes to supply gas on, within or from the network otherwise than to premises, details of its intended supply business.
Development plan

12. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension, if the application were granted, including estimates for each of the first 5 years of:—

(a) the amount of gas, in therms, expected to be supplied, separately identifying any amount to be supplied to domestic premises;

(b) the total revenue from the authorised activities;

(c) the total capital costs of the authorised activities;

(d) the total operating costs of the authorised activities, showing separately such costs in relation to trading gas (including gas purchases and conveyance charges), staff costs, (rent and rates and marketing costs and insurance); and

(e) net annual cashflow,

and stating, where appropriate, the assumptions underlying the figures provided.

Acquisition and conveyance of gas

13. Particulars of the person or persons from whom the applicant intends to acquire the gas which he will supply, and particulars of the arrangements made for the conveyance of that gas.

Security and continuity of supply

14. A description of the applicant’s proposed arrangements for ensuring security and continuity of supply for customers.

Exclusive authority

15. Any exclusive authority to supply gas sought and the justification for the conferral of such authority.

Standard conditions

16. Any modification requested to any of the standard conditions for a gas supply licence and the grounds on which the applicant believes that any such modification:—

(a) is requisite to meet the circumstances of a particular case; and

(b) is such that no other holder of such a licence would be unduly disadvantaged in competing if such a modification were made.

17. Particulars of the applicant’s proposed arrangements for compliance with those standard conditions for a gas supply licence which are identified for this purpose.

Directions under the Energy Act 1976(4)

18. Details of the terms relating to pipeline system emergencies and directions under section 2(1)(b) of the Energy Act 1976 which the applicant proposes to include in contracts for the supply of gas in accordance with a standard condition for a gas supply licence.
Fit and proper person

19. One of the following:-
   (a) full particulars of all actual, pending or threatened regulatory enforcement actions that have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraphs 6(b) or (c) (‘relevant individuals’); or
   (b) a statement signed by a senior officer of the applicant confirming that there is no such actual, pending or threatened regulatory enforcement action.

20. One of the following:-
   (a) full particulars of all criminal convictions of the applicant or any relevant individuals, other than convictions for minor road traffic offences or in respect of which the applicant has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978; or
   (b) a statement signed by a senior officer of the applicant confirming that there are no such convictions.

21. One of the following:-
   (a) full particulars of all cautions given, prosecutions brought or threatened or any other action taken by a competent authority, within the six years prior to the date of the application, in relation to any actual or alleged contravention by the applicant or any relevant individuals of environmental (including town and country planning) legislation; or
   (b) a statement signed by a senior officer of the applicant confirming that there have been no such actions.

22. One of the following:-
   (a) full particulars of every application made by the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been refused; or
   (b) a statement signed by a senior officer of the applicant confirming that there have been no such refusals.

23. One of the following:-
   (a) full particulars of every licence held by the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been revoked or threatened to be revoked; or
   (b) a statement signed by a senior officer of the applicant confirming that there has been no such revocation or threat of revocation.

Interpretation

24. In this schedule:—

   “the 2006 Act” means the Companies Act 2006;
   “annual accounts” has the meaning given by section 471 of the 2006 Act;
   “auditors' report” means a report prepared under section 495 of the 2006 Act;
   “company” has the meaning given by section 1 of the 2006 Act;
   “competent authority” means any minister, ministry, department, agency, authority, official or statutory office holder;
“domestic premises” means premises to which gas is conveyed at a rate which is reasonably expected not to exceed 2,500 therms a year;
“group” has the meaning given by section 474(1) of the 2006 Act;
“group accounts” means such accounts as are required to be prepared by section 399 of the 2006 Act;
“holding company” has the meaning given by section 1159 of the 2006 Act;
“parent undertaking” and “subsidiary undertaking” have the meanings given by section 1162 of the 2006 Act;
“senior officer” means the chairman, chief executive, other director or company secretary of the applicant.
“ultimate controller” means, in respect of the applicant:
(a) any holding company of the Licensee, which is not itself a subsidiary of another company;
and/or
(b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the applicant, or any holding company of the applicant, by virtue of:
(i) rights under contractual arrangements to which he is a party or of which he is a beneficiary;
(ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary,
(and for these purposes a person shall be considered to be connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in (i) and/or (ii) above),
but shall exclude any director or employee of a corporate body in his capacity as such and any minister, ministry, department, agency, authority, official or statutory person.
Documents and other particulars to accompany an application for an LNG licence or Extension

Financial information

1. If the applicant is a company copies of:—
   (a) the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
   (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) relate, together with the appropriate auditors' reports;
   (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b).

2. In addition to the documents specified at paragraph 1, if the applicant is a subsidiary undertaking, copies of:—
   (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
   (b) the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
   (c) such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).

3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts, together with any auditors' reports, as indicate the financial state of affairs of the group in question:—
   (a) at the time of the application; and
   (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:—

   (a) with an application made by the applicant in accordance with these Regulations; or
   (b) subsequent to such an application in pursuance of a condition of the applicant’s licence.
4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:—
   (a) at the time of the application; and
   (b) at the end of each of the three financial years preceding that time.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such information and documents as is provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

**Constitutional documents**

6. Where the applicant is a company:­
   (a) copies of its Memorandum and Articles of Association or other constitutional documents;
   (b) the names of its directors as at the date of the application; and
   (c) the names of its principal shareholders as at the date of the application.

7. Details of each parent undertaking, holding company and ultimate controller of the applicant, and full details of the position of the applicant within any group structure.

**Expertise of applicant**

8. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are reasonably incidental thereto.

9. A statement providing full details of the applicant’s experience in owning, developing or operating an LNG facility.

10. Details of any licence or authorisation held by the applicant in a jurisdiction other than Northern Ireland which is equivalent to a licence under the Order or the Electricity (Northern Ireland) Order 1992.

**Proposed location of LNG facility**

11. A map drawn to an appropriate scale showing the proposed location of the LNG facility to which the application relates.

**Development plan**

12. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension if the application were granted, including details of:—
   (a) the type, design and capacity of the LNG facility intended;
   (b) the intended regime for acceptance of natural gas for liquefaction/re-gasification and export of gas to gas networks;
   (c) any intended arrangements for connection of the LNG facility with any gas networks;
   (d) estimated total revenue from the authorised activities in each of the first 10 years of operation of the LNG facility;
(e) estimated total capital costs of the LNG facility;
(f) estimated total operating costs of the authorised activities in each of the first 10 years of operation of the LNG facility, showing separately such costs in relation to fuel (including gas purchases), staff costs, rent and rates, development costs and insurance; and
(g) net annual cashflow,

and stating, where appropriate, the assumptions underlying the figures provided.

Safety requirements

13. Such particulars as will indicate whether any LNG facility in which the applicant was authorised to process LNG if the application were granted would be operated safely.

Standard conditions

14. Any modification requested to any of the standard conditions for an LNG licence and the grounds on which the applicant believes that any such modification:—

(a) is requisite to meet the circumstances of a particular case; and
(b) is such that no other holder of such a licence would be unduly disadvantaged if the modification were made.

15. Particulars of the applicants proposed arrangements for compliance with those standard conditions for an LNG licence which are identified for this purpose.

Fit and proper person

16. One of the following:—

(a) full particulars of all actual, pending or threatened regulatory enforcement actions that have been, are being, or are proposed to be taken by any competent authority against the applicant or any individuals listed in accordance with paragraphs 6(b) or (c) (‘relevant individuals’); or

(b) a statement signed by a senior officer of the applicant confirming that there is no such actual, pending or threatened regulatory enforcement action.

17. One of the following:—

(a) full particulars of all criminal convictions of the applicant or any relevant individuals, other than convictions for minor road traffic offences or in respect of which the applicant has become rehabilitated under the Rehabilitation of Offenders (Northern Ireland) Order 1978; or

(b) a statement signed by a senior officer of the applicant confirming that there are no such convictions.

18. One of the following:—

(a) full particulars of all cautions given, prosecutions brought or threatened or any other action taken by a competent authority, within the six years prior to the date of the application, in relation to any actual or alleged contravention by the applicant or any relevant individuals of environmental (including town and country planning) legislation; or

(b) a statement signed by a senior officer of the applicant confirming that there have been no such actions.

19. One of the following:—
(a) full particulars of every application made by the applicant for a licence under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been refused; or

(b) a statement signed by a senior officer of the applicant confirming that there have been no such refusals.

20. One of the following:

(a) full particulars of every licence held by the applicant under the Order or the Electricity (Northern Ireland) Order 1992, or any equivalent form of licence or authorisation in a jurisdiction other than Northern Ireland, which has been revoked or threatened to be revoked; or

(b) a statement signed by a senior officer of the applicant confirming that there has been no such revocation or threat of revocation.

Interpretation

21. In this schedule:—

“the 2006 Act” means the Companies Act 2006;*

“annual accounts” has the meaning given by section 471 of the 2006 Act;

“auditors' report” means a report prepared under section 495 of the 2006 Act;

“company” has the meaning given by section 1 of the 2006 Act;

“competent authority” means any minister, ministry, department, agency, authority, official or statutory office holder;

“group” has the meaning given by section 474(1) of the 2006 Act;

“group accounts” means such accounts as are required to be prepared by section 399 of the 2006 Act;

“holding company” has the meaning given by section 1159 of the 2006 Act;

“parent undertaking” and “subsidiary undertaking” have the meanings given by section 1162 of the 2006 Act;

“senior officer” means the chairman, chief executive, other director or company secretary of the applicant.

“ultimate controller” means, in respect of the applicant:—

(a) any holding company of the Licensee, which is not itself a subsidiary of another company; and/or

(b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the applicant, or any holding company of the applicant, by virtue of:

(i) rights under contractual arrangements to which he is a party or of which he is a beneficiary;

(ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary, (and for these purposes a person shall be considered to be connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in (i) and/or (ii) above),

(*) 2006 c.46
but shall exclude any director or employee of a corporate body in his capacity as such
and any minister, ministry, department, agency, authority, official or statutory person.
EXPLANATORY NOTE
(This note is not part of the Regulations)

These Regulations amend the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996.

The Regulations provide for—

(i) insertion of references, where appropriate, to arrangements for applying for the newly created LNG licence;

(ii) an update of forms for applying for a gas conveyance, gas storage or gas supply licence and inclusion of a new form for applying for an LNG licence; and

(iii) an update of Schedule 2 Parts I to III of the principal Regulations which list ‘Documents and other Particulars’ to accompany an application for a gas conveyance, gas storage or gas supply licence respectively and inclusion of a new Part IV into Schedule 2 listing ‘Documents and other Particulars to accompany an Application for an LNG Licence’.
Annex B

Draft

CRITERIA FOR GAS LICENCE APPLICATIONS AND APPLICATIONS FOR CONSENT TO CONSTRUCT
MAJOR PIPE-LINES, GAS STORAGE OR LNG FACILITIES

1 INTRODUCTION

1.1 This document sets out the criteria which the Northern Ireland Authority for Utility Regulation (the Authority) will apply when deciding whether to grant:

(i) a licence authorising the conveyance, storage or supply of natural gas, or the operation of a Liquefied Natural Gas (LNG) facility;

(ii) an extension of any licence which has already been granted;

(iii) a consent to the construction of a major pipe-line or gas storage facility or to an increase in the capacity of such a pipeline or facility.

The document also sets out the criteria which the Department of Enterprise, Trade and Investment (the Department) will apply in deciding whether to grant consent for construction of an LNG facility, or which the Authority will apply in response to an application for an increase in the capacity of such a facility.

1.2 An application for any such licence, extension or consent must be made to the Authority in accordance with any requirements as to the form and content of that application. Information as to the appropriate requirements can be obtained from the Authority. Note: The Department will deal with all aspects of applications for consent to construct an LNG facility but procedures will be similar to those outlined below for all other licences/consents which are granted by the Authority.

Relevant Legal Instruments

1.3 This document should be read in accordance with the following legal instruments (as they may be amended from time to time):

(a) the Gas (Northern Ireland) Order 1996 (the Gas Order);

(b) the Energy (Northern Ireland) Order 2003 (the Energy Order);

(c) Directive 2009/73/EC concerning common rules for the internal market in natural gas (the Gas Directive);

(d) Regulation (EC) No. 715 of the European Parliament and the Council on conditions for access to the natural gas transmission networks (the Gas Regulation);

(e) the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 (the Application Regulations);

(f) the standard conditions of licences for the conveyance, storage and supply of natural gas or for operating an LNG facility (the Standard Licence Conditions).

1.4 Copies of Northern Ireland legislation can be obtained at www.legislation.gov.uk and a copy of the Gas Directive can be obtained at http://eur-lex.europa.eu. The Standard Licence Conditions can be obtained on request from the Authority.
The Criteria

1.5 The criteria set out in this document provide an objective and non-discriminatory basis on which the Authority may assess an application for the grant of a licence, extension or consent.

1.6 Many of the criteria require the exercise of judgment by the Authority. Where this is the case, the Authority will exercise that judgment in the light of:

(a) the information and evidence provided to it by the applicant;

(b) the representations received in response to any consultation carried out by the Authority or by the applicant (whether in accordance with a statutory requirement to do so, or otherwise); and

(c) its principal objective and general duties under Article 14 of the Energy Order.

The Responsibility of the Applicant

1.7 Since the Authority will need to rely on information provided by the applicant when assessing any application, it is important that the information provided by the applicant (together with supporting evidence where appropriate) is clear and provided promptly.

1.8 It is a criminal offence under Article 46 of the Gas Order to make any statement for the purpose of an application which is known to be false, or recklessly to make a statement which is in fact false, in a material particular.

EU Third Energy Package

1.9 All applications for a gas conveyance, gas storage, gas supply or LNG licence must comply with the requirements of the EU Third Energy Package, particularly the Gas Directive and the Gas Regulation. For example, based on the Directive’s requirements in relation to ownership unbundling:

(a) The Authority will not issue a conveyance licence for the transportation of natural gas through a high pressure (greater than 7 bar) system to any applicant (or any subsidiary of the applicant) which also holds a supply licence (see Article 9 of the Gas Directive).

(b) The Authority will not issue a licence for the conveyance of natural gas through a lower pressure (7 bar or below) system to an applicant which already holds a supply licence unless the applicant distributes gas through one or more pipeline systems to which there are less than 100,000 premises connected (see Article 26 of the Gas Directive).

1.10 In compliance with Article 4(2) of the Gas Directive, when considering licence applications, the Authority will also wish to take into account, where appropriate, the importance of any given project for the internal market in natural gas. Therefore, applicants should make clear how, if at all, the developments they are proposing will be involved in the supply of gas across boundaries between EU Member States and will contribute to the development of a competitive EU-wide gas market as envisaged by the Gas Directive.

This Document

1.11 This document is published in accordance with Articles 4(2) and 38(2) of the Gas Directive, and Article 8(7B) of the Gas Order.

1.12 In this document:

(a) unless the context requires otherwise, words and expressions shall be taken to have the same meanings as in the Gas Order, Energy Order and Gas Directive;

(b) any reference to an ‘application’ is to an application for a licence, extension or consent (as the context requires);

(c) any reference to an ‘applicant’ is to the natural or legal person making an application, or to the person on whose behalf it is made.
1.13 The rest of this document is structured as follows –

- **Section 2** sets out general criteria that are relevant to all applications for a licence or an extension of a licence;
- **Section 3** sets out the specific criteria that are relevant to applications for an exclusive gas conveyance licence;
- **Section 4** sets out the criteria that are relevant to applications for consents to the construction (or increase in capacity) of major pipe-lines, gas storage or LNG facilities.

**Contact Details**

1.14 Any person with questions about the content of this document may contact the Authority on 028 903 115 75 or by email at info@uregni.gov.uk, or the Department on 028 9052 9398 or by e-mail at energy@detini.gov.uk.
2 CRITERIA RELEVANT TO ALL APPLICATIONS FOR THE GRANT OF A LICENCE OR EXTENSION TO A LICENCE

2.1 This section sets out the criteria that will be applied by the Authority in assessing applications for licences authorising the conveyance, storage or supply of natural gas, or the operation of an LNG facility, or for extensions to any such licences.

2.2 In addition to meeting the general criteria set out in this section, applicants who are applying for an exclusive gas conveyance licence to be granted in accordance with Article 9 of the Gas Order must meet the criteria set out in Section 3.

The General Criteria

2.3 An applicant must meet each of the following criteria.

Information

2.4 An applicant must, prior to the Authority determining whether or not to grant the licence (or extension of licence) that is the subject of the application, have:

(a) provided the Authority with all information (including documentary or other supporting evidence) that the Authority may require for the purposes of considering the application; and

(b) have done so by such times and in such a manner as the Authority may specify.

Constitution

2.5 An applicant must, unless the applicant is a private individual, demonstrate that it:

(a) is properly constituted in accordance with the law; and

(b) holds all registrations, authorisations or approvals required to be held by an entity of its type.

Fit and Proper Person

2.6 An applicant must demonstrate to the satisfaction of the Authority that it is a fit and proper person to be granted a licence or extension of licence, having regard in particular to:

(a) any criminal convictions held by it;

(b) any prior finding of a court, regulatory or government body that it has been in breach of any law or regulation applying to it;

(c) any instance of insolvency or corporate restructuring to which it has been subject;

(d) whether the potential licensee is subject to a recovery order in respect of any illegal State aid; and

(e) whether any person who has, either directly or indirectly, a controlling interest in the applicant would, if he/she/it had been the applicant, be able to demonstrate to the reasonable satisfaction of the Authority that he/she/it is a fit and proper person to be granted a licence or extension of licence.
Adequate Resources

2.7 An applicant must demonstrate to the satisfaction of the Authority that it has in place at the time of the application, or is making appropriate arrangements to ensure that it would have in place by such time as it would commence regulated activities under the licence:

(a) the systems and apparatus;

(b) the human and other resources; and

(c) the financial resources and facilities,

that are likely to be sufficient for it to be able to comply with the Standard Licence Conditions applicable to that licence, together with such other conditions as the Authority indicates that it would propose to include in the licence if it (or the extension to it) were granted.
3 CRITERIA RELEVANT TO AN APPLICATION FOR THE GRANT OF AN EXCLUSIVE GAS CONVEYANCE LICENCE

3.1 This section sets out the criteria that will be applied by the Authority in assessing applications for an exclusive gas conveyance licence to be granted in accordance with Article 9 of the Gas Order in respect of a specified authorised area.

3.2 These criteria are without prejudice, and apply in addition, to those set out in Section 2.

Specific Criteria

3.3 An applicant must meet:

(a) the criterion at paragraph 3.4 (Financial Resources and Standing); and

(b) where more than one applicant makes an application for the same exclusive licence at approximately the same time, the criterion at paragraph 3.7 (Best Value).

Financial Resources and Standing

3.4 An applicant must demonstrate that it has the resources and financial standing to undertake the activities which would be the subject of obligations set out in any conditions (including the Standard Licence Conditions) which the Authority indicates it would propose to include in the licence if it were granted.

3.5 An applicant is to be treated as having met this criterion if it demonstrates to the satisfaction of the Authority that it:

(a) has access to financial resources at least equal to 120% of the amount of capital that is specified by the Authority as the minimum amount that is required, in the Authority’s opinion, to be available to the holder of the licence; and

(b) to the extent that those financial resources consist of any category of finance referred to in paragraph 3.6, complies with the requirements of that paragraph.

3.6 The requirements of this paragraph are that, to the extent that the applicant’s financial resources consist of:

(a) corporate finance, the applicant has net assets at least equal to 100% of the amount of that corporate finance;

(b) debt finance, the applicant has within the previous five years –

(i) raised debt finance; or

(ii) invested in an infrastructure business with debt finance; or

(iii) obtained letter(s) of comfort from any financial institution(s) holding at least an Grade A credit rating which states their willingness to provide debt finance, at least equal to 100% of the amount of that debt finance;

(c) equity finance, the applicant has within the previous five years –

(i) held net assets;

(ii) raised equity finance; or

(iii) obtained letter(s) of comfort from any acceptable entity or entities holding at least an Investment Grade credit rating which states their willingness to provide equity finance, at least equal to 100% of the amount of that equity finance.
Best Value

3.7 An applicant must have made the application which represents best value for gas consumers in Northern Ireland.

3.8 For the purposes of this criterion, each application shall be awarded marks by the Authority in accordance with paragraph 3.9, and an application shall be deemed to represent best value for gas consumers in Northern Ireland where the applicant which made that application(s) falls within Scenario A, B or C below.

(a) **Scenario A:** An applicant falls within Scenario A where –
   
   (i) the Authority has indicated its intention to grant more than one exclusive gas conveyance licence in respect of the same authorised area, but in relation to different descriptions of conveyance activity;
   
   (ii) the applicant made an application in respect of all such licences;
   
   (iii) excepting the Best Value criterion at paragraph 3.7, the applicant meets all of the criteria in respect of each licence; and
   
   (iv) the sum of the marks awarded to the applicant in accordance with paragraph 3.9 in respect of all such applications is higher than the sum of the marks awarded in accordance with that paragraph to any other individual applicant or combination of applicants, including where the applicant has indicated that it wishes its applications to be considered separately, in respect of their applications for those licences.

(b) **Scenario B:** An applicant falls within Scenario B where –
   
   (i) no applicant falls within Scenario A; and
   
   (ii) the applicant obtained a higher number of marks than any other applicant.

(c) **Scenario C:** An applicant falls within Scenario C where –
   
   (i) no applicant falls within Scenario A;
   
   (ii) an applicant which falls within Scenario B withdraws its application before the licence has been granted to it by the Authority; and
   
   (iii) the applicant obtained the second highest number of marks of any applicant.

(d) **Scenario D:** An applicant falls within Scenario D where there are no applications for a particular conveyance (transmission or distribution) licence. In this scenario, no licences can be awarded as part of the same competition.

3.9 The number of marks obtained by each application shall be calculated as follows:

(a) the Authority shall specify a maximum number of marks available to be obtained by any application;

(b) those marks shall be distributed in the following proportions –
   
   (i) paragraph 3.10 (Applicant Determined Costs), 50%;
   
   (ii) paragraph 3.11 (Operational Business Plan), 40%;
   
   (iii) paragraph 3.12 (Innovation and Technology Transfer), 10%;

(c) each applicant shall be awarded a number of marks for each of paragraphs 3.10 to 3.12 which is determined by the Authority as being, in its opinion, the appropriate number of marks attributable to the applicant in respect of that paragraph; and
(d) the marks awarded to each applicant in respect of paragraphs 3.10 to 3.12 shall be aggregated to establish the total number of marks obtained by that applicant.

**Applicant Determined Costs**

3.10 The Applicant Determined Costs for each applicant shall be the costs assessed in net present value and calculated in accordance with a Data Input Workbook provided by the Authority to the applicant and completed by that applicant, and the marks attributable to those costs shall be such that:

(a) the applicant whose costs are lower than those of any other applicant shall be allocated the maximum available number of marks;

(b) for each other applicant, the number of marks to be allocated are –

(i) the maximum available number of marks, less

(ii) 1% of those marks in respect of any fraction of a percentage point by which its costs exceed those of the applicant with the lowest costs, and less

(iii) an additional 5% of those marks in respect of each further full percentage point by which its costs exceed those of the applicant with the lowest costs,

and if the costs of any applicant are 20% or more above the costs of the applicant with the lowest costs, it is to be allocated zero marks.

**Operational Business Plan**

3.11 The marks attributable for each applicant in respect of the Operational Business Plan shall be those which the Authority considers appropriate in accordance with the Operational Business Plan template provided by the Authority to the applicant and completed by that applicant, with regard in particular to:

(a) the applicant’s statement of how it will undertake the activities which would be the subject of obligations set out in the conditions which the Authority indicates it would propose to include in the licence if it were granted, including –

(i) its proposals as to engagement with key stakeholders;

(ii) the skills and experience of its key members of staff;

(iii) its identification and proposals as to the management of risk;

(iv) its proposals as to the use of tendering arrangements; and

(b) the applicant’s description of how the data that is supplied in its completed Data Input Workbook was derived, including –

(i) the completeness with which it has described the derivation of that data;

(ii) its identification and application of cost drivers;

(iii) the robustness of any assumptions made by it;

(iv) its use of evidence that is verifiable from its previous experience;

(v) its identification and quantification of risk; and

(vi) its efficiency improvement plan; and
(c) any other aspect of the Operational Business Plan which the Authority considers relevant. This would include marks for proposals in respect of high pressure gas pipelines (greater than 7 bar) and/or lower pressure gas pipelines (7 bar or less) as follows:

**Building and Operating a High Pressure Gas Network (greater than 7 bar)**

The marks attributable to each applicant in respect of Building and Operating a High Pressure Network shall be those which the Authority considers appropriate in accordance with the information provided to the Authority by the applicant, and those marks shall be:

(i) based on the ability of the applicant to manage all the processes and resources necessary to build and operate the high pressure network in a timely, efficient and safe manner under the licence, if it were granted to the applicant;

(ii) awarded having regard in particular to the applicant’s –

- experience of managing the processes and resources necessary to construct a high pressure gas network;
- experience of system operation in the context of a high pressure gas network;
- proposals as to the securing, mobilisation and management of the internal resources necessary to construct a high pressure gas network;
- proposals as to the securing, mobilisation and management of the external resources necessary to construct a high pressure gas network;
- proposals as to the engagement with external stakeholders including all relevant regulatory authorities and statutory agencies other licence holders, and private entities necessary to construct a high pressure gas network;
- proposals as to the timely delivery of the high pressure gas network.

**Building and Operating a Lower Pressure Gas Network (pressure of 7 bar or less)**

The marks attributable to each applicant in respect of Building and Operating a Lower Pressure Network shall be those which the Authority considers appropriate in accordance with the information provided to the Authority by the applicant, and those marks shall be:

(i) based on the ability of the applicant to manage all the processes and resources necessary to build and operate the lower pressure network in a timely, efficient and safe manner under the licence, if it were granted to the applicant;

(ii) awarded having regard in particular to the applicant’s –

- experience of managing the processes and resources necessary to construct a lower pressure gas network;
- experience of system operation in the context of a lower pressure gas network;
- proposals as to the securing, mobilisation and management of the internal resources necessary to construct a lower pressure gas network;
- proposals as to the securing, mobilisation and management of the external resources necessary to construct a lower pressure gas network.

The marks attributable to each applicant will also focus on Maximising Connections and shall be those which the Authority considers appropriate in accordance with the information provided to the Authority by the applicant, and those marks shall be:

(i) based on the ability of the applicant to maximise the number of premises connecting to a gas network under the licence, if it were granted to the applicant;
(ii) awarded having regard in particular to the applicant’s –

- experience of achieving connections in any area not previously supplied with gas through a gas network;
- proposals as to the development of relationships with businesses and social landlords, and experience of doing so;
- proposals as to the promotion of connections to vulnerable consumers, and experience of doing so.

In awarding marks for Operational Business Plan, 20% of the marks that are available shall be attributed to sub-paragraph (a), 50% to sub-paragraph (b), and 30% to sub-paragraph (c).

**Innovation and Technology Transfer**

3.12 The marks attributable to each applicant in respect of Innovation and Technology Transfer shall be those which the Authority considers appropriate in accordance with the information provided to the Authority by the applicant, and those marks shall be:

(a) based on the ability of the applicant to achieve innovation and technology transfer in relation to –

(i) environmental sustainability;
(ii) efficiency in the use of gas and the use of new sources of gas;
(iii) cost efficiency;
(iv) the development of a gas network under the licence, if it were granted to the applicant, to more remote geographical areas; and

(b) awarded having regard in particular to the applicant’s –

(i) history of innovation;
(ii) ability to secure funding from other governmental or regulatory authorities;
(iii) proposals to transfer any innovation into Northern Ireland;
(iv) existing skills and experience.

In awarding marks for Innovation and Technology Transfer, 50% of the marks that are available shall be attributed to sub-paragraph (a) and 50% to sub-paragraph (b).
4. APPLICATIONS FOR CONSENT FOR THE CONSTRUCTION OF MAJOR GAS PIPE-LINES, GAS STORAGE OR LNG FACILITIES

4.1 This section sets out the criteria that will be applied by the Authority in assessing applications for consent to the construction of a major pipe-line or gas storage facility, or for consent to an increase in capacity of such a pipeline or facility. It also sets out the criteria which will be applied by the Department in assessing applications for consent to construct an LNG facility, or by the Authority in relation to an application for an increase in the capacity of such a facility.

The Criteria in relation to Pipe-lines

4.2 An application for consent to the construction of a major pipe-line, or an increase in the capacity of such a pipe-line, must meet each of the following criteria.

Licensing

4.3 An applicant must:

(a) hold a gas conveyance licence authorising the transportation of gas in the area which includes the location of the pipe-line in relation to which the consent is sought; or

(b) have entered into an agreement which –

(i) has been approved by the Authority;

(ii) is with a gas conveyance licence holder who holds a licence authorising the transportation of gas in the area which includes the location of the pipe-line in relation to which the consent is sought; and

(iii) relates to the operation of that pipe-line.

Development Plan

4.4 An applicant must be able to demonstrate to the satisfaction of the Authority that its proposal for the construction of the pipe-line, or the increase in capacity of the pipe-line, is consistent with any development plan in accordance with a gas conveyance licence which authorises the transportation of gas in the area for which the consent is sought.

Health and Safety

4.5 An applicant must be able to demonstrate that it has notified, and is engaged in discussions with, the Health and Safety Executive for Northern Ireland in relation to a gas safety case for the pipe-line, or increase in capacity of the pipe-line, for which the consent is sought, and compliance with associated pipeline safety regulations.

Planning/Environmental

4.6 The applicant must provide written confirmation that it is in receipt of full planning consent for the project and that he has obtained the necessary environmental approvals. This may include the completion of any necessary environmental assessments, including Environmental Impact Assessments, and proof that it has complied with any requirements in respect of habitats or in relation to Areas of Special Scientific Interest or those listed as Natura 2000 sites.

The Criteria in relation to Gas Storage Facilities

4.7 An application for consent to the construction of a gas storage facility, or to increase the capacity of a storage facility, must meet each of the following criteria.

Licensing

4.8 An applicant must:
(a)  hold a gas storage licence authorising the storage of gas in the area for which the application has been sought; or

(b)  be the agent of gas storage licence holders who are authorised to store gas in the area for which the application has been sought; or

(c)  have entered into an agreement which has been approved by the Authority with a gas storage licence holder who holds a licence in the area for which the consent has been sought for the operation of the proposed gas storage facility.

**Development Plan**

4.9  An applicant must be able to demonstrate to the satisfaction of the Authority that its proposal for the construction of a gas storage facility, or the increase in capacity of a storage facility, is consistent with any development plan which is linked to a storage licence.

**Health and Safety**

4.10 An applicant must be able to demonstrate that it has notified, and is engaged in discussions with, the Health and Safety Executive for Northern Ireland in relation to a gas safety case for the gas storage facility for which the consent is sought, and compliance with any relevant health and safety regulations.

**Planning/Environmental**

4.11 The applicant must provide written confirmation that it is in receipt of full planning consent for the project and that he has obtained the necessary environmental approvals. This may include the completion of any necessary environmental assessments, including Environmental Impact Assessments, and proof that it has complied with any requirements in respect of habitats or in relation to Areas of Special Scientific Interest or those listed as Natura 2000 sites.

**The Criteria in relation to Liquified Natural Gas (LNG) Facilities**

4.12 An application for consent to the construction of an LNG facility, or to increase the capacity of an LNG facility, must meet each of the following criteria:

**Licensing**

4.13 An applicant must:

(a)  hold an LNG licence authorising the operation of an LNG facility in the area for which the application has been sought; or

(b)  be the agent of LNG licence holders who are authorised to operate an LNG facility in the area for which the application has been sought; or

(c)  have entered into an agreement which has been approved by the Authority with an LNG licence holder who holds a licence in the area for which the consent has been sought for the operation of the proposed LNG facility.

**Development Plan**

4.14 An applicant must be able to demonstrate to the satisfaction of the Department, or the Authority as appropriate, that its proposal for the construction of an LNG facility, or the increase in capacity of an LNG facility, is consistent with any development plan which is linked to an LNG licence.

**Health and Safety**

4.15 An applicant must be able to demonstrate that it has notified, and is engaged in discussions with, the Health and Safety Executive for Northern Ireland in relation to a gas safety case for the LNG facility for which the consent is sought, and compliance with any relevant health and safety regulations.
The applicant must provide written confirmation that it is in receipt of full planning consent for the project and that he has obtained the necessary environmental approvals. This may include the completion of any necessary environmental assessments, including Environmental Impact Assessments, and proof that it has complied with any requirements in respect of habitats or in relation to Areas of Special Scientific Interest or those listed as Natura 2000 sites.
DRAFT REGULATORY IMPACT ASSESSMENT

GAS (APPLICATIONS FOR LICENCES AND EXTENSIONS) (AMENDMENT NO.2) REGULATIONS
(NORTHERN IRELAND) 2013

AMENDED PUBLISHED CRITERIA

1. Title

The Gas (Applications for Licences and Extensions) (Amendment No.2) Regulations (Northern Ireland) 2013
Amended Published Criteria

2. Introduction

2.1 This draft Regulatory Impact Assessment (RIA) supports legislative amendments to the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 ("the Gas Applications Regulations") which aim to provide a structured and regulated system for natural gas companies wishing to be licensed to operate in Northern Ireland. The RIA also supports amendments to the Published Criteria against which the Northern Ireland Authority for Utility Regulation ("the Authority") will assess applications for gas licences.

Gas Applications Regulations

2.2 The Department of Enterprise, Trade and Investment ("the Department") proposes to amend the Gas Applications Regulations in order to:

- Incorporate arrangements for applying for the newly created licence to operate a Liquefied Natural Gas ("LNG") facility under Article 8(1)(d) of the Gas Order;
- Update Schedule 1 which provides a Form of Application for anyone wishing to apply for a gas licence; and
- Update Schedule 2 Parts I to III of the Regulations which lists 'Documents and other Particulars' to accompany an application for a gas conveyance, gas storage or gas supply licence.

2.3 In 2010, the Department made a corresponding set of Regulations namely the Gas (Applications for Licences and Extensions) (Amendment) Regulations (Northern Ireland) 2010 which came into operation on 30 September 2010. The 2010 amending regulations were necessary to update the Gas Applications Regulations to ensure conformity with the requirements of the EU Services Directive 2006.

2.4 In February 2013, the Department further amended the Gas Applications Regulations in light of changes to other relevant pieces of legislation and to correct a small drafting error. These amendments also revised upwards the fees payable with gas licence applications. The Gas (Applications for Licences and Extensions) (Amendment) Regulations (Northern Ireland) 2013 came into operation on the 11 March 2013.
Published Criteria

2.5 Article 4(2) of the Gas Directive\(^7\) requires that “Where Member States have a system of authorisation, they shall lay down objective and non-discriminatory criteria which shall be met by an undertaking applying for an authorisation to build and/or operate natural gas facilities or applying for an authorisation to supply natural gas”. In line with this requirement, the Department has produced Published Criteria against which the Authority will assess an application for a gas licence in Northern Ireland. The Published Criteria was recently updated to add information in respect of applications for a gas storage or LNG licence and applications for consent to construct gas storage or LNG facilities in order to ensure compliance with the Gas Directive. The current set of Published Criteria is available on the Department’s website at:

http://www.detini.gov.uk/energy-guidance-2

2.6 The Department has recently reviewed the Published Criteria again and would propose to add a new section to the document which outlines the specific selection and assessment criteria by which the Authority should determine the grant of an exclusive conveyance licence from a number of applicants. This is aimed at ensuring that the procedures which are to be followed in granting any new exclusive conveyance licences are both transparent and objective.

3. Purpose and intended effect

3.1 Objectives

Proposed amendments to the Gas Applications Regulations

The proposed amendments to the Gas Applications Regulations will ensure that appropriate arrangements are in place for applications for the new LNG licence. Furthermore, the update of Schedule 1 which contains a Form of Application for all gas licences and amendment of Schedule 2 Parts I to III listing the documents which should accompany applications for a gas conveyance, gas storage or gas supply licence, will help to ensure that each application for a gas licence is made in an appropriate format and accompanied by all necessary supporting information. This will in turn help to ensure consistency across licence applications and, in particular, to help to facilitate the fair and effective assessment of applications for new gas conveyance licence(s) to develop the natural gas network infrastructure in areas of Northern Ireland which currently lie outside the licensed gas network, e.g. in the West and parts of the North-West of Northern Ireland.

Proposed amendments to Published Criteria

The Department also proposes to amend the Published Criteria against which the Authority will assess any licence application. This will, in particular, add a new section to the Published Criteria which outlines the specific selection and assessment criteria by which the Authority should determine the grant of an exclusive conveyance licence based on applications from a number of companies. This is aimed at ensuring that the procedures which are to be followed in granting any new exclusive conveyance licences are both transparent and objective.

3.2 Background

3.2.1 Unlike the rest of the United Kingdom, due to unfavourable economics, Northern Ireland did not have access to the supplies of natural gas until the 1990’s. In 1992, however, as part of the restructuring and privatisation of the local electricity supply industry, Ballylumford Power Station was converted from oil to gas firing. This base load requirement provided the opportunity for the development of a commercially viable downstream natural gas industry in Northern Ireland.

3.2.2 In September 1996, a licence was granted to Phoenix Natural Gas Ltd (PNG) for the staged development of the industrial, commercial and domestic gas markets in the Greater Belfast and Larne areas. There are currently over 160,000 customers connected to natural gas in the PNG licensed area.

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3.2.3 On 21 September 2001, the Northern Ireland Executive announced support for the development of a further multi-million pound gas pipeline project. The support was in the form of a grant package up to £38m, including an Irish Government contribution of £8.5m. The project involved construction by BGE Northern Ireland of two new gas transmission pipelines. That is, a gas pipeline from Dublin to Antrim (the South-North pipeline) which was completed in October 2006 and provides natural gas to Newry, Armagh, Banbridge, Craigavon and Antrim. This pipeline links with the second new pipeline which runs from near Carrickfergus to Londonderry (the North-West pipeline). This pipeline was completed in November 2004 and supplies gas to Coolkeeragh power station and to Ballymena, Ballymoney, Coleraine, Limavady and Londonderry.

3.2.4 firmus energy, a subsidiary of BGE, is continuing with the roll-out of the natural gas distribution networks in the ‘Ten Towns’ licence area served by both pipelines. The company currently has over 18,000 customers connected.

3.2.5 In 2011, the Department conducted a public consultation on the potential for extending the natural gas network to further areas of Northern Ireland. The majority of responses, particularly those from the natural gas sector, local industry and the public sector, were strongly supportive of extending the natural gas network to both the West/North West and East Down. Subsequently, at their meeting on 10 January 2013, the Northern Ireland Executive agreed to provide a subvention of up to £32.5m to assist the extension of the natural gas network to seven additional towns in the West and North-West of Northern Ireland, namely namely Dungannon, Cookstown, Magherafelt, Coalisland, Omagh, Enniskillen/Derrylin and Strabane. The Authority will be responsible for the grant of the necessary licences, under Article 8 of the Gas Order, and would propose to invite applications for an exclusive gas conveyance licence(s) for this area in the autumn of 2013.

4. Risk Assessment

4.1 The proposed changes to the Gas Applications Regulations are required to (i) ensure that the Regulations incorporate references, where appropriate, to arrangements for applying for the new LNG licence, (ii) update Schedule 1 which contain a Form of Application for all gas licences, and (iii) amend Schedule 2 Parts I – III of the Regulations to update the list of documents which should accompany applications for a gas conveyance, gas storage or gas supply licence. These amendments will, in part, help to facilitate the upcoming consideration of applications for new gas conveyances licences for the West and North West, as well as ensuring a consistent approach to all applications for gas licences.

The proposed changes to the Published Criteria will make the document more appropriate and succinct and add a new section detailing the selection and assessment criteria which the Authority will use to assess applications and grant an exclusive gas conveyance licence in a situation where more than one applicant applies for an exclusive licence, or an extension of an existing licence, over the same area at approximately the same time.

Without these proposed amendments, there would be no appropriate legislative provision for applying for an LNG licence and the basis for assessing applications for new gas licences in the West and North-West might not be as transparent and objective as possible.

4.2 Options

• Option 1 – do nothing

If the Gas Applications Regulations are not updated, the arrangements for applying for an LNG licence will not be established in legislation. Furthermore, gas companies wishing to apply for a gas conveyance licence to develop new gas infrastructure in the West and North-West may have insufficient guidance on the information to be provided and on the selection and assessment criteria to be used by the Authority in assessing applications. This could cause uncertainty and even delay the project. This option is not carried forward.
• **Option 2 – implement the proposed amending regulations**

This option would entail taking forward a number of amendments to the Gas Applications Regulations as outlined in Chapter 2 of the consultation paper. It would also involve revising and adding a new section to the Published Criteria as outlined in Chapter 3 of the consultation paper. These amendments would establish appropriate arrangements for applying for the new LNG licence and provide additional clarity on the documents and other particulars which should accompany a gas licence application. They would also establish the clear and objective selection and assessment criteria which the Authority would use to assess applications for an exclusive gas conveyance licence. Together these changes should help to establish a fair and transparent basis for assessing applications for new gas licences in the West and North-West and thus ensure that the Authority can proceed in a timely fashion with the application process for new gas conveyance licences in areas of Northern Ireland which are currently unlicensed. **This option is carried forward.**

5. **Cost Benefit Analysis**

A summary of the costs and benefits of the proposed legislative measures and amendments to the Published Criteria may be outlined as follows:

5.1 **Arrangements for applying for the new LNG licence**

**Background**

The Gas Applications Regulations were established to provide a structured and regulated system for natural gas companies wishing to be licensed to operate in Northern Ireland. They currently set out the manner and form in which applications for a licence to convey, store or supply gas, or for an extension to an existing gas licence, should be made together with the fee payable for each type of application. In addition, they specify the information that applicants must provide in order for the Authority to consider granting a licence.

The Gas and Electricity (Internal Markets) Regulations (Northern Ireland) 2013, which came into operation on 12 April 2013, created a new category of gas licence which may be granted by the Authority under Article 8(1) of the Gas Order, that is, (d) a licence to operate an LNG facility. Northern Ireland does not have any LNG facilities at present and none are planned or anticipated but operating an LNG facility has been made a licensable activity in order to comply with the Gas Directive which is part of the Third Energy Package of European legislation. Having created a newly licensable activity, the Department would propose to amend the Gas Applications Regulations in order to incorporate appropriate references to the LNG licence and to specify a fee of £2,000 which would be payable upon application for such a licence.

**Potential Costs and Benefits**

The main benefit of the proposed amendments is the establishment in legislation of appropriate arrangements for dealing with applications for the new LNG licence. It is not anticipated that these amendments will have any negative impacts. In practice, as there is unlikely to be any applications for an LNG licence in Northern Ireland in the foreseeable future, there should be no impact on businesses.

5.2 **Update of Schedule 1 of the Gas Applications Regulations, amendment of Schedule 2 Parts I to III and revision of the Published Criteria**

**Background**

The proposed amendments to Schedule 1 of the Gas Applications Regulations; amendments to Schedule 2 Parts I to III; and revision of the Published Criteria will provide a new Form of Application for all gas licences; update the list of documents which must accompany an application for a gas conveyance, gas storage or gas supply licence; and revise and update the Published Criteria in order to establish the detailed selection and assessment criteria which will be applied by the Authority in processing applications for an exclusive gas conveyance licence.
Potential Costs and Benefits

If these changes are implemented, the information required from applicants for a gas licence, particularly in relation to an exclusive gas conveyance licence, may be more detailed than that previously required. This may have some cost implications for companies interested in applying for such a licence as the work involved in drawing up a licence application may be greater. However, it is felt that the benefits of establishing a fair and transparent process for assessing licence applications should outweigh these limited additional costs. The Department, in liaison with the Authority, has given very careful consideration in particular to the selection and assessment criteria which should be included in a new section in the Published Criteria. It is felt that these criteria are necessary to (i) ensure a fair and transparent process for dealing with applications for an exclusive gas conveyance licence, and (ii) ensure that any company awarded such a licence has the skills, experience and resources to deliver a major gas infrastructure project.

5.3 More generally, the Department has carried out an equality screening exercise and has determined that the proposed amendments to the Gas Applications Regulations and to the Published Criteria should not have a differential impact on individuals in any of the Section 75 categories.

The Gas Regulations and the Published Criteria are largely technical in nature and simply set out the process for applying for a gas licence; how such applications are to be published; and the fees which should accompany an application. It is likely the key impact will be on companies seeking a natural gas licence to operate in Northern Ireland or an extension to an existing licence. Indirectly, however, there should be an overall benefit to natural gas customers from having a structured and regulated system for gas licence applications in Northern Ireland.

The Department has also carried out a Rural Impact Assessment screening and has determined that the amending Regulations should not have any particular negative (or positive) impact on rural areas which mostly lie outside the current and likely future natural gas network. Proposals to extend the natural gas network in Northern Ireland, e.g. to the West and North West are subject to a separate rural proofing exercise.

6. Concentration of Small Business: The Small Business Impact Test

The Department does not consider that the proposed amendments to the Gas Applications Regulations and to the Published Criteria should have a significant cost impact on the small business sector generally. The amending Regulations will establish appropriate arrangements for applying for the new LNG licence; introduce a new Form of Application for all gas licences; and revise the list of documents and other particulars which should accompany application for a gas conveyance, gas storage or gas supply licence. The primary impact will be on gas companies wishing to apply for a licence to operate in Northern Ireland. More generally, the amending Regulations and the revised Published Criteria will help to ensure a fair and transparent process for assessing applications new licences to develop natural gas infrastructure in the West and North-West, ultimately making gas available to a range of small businesses in selected towns in this area. Therefore, the proposed amendments should have an overall positive impact on small businesses by increasing their fuel choice and making a more environmentally-friendly and potentially cheaper fuel available to them.

7. Environmental Impact

Natural gas is the cleanest fossil fuel. As such, the proposed amendments should, by contributing towards the effective regulation of the natural gas sector, help to facilitate and encourage the use of natural gas and reduce carbon emissions.

8. Enforcement and Sanctions

The Gas Applications Regulations and the Published Criteria help to establish a fair and objective system for awarding gas licences. The conditions attached to any such licence awarded will be enforced by the Authority who has the power to impose financial penalties of up to 10% of the turnover of the licensee in the event of a breach.
9. Monitoring and Review

The Department, in liaison with the Authority, will monitor the operation of the amending regulations and conformity to the Published Criteria to assess if this is delivering the anticipated benefits.

10. Consultation

The consultation on the proposed amendments to the Gas Applications Regulations and the Published Criteria may be found on the Department’s website at www.energy.detini.gov.uk/consultations

11. Summary and Recommendation

On the basis of the assessment of the costs and benefits that have been identified, the Department is of the opinion that there will be no significant negative impact brought about by the introduction of the proposed amending Regulations and the amendments to the Published Criteria.

12. Declaration

“I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.”

Minister of Enterprise, Trade and Investment
Annex D

DRAFT DETI EQUALITY SCREENING FORM

Part 1. Policy scoping

The first stage of the screening process involves scoping the policy under consideration. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy, being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening process on a step by step basis.

Public authorities should remember that the Section 75 statutory duties apply to internal policies (relating to people who work for the authority), as well as external policies (relating to those who are, or could be, served by the authority).

Information about the policy

Name of the policy

The Gas (Applications for Licences and Extensions) (Amendment No.2) Regulations (Northern Ireland) 2013 and associated ‘Published Criteria’.

Is this an existing, revised or a new policy?

The draft Gas (Applications for Licences and Extensions) (Amendment No.2) Regulations (Northern Ireland) 2013 amend and update the existing Gas (Applications for Licences and Extensions) Regulations 1996 (‘the Gas Applications Regulations’). The amended ‘Published Criteria’ updates the existing ‘Published Criteria’ against which the Northern Ireland Authority for Utility Regulation (‘the Authority’) assesses applications for new gas licences or extensions to existing licences.

What is it trying to achieve? (intended aims/outcomes)

The Gas Applications Regulations were established in 1996 to provide a structured and regulated system for natural gas companies wishing to be licensed to operate in Northern Ireland. They prescribe the manner in which:

- applications under Article 8(1) of the Gas (Northern Ireland) Order 1996 for licences to convey, store or supply gas; or
- applications under Article 8(2) of that Order for extensions of such licences,

are to be made. The Regulations also prescribe the manner in which such applications are to be published and the fees which should accompany the applications.

Article 4(2) of the Gas Directive\(^a\) requires that “Where Member States have a system of authorisation, they shall lay down objective and non-discriminatory criteria which shall be met by an undertaking applying for an authorisation to build and/or operate natural gas facilities or applying for an authorisation to supply natural gas”. In line with this requirement, the Department of Enterprise, Trade and Investment (‘DETI’) has produced Published Criteria against which the Authority will assess an application for a gas licence in Northern Ireland.

DETI proposes to amend the Gas Applications Regulations in order to:

(i) Incorporate arrangements for applying for the newly created licence to operate a Liquefied Natural Gas (‘LNG’) facility under Article 8(1)(d) of the Gas Order;

(ii) Update Schedule 1 which provides a Form of Application for anyone wishing to apply for a gas

(iii) Update Schedule 2 Parts I to III of the Regulations which lists 'Documents and other Particulars' to accompany an application for a gas conveyance, gas storage or gas supply licence.

The Department proposes to make these changes and to update the Published Criteria by which the Authority will assess licence applications in order to ensure that the Gas Applications Regulations and the associated Published Criteria are both up to date and sufficiently detailed to facilitate a robust and transparent process for assessing and granting gas licences.

Are there any Section 75 categories which might be expected to benefit from the intended policy? If so, explain how.

The proposals put forward by DETI to amend the Gas Applications Regulations and the Published Criteria relate to the application process for gas licences in Northern Ireland and are largely technical in nature. As such, it is felt that neither the amended Gas Applications Regulations nor the Published Criteria should have a significant direct impact on any of the Section 75 equality groups, or on particular regions or communities, rural or otherwise. Indirectly, the proposed amendments should have a positive impact by facilitating the fair and timely award of new gas licences in areas of the West and North-West of Northern Ireland which should make a cleaner, more efficient and potentially cheaper source of fuel available to a greater number of local energy consumers.

Who initiated or wrote the policy?

The existing Gas Applications Regulations were made and laid by the Department of Economic Development (DED). DED’s successor, the Department of Enterprise, Trade and Investment (DETI) is now responsible for energy policy in Northern Ireland and for developing legislation to help regulate the natural gas industry. DETI has developed the proposed amendments to the Gas Applications Regulations and the proposed amendments to the Published Criteria in liaison with the Authority who is responsible for regulating the natural gas industry in Northern Ireland and, in particular, for processing gas licence applications.

Who owns and who implements the policy?

DETI owns and, in liaison with the Authority, will implement the policy.

Implementation factors

Are there any factors which could contribute to/detract from the intended aim/outcome of the policy/decision?

No such factors have been identified.

If yes, are they

☐ financial
☐ legislative
☐ other, please specify __________________________

Main stakeholders affected

Who are the internal and external stakeholders (actual or potential) that the policy will impact upon?

☐ staff
☐ service users
✓ other public sector organisations (the Authority)
☐ voluntary/community/trade unions
✓ other, please specify: Natural gas companies wishing to apply for a licence to convey, store or supply gas or to operate an LNG facility in Northern Ireland.
Other policies with a bearing on this policy

- **what are they?** The Gas Applications Regulations and the Published Criteria have been drawn up in accordance with powers conferred by the Gas (Northern Ireland) Order 1996. In addition, the Energy (Northern Ireland) Order 2003 sets out DETI and the Authority’s overall objectives and general duties in relation to the natural gas industry in Northern Ireland.

- **who owns them?** DETI

**Available evidence**

Evidence to help inform the screening process may take many forms. Public authorities should ensure that their screening decision is informed by relevant data.

**What evidence/information (both qualitative and quantitative) have you gathered to inform this policy?** Specify details for each of the Section 75 categories.

Natural gas was introduced to Northern Ireland in 1996. There are two natural gas network companies operating gas distribution networks within Northern Ireland (Phoenix Natural Gas and *firmus energy*) along with a number of supply companies.

Currently there are around 180,000 natural gas customers in Northern Ireland. These include approximately 160,000 business and domestic customers in the Greater Belfast licensed area (main supplier - Airtricity), and 18,000 business and domestic customers in the 10 towns/cities licensed area (Londonderry, Coleraine, Limavady, Ballymoney, Ballymena, Antrim, Craigavon, Armagh, Banbridge and Newry) (main supplier - *firmus energy*). The gas market in the Greater Belfast licensed area was fully opened to supply competition in January 2007 while the gas market in the 10 towns/cities licensed area opened to competition for larger business customers in October 2012 and is scheduled to open for competition for smaller businesses and domestic customers in April 2015.

As previously stated, the natural gas market in Northern Ireland is regulated by the Authority, in line with the principal objectives and duties established under the Energy (Northern Ireland) Order 2003, which require the regulator to have regard to the need to protect the interests of individuals who are disabled or chronically sick; individuals of pensionable age; and individuals with low incomes.

The Gas Applications Regulations and the Published Criteria themselves, however, are technical in nature and simply set out the process for applying for a gas licence; how such applications are to be published; the fees which should accompany an application; and how such applications will be assessed by the Authority. They do not impact directly upon natural gas customers but do contribute generally towards the effective regulation of the natural gas industry in Northern Ireland with the best interests of customers in mind.

<table>
<thead>
<tr>
<th>Section 75 category</th>
<th>Details of evidence/information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious belief</td>
<td>The proposed amendments to the Gas Applications Regulations and the Published Criteria will impact on companies applying for a gas licence rather than directly on individuals in any of the Section 75 categories.</td>
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<tr>
<td>Political opinion</td>
<td>As above</td>
</tr>
<tr>
<td>Racial group</td>
<td>As above</td>
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<tr>
<td>Age</td>
<td>As above</td>
</tr>
<tr>
<td>Marital status</td>
<td>As above</td>
</tr>
<tr>
<td>Sexual Orientation</td>
<td>As above</td>
</tr>
<tr>
<td>Men and</td>
<td>As above</td>
</tr>
</tbody>
</table>
### Part 2. Screening questions

#### Introduction

In making a decision as to whether or not there is a need to carry out an equality impact assessment, the public authority should consider its answers to the questions 1-4 detailed below.

If the public authority’s conclusion is **none** in respect of all of the Section 75 equality of opportunity and/or good relations categories, then the public authority may decide to screen the policy out. If a policy is ‘screened out’ as having no relevance to equality of opportunity or good relations, a public authority should give details of the reasons for the decision taken.

If the public authority’s conclusion is **major** in respect of one or more of the Section 75 equality of opportunity and/or good relations categories, then consideration should be given to subjecting the policy to the equality impact assessment procedure.

If the public authority’s conclusion is **minor** in respect of one or more of the Section 75 equality categories and/or good relations categories, then consideration should still be given to proceeding with an equality impact assessment, or to:

- measures to mitigate the adverse impact; or

#### Needs, experiences and priorities

Taking into account the information referred to above, what are the different needs, experiences and priorities of each of the following categories, in relation to the particular policy/decision? Specify details for each of the Section 75 categories.

<table>
<thead>
<tr>
<th>Section 75 category</th>
<th>Details of needs/experiences/priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious belief</td>
<td>It is not considered that individuals in any of the Section 75 categories would have different needs in relation to the Gas Applications Regulations and Published Criteria.</td>
</tr>
<tr>
<td>Political opinion</td>
<td>As above</td>
</tr>
<tr>
<td>Racial group</td>
<td>As above</td>
</tr>
<tr>
<td>Age</td>
<td>As above</td>
</tr>
<tr>
<td>Marital status</td>
<td>As above</td>
</tr>
<tr>
<td>Sexual orientation</td>
<td>As above</td>
</tr>
<tr>
<td>Men and women generally</td>
<td>As above</td>
</tr>
<tr>
<td>Disability</td>
<td>As above</td>
</tr>
<tr>
<td>Dependants</td>
<td>As above</td>
</tr>
</tbody>
</table>

#### Table

<table>
<thead>
<tr>
<th>women generally</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability</td>
<td>As above</td>
</tr>
<tr>
<td>Dependants</td>
<td>As above</td>
</tr>
</tbody>
</table>

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*Page 66 of 73*
• the introduction of an alternative policy to better promote equality of opportunity and/or good relations.

**In favour of a ‘major’ impact**

a) The policy is significant in terms of its strategic importance;
b) Potential equality impacts are unknown, because, for example, there is insufficient data upon which to make an assessment or because they are complex, and it would be appropriate to conduct an equality impact assessment in order to better assess them;
c) Potential equality and/or good relations impacts are likely to be adverse or are likely to be experienced disproportionately by groups of people including those who are marginalised or disadvantaged;
d) Further assessment offers a valuable way to examine the evidence and develop recommendations in respect of a policy about which there are concerns amongst affected individuals and representative groups, for example in respect of multiple identities;
e) The policy is likely to be challenged by way of judicial review;
f) The policy is significant in terms of expenditure.

**In favour of ‘minor’ impact**

a) The policy is not unlawfully discriminatory and any residual potential impacts on people are judged to be negligible;
b) The policy, or certain proposals within it, are potentially unlawfully discriminatory, but this possibility can readily and easily be eliminated by making appropriate changes to the policy or by adopting appropriate mitigating measures;
c) Any asymmetrical equality impacts caused by the policy are intentional because they are specifically designed to promote equality of opportunity for particular groups of disadvantaged people;
d) By amending the policy there are better opportunities to better promote equality of opportunity and/or good relations.

**In favour of none**

a) The policy has no relevance to equality of opportunity or good relations.
b) The policy is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

Taking into account the evidence presented above, consider and comment on the likely impact on equality of opportunity and good relations for those affected by this policy, in any way, for each of the equality and good relations categories, by applying the screening questions detailed below and indicate the level of impact on the group i.e. minor, major or none.

**Screening questions**

The impact of this legislation will have no significant implications for equality of opportunity. All groups will have the opportunity to choose their gas supplier regardless of their economic or social standing in the community and this could improve their gas supplier.

<p>| 1 What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 equality categories? minor/major/none |
|---|---|
| <strong>Section 75 category</strong> | Details of policy impact | Level of impact? minor/major/none |
| Religious belief | Updating the Gas Applications Regulations and the Published Criteria, which are designed to provide a structured and regulated system for natural gas companies wishing to be licensed to operate in Northern Ireland, should contribute generally, if indirectly, towards protecting customers. It is not envisaged that the proposed amendments will impact directly upon equality of opportunity for any of the Section 75 categories. | None |
| As above | None |</p>
<table>
<thead>
<tr>
<th>Political opinion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Racial group</td>
<td>As above</td>
</tr>
<tr>
<td>Age</td>
<td>As above</td>
</tr>
<tr>
<td>Marital status</td>
<td>As above</td>
</tr>
<tr>
<td>Sexual orientation</td>
<td>As above</td>
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<tr>
<td>Men and women generally</td>
<td>As above</td>
</tr>
<tr>
<td>Disability</td>
<td>As above</td>
</tr>
<tr>
<td>Dependants</td>
<td>As above</td>
</tr>
</tbody>
</table>

### 2 Are there opportunities to better promote equality of opportunity for people within the Section 75 equality categories?

<table>
<thead>
<tr>
<th>Section 75 category</th>
<th>If Yes, provide details</th>
<th>If No, provide reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious belief</td>
<td>The Gas Applications Regulations and the Published Criteria are largely technical in nature, establishing the process for applying for a gas licence and for publishing such applications; setting out the fees which should accompany an application; and detailing how such applications will be assessed by the Authority. As such, neither document offers any real opportunity to better promote equality of opportunity.</td>
<td></td>
</tr>
<tr>
<td>Political opinion</td>
<td>As above</td>
<td></td>
</tr>
<tr>
<td>Racial group</td>
<td>As above</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>As above</td>
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<td>Marital status</td>
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<td></td>
</tr>
<tr>
<td>Sexual orientation</td>
<td>As above</td>
<td></td>
</tr>
</tbody>
</table>
Men and women generally | As above
---|---
Disability | As above
Dependants | As above

<table>
<thead>
<tr>
<th>Section 75 category</th>
<th>Details of policy impact</th>
<th>Level of impact minor/major/none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious belief</td>
<td>No impact</td>
<td>None</td>
</tr>
<tr>
<td>Political opinion</td>
<td>No impact</td>
<td>None</td>
</tr>
<tr>
<td>Racial group</td>
<td>No impact</td>
<td>None</td>
</tr>
</tbody>
</table>

3 To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group?

4 Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?

Additional considerations

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities? (For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).

No
Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

See above

Part 3. Screening decision

If the decision is not to conduct an equality impact assessment, please provide details of the reasons.

A full Equality Impact Assessment is not considered necessary. The Gas Applications Regulations and the Published Criteria are largely technical in nature, establishing the process for applying for a gas licence and for publishing such applications; setting out the fees which should accompany an application; and detailing how such applications will be assessed by the Authority. As such, the proposed amendments to these documents will impact directly upon companies wishing to apply for a gas licence but will not offer any real opportunities to promote greater equality of opportunity between any of the Section 75 categories or to promote good relations. However, the Regulations and Published Criteria are part of an overall regulatory regime for natural gas in Northern Ireland which is intended to protect customers, particularly vulnerable customers.
If the decision is not to conduct an equality impact assessment the public authority should consider if the policy should be mitigated or an alternative policy be introduced.

As no adverse impacts have been identified, mitigatory or alternative action is not considered necessary.

If the decision is to subject the policy to an equality impact assessment, please provide details of the reasons.

Not applicable

All public authorities’ equality schemes must state the authority’s arrangements for assessing and consulting on the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity. The Commission recommends screening and equality impact assessment as the tools to be utilised for such assessments. Further advice on equality impact assessment may be found in a separate Commission publication: Practical Guidance on Equality Impact Assessment.

Mitigation

When the public authority concludes that the likely impact is ‘minor’ and an equality impact assessment is not to be conducted, the public authority may consider mitigation to lessen the severity of any equality impact, or the introduction of an alternative policy to better promote equality of opportunity or good relations.

Can the policy/decision be amended or changed or an alternative policy introduced to better promote equality of opportunity and/or good relations?

If so, give the reasons to support your decision, together with the proposed changes/amendments or alternative policy.

Not applicable.

Factors to be considered in timetabling and prioritising policies for equality impact assessment

If the policy has been ‘screened in’ for equality impact assessment, then please answer the following questions to determine its priority for timetabling the equality impact assessment.

On a scale of 1-3, with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

<table>
<thead>
<tr>
<th>Priority criterion</th>
<th>Rating (1-3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect on equality of opportunity and good relations</td>
<td>1</td>
</tr>
<tr>
<td>Social need</td>
<td>1</td>
</tr>
<tr>
<td>Effect on people’s daily lives</td>
<td>1</td>
</tr>
<tr>
<td>Relevance to a public authority’s functions</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: The Total Rating Score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment. This list of priorities will assist the public authority in timetabling. Details of the Public Authority’s Equality Impact Assessment Timetable should be included in the quarterly Screening Report.

Is the policy affected by timetables established by other relevant public authorities? No.

If yes, please provide details
Part 4. Monitoring

Public authorities should consider the guidance contained in the Commission’s Monitoring Guidance for Use by Public Authorities (July 2007).

The Commission recommends that where the policy has been amended or an alternative policy introduced, the public authority should monitor more broadly than for adverse impact (See Benefits, P.9-10, paras 2.13 – 2.20 of the Monitoring Guidance).

Effective monitoring will help the public authority identify any future adverse impact arising from the policy which may lead the public authority to conduct an equality impact assessment, as well as help with future planning and policy development.

Part 5. Disability Duties

Under the Disability Discrimination Act 1995 (as amended by the Disability Discrimination (Northern Ireland) Order 2006), public authorities, when exercising their functions, are required to have due regard to the need:

- to promote positive attitudes towards disabled people; and
- to encourage participation by disabled people in public life.

Does this policy/legislation have any potential to contribute towards promoting positive attitudes towards disabled people or towards encouraging participation by disabled people in public life? If yes, please give brief details.

No.

Signed:

Division: Energy Division
Date: xx 2013

PLEASE FORWARD A COPY OF THIS COMPLETED FORM TO:

DETI EQUALITY & DIVERSITY UNIT
NETHERLEIGH
MASSEY AVENUE
BELFAST BT4 2JP

ANY QUERIES: