

**Belfast Gas Transmission Limited**

**TRANSMISSION NETWORK CODE  
MODIFICATION RULES**

**Version 4.0 – 16<sup>th</sup> November 2009**  
**(Versions 1.0 – 3.0 were previously under Phoenix Natural Gas  
Transmission Network Code Modification Rules)**

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## 1. Introduction

- 1.1 Belfast Gas is required by Condition 2.4.4 of the Licence to establish and implement procedures for the modification of the Transmission Network Code so as to, inter alia, better facilitate the achievement of the relevant objective, subject to the additional obligations imposed by Standard Condition 2A.7
- 1.2 Belfast Gas is, required, pursuant to Condition 2.4.5 of the Licence, to prepare a document, referred to in the Licence as “the modification rules”, setting out the procedures for the modification of the Transmission Network Code subject to the additional obligations imposed by Standard Condition 2A.7. This document comprises the modification rules for the purposes of the Licence (these “**Rules**”). It also contains rules for changing these Rules.
- 1.3 Any modification to the Transmission Network Code shall be made in accordance with these Rules or Condition 2.5.6 of the Licence.
- 1.4 These Rules are not part of the Transmission Network Code.
- 1.5 Unless the context otherwise requires, the definitions and rules of interpretation in the Appendix to these Rules shall apply.

## 2. Proposed Modification

- 2.1 The Authority, Belfast Gas, and any Gas Supplier or Shipper may propose a modification to the Transmission Network Code (a “**Proposed Modification**”).
- 2.2 A Proposed Modification shall either be prepared and submitted by the Authority, a Gas Supplier or a Shipper or be prepared by Belfast Gas and include the following:
  - (a) a description of the nature and purpose of the modification;
  - (b) an indication of how the modification would better facilitate the relevant objective as compared with the existing provisions of the Transmission Network Code;
  - (c) a list of all the sections and parts of the Transmission Network Code that would require amending or a comparison of any text proposed for the Transmission Network Code with the relevant text of the existing Transmission Network Code; and
  - (d) the date proposed for the implementation of the modification and any end date.

- 2.3 If Belfast Gas prepares a Proposed Modification, Belfast Gas shall have regard to the impact that such modification might have on the operation of any other Designated Pipe-line Operator's Network Code.
- 2.4 Belfast Gas shall give each Proposed Modification a unique reference number.
- 2.5 Belfast Gas may, from time to time, determine, in its reasonable judgement, the form that a Proposed Modification should take.
- 2.6 Belfast Gas shall:
- (a) forward any Proposed Modification to the PS Gas Suppliers, the Shippers and all other Designated Pipeline Operators;
  - (b) forward any Proposed Modification to anyone who requests it;
  - (c) make any Proposed Modification otherwise available to persons in an appropriate manner where it is necessary for establishing whether the proposal would better facilitate the achievement of the relevant objective. (Collectively the "**Consultees**").
- 2.7 Belfast Gas shall, within 5 business days of the submission of a Proposed Modification to it, or in the case of a Proposed Modification proposed by Belfast Gas as soon as possible after preparing the same, forward the Proposed Modification to the Consultees.
- 2.8 Any person who has submitted a Proposed Modification may at any time, up to the submission of a Final Modification Report to the Authority, request Belfast Gas to withdraw its Proposed Modification from the modification process described in these Rules. Belfast Gas shall withdraw the Proposed Modification unless, in the opinion of Belfast Gas, making the modification proposed would better facilitate the achievement of the relevant objective in which case Belfast Gas shall become the proposer of such modification.

### **3. Initial Modification Report**

- 3.1 Belfast Gas shall, after receiving or preparing a Proposed Modification, prepare an "**Initial Modification Report**" containing:
- (a) the Proposed Modification;
  - (b) where Belfast Gas has not made the proposal:
    - (i) and it believes that an alternative proposal would better achieve the relevant objective, that alternative;
    - (ii) Belfast Gas's opinion of the Proposed Modification;
    - (iii) any text which Belfast Gas may wish to propose as an alternative to that contained in the Proposed Modification;

- (c) Without prejudice to sections 8.3(d) and (g), Belfast Gas's estimate of an implementation date if the Proposed Modification were to be approved by the Authority pursuant to section 9.
- 3.2 In preparing an Initial Modification Report, Belfast Gas shall have regard to the impact that such modification might have on the operation of any other Designated Pipe-line Operator's Network Code.
- 3.3 Belfast Gas shall, subject to section 4.1 (a), issue an Initial Modification Report to the Consultees within 25 business days of receiving a Proposed Modification.

#### **4. Preliminary Determination**

- 4.1 Belfast Gas or any Consultee may, before an Initial Modification Report is issued, or if it is issued, before the expiry of the Consultation Period, seek the preliminary view of the Authority in relation to any matter arising in respect of any Proposed Modification, in accordance with this section 4, (a "**Preliminary Determination**") including as to whether:
  - (a) the Proposed Modification should be considered in an Alternative Procedure in accordance with section 10;
  - (b) any Alternative Procedure issued by Belfast Gas in accordance with section 10 should be adopted;
  - (c) the Proposed Modification should be rejected without further consultation;
  - (d) a meeting of interested Consultees shall be held in accordance with section 6;
  - (e) it is appropriate for Belfast Gas to prepare a report relating to the modification of the Transmission Network Code jointly with the other Designated Pipe-line Operator's.
- 4.2 Belfast Gas shall notify the Consultees and any Consultee shall notify Belfast Gas that it has sought a Preliminary Determination setting out the matter on which the Authority's view is being sought and its reasons for doing so.
- 4.3 Belfast Gas and each Consultee shall, notwithstanding any other provision of these Rules, be bound by the Authority's Preliminary Determination in relation to any Proposed Modification.

#### **5. Consultation Period**

Each Consultee shall have 20 business days within which it may respond to an Initial Modification Report (the "**Consultation Period**").

#### **6. Consultation meetings**

6.1 Any Consultee may request Belfast Gas to facilitate a meeting of interested Consultees to discuss a Proposed Modification where it considers it appropriate. If Belfast Gas does not consider one appropriate such Consultee may request a Preliminary Determination in relation to whether a meeting shall be held in accordance with section 4.1 (d).

6.2 Belfast Gas may elect to facilitate a meeting of interested Consultees to discuss a Proposed Modification where it considers such meeting appropriate.

## **7. Development Process**

7.1 Where, following the Consultation Period, amendments should, in the opinion of Belfast Gas, be made to the Proposed Modification which will not change the aim stated in the Proposed Modification, such changes may be incorporated into the proposed wording contained in the Final Modification Report by Belfast Gas. Belfast Gas or any Consultee may propose any such amendments.

7.2 Where, following the Consultation Period, amendments should, in the opinion of Belfast Gas, be made to the Proposed Modification, which will change the aim stated in the Proposed Modification, an alternative Proposed Modification will be issued by Belfast Gas for consultation containing such amendments (an **“Alternative Proposed Modification”**). Such alternative will be issued to the Consultees within 10 business days after the end of the Consultation Period for the first Proposed Modification. The Consultees will have 10 business days to respond to such alternative.

7.3 If Belfast Gas prepares an Alternative Proposed Modification, Belfast Gas shall have regard to the impact that such modification might have on the operation of any other Designated Pipe-line Operator’s Network Code.

## **8. Final Modification Report**

8.1 Subject to section 8.2 Belfast Gas will compile and submit a final modification report (a **“Final Modification Report”**) to the Authority within 20 business days after the end of the Consultation Period.

8.2 If an Alternative Proposed Modification is prepared Belfast Gas will compile and submit a Final Modification Report to the Authority in respect of the original Proposed Modification and the Alternative Proposed Modification, within 15 business days after the end of the consultation period for the Alternative Proposed Modification.

8.3 The Final Modification Report or (in the case of an Alternative Proposed Modification) both Final Modification Reports will contain:

- (a) any proposed text amending the Transmission Network Code;
- (b) an indication of how the modification would better facilitate the relevant objective as compared with the existing provisions of the Transmission Network Code;

- (c) the particulars of any representations or objections made (and not withdrawn) by any Consultee and an explanation of how such representations or objections have been addressed;
- (d) Belfast Gas's recommendation of whether or not the Proposed Modification (or, in the case of an Alternative Proposed Modification, the Alternative Proposed Modification) should be made;
- (e) the factors which, in Belfast Gas's opinion, justify making or not making a Proposed Modification (or, in the case of an Alternative Proposed Modification, the Alternative Proposed Modification);
- (f) details of any amendment made in accordance with section 7.1 together with an explanation of why, in the opinion of Belfast Gas, the amendment should be made; and
- (g) the date proposed for the implementation of the Proposed Modification and any end date having regard to any system or procedural changes that may be necessary as a result of the modification. If such proposed date is different to that estimated by Belfast Gas pursuant to section 3.1(c), Belfast Gas will ensure that before completing the Final Modification Report Consultees will have been given a further opportunity to comment on Belfast Gas's latest proposed implementation date and will include in the Final Modification Report any views on implementation dates expressed by Consultees that differ to that proposed by Belfast Gas.

8.4 In preparing a Final Modification Report, Belfast Gas shall have regard to the impact that such modification might have on the operation of any other Designated Pipe-line Operator's Network Code.

## **9. Determination and Implementation of Modification**

9.1 The Authority shall, after having received any Final Modification Report in relation to:

- (a) a Proposed Modification, determine whether the modification will, in the opinion of the Authority, as compared to the existing provisions of the Transmission Network Code better facilitate the achievement of the relevant objective;
- (b) a Proposed Modification and an Alternative Proposed Modification, determine which proposals (if any) will, in the opinion of the Authority, as compared to the existing provisions of the Transmission Network Code better facilitate the achievement of the relevant objective;

and inform Belfast Gas of its determination.

- 9.2 If the Authority's determination is that it, or one of such proposals (as appropriate) will so facilitate such objective the Authority shall direct Belfast Gas to implement the Proposed Modification or Alternative Proposed Modification (as appropriate) on the date proposed for its implementation in the Final Modification Report or such other date as the Authority requires.
- 9.3 Belfast Gas shall comply with any direction given by the Authority to make a modification to the Transmission Network Code in accordance with a Final Modification Report.
- 9.4 Belfast Gas shall promptly:
- (a) notify the Consultees of any determination of the Authority in relation to the implementation of a Proposed Modification or Alternative Proposed Modification (as appropriate); and
  - (b) provide a copy of any modification to the Transmission Network Code to the Authority and the Consultees.

**10. Alternative Procedure for substantial review of part of the Transmission Network Code**

- 10.1 Belfast Gas may, if it considers that any Proposed Modification would make such a significant change to the Transmission Network Code that the procedure given to it in sections 2, 3 and 5 is not adequate to allow the Proposed Modification to be properly considered, request a Preliminary Determination as to whether an alternative procedure should be adopted in relation to it (an "**Alternative Procedure**").
- 10.2 If the Authority's Preliminary Determination is that an Alternative Procedure should be adopted Belfast Gas shall prepare a document setting out:
- (a) Belfast Gas's reason for adopting an Alternative Procedure;
  - (b) an outline of the proposed Alternative Procedure including a proposed timetable which timetable shall provide each Consultee with a time period of not less than the Consultation Period in which to comment;
  - (c) any proposed amendment or addition to the Proposed Modification;
  - (d) details of any analysis it proposes is prepared to enable the Proposed Modification to be properly considered;
  - (e) details of any proposed working group or review group to consider the Proposed Modification.
- 10.3 Any such Alternative Procedure shall be forwarded to the Consultees along with the Proposed Modification.

- 10.4 A Consultee may, within 15 business days after the date that the Alternative Procedure was issued, submit to Belfast Gas any comments it may have on the Alternative Procedure including its availability to attend any meeting proposed in the procedure.
- 10.5 Belfast Gas shall within 25 business days from the date that a document was issued, in accordance with Section 10.2, finalise and issue to the Consultees, the Alternative Procedure which shall, subject to section 10.6, be adopted and followed.
- 10.6 A Consultee may, within 10 business days from the date that the Alternative Procedure was issued, request a Preliminary Determination as to whether the Alternative Procedure proposed should be adopted in accordance with section 4.1.
- 10.7 Belfast Gas may, at any time, amend the Alternative Procedure with the consent of the Authority or the unanimous agreement of the PS Gas Suppliers, the Shippers and all other Designated Pipeline Operators.

## **11. Revision of timescales**

- 11.1 Belfast Gas or any Consultee may, at any time, request the Authority to approve the increase or reduction of any of the time scales outlined in these Rules.
- 11.2 Belfast Gas and each Consultee shall, notwithstanding any other provision of these Rules, be bound by the Authority's determination of whether such an increase or reduction of time scales shall be made. Belfast Gas shall inform the Consultees of such determination by the Authority.

## **12. Modifications to the Modifications Rules**

- 12.1 Any modification to these Rules shall be made in accordance with the change rules set out in this section 12.
- 12.2 Belfast Gas, the Gas Suppliers and the Shippers may propose an amendment to these Rules by preparing an "**Application for Change**" which will include;
- (a) the proposed change including the proposed text to be inserted into these Rules;
  - (b) a description of the objective of the proposed change; and
  - (c) its proposed date of implementation

and in the case of the Gas Suppliers and the Shippers, by sending the Application for Change to Belfast Gas.

- 12.3 Belfast Gas shall forward any Application for Change to the PS Gas Suppliers, the Shippers and the other Designated Pipe-line Operators inviting their comments on it. Any such comments must be made within 15 business days of the date the

Application for Change was forwarded or any such shorter period as Belfast Gas may have requested the Authority to approve and the Authority shall have so approved.

12.4 Belfast Gas shall prepare a report including:

- (a) the Application for Change;
- (b) any such comments on it as the PS Gas Suppliers, the Shippers and the other Designated Pipe-line Operators shall have made;
- (c) Belfast Gas's views on such comments and where it was submitted by a PS Gas Supplier, a Shipper, or another Designated Pipe-line Operator the Application for Change;
- (d) any proposed text amending these Rules to incorporate the change.

12.5 If the Authority approves the change to these Rules proposed in such report Belfast Gas shall provide the PS Gas Suppliers, the Shippers and the other Designated Pipe-line Operators with 5 business days notice of the implementation of such change.

### **13. Notices**

13.1 Any notice or other communication given or made by any person under these Rules shall be:

- (a) in writing and may be (i) delivered by hand to the addressee; (ii) sent by first class prepaid letter, to the address of the addressee; (iii) sent by fax to the addressee's fax transmission number specified in writing by the addressee or such other address or number as may be notified by a person from time to time in writing for this purpose; or (iv) sent by email to an email address specified in writing by the addressee or such other address or number as may be notified by a person from time to time in writing for this purpose; and
- (b) deemed to have been given or made and delivered (i) if by hand, when left at the relevant address; (ii) if by letter, on the second day after posting; (iii) if by fax transmission between the hours of 09:00 and 17:00 on Monday to Thursday and between the hours of 09:00 and 16:00 on Friday, at the time of receipt by the sender of confirmation of transmission and otherwise at 09:00 on the next business day after transmission; and (iv) if by email between the hours of 09:00 and 17:00 on Monday to Thursday and between the hours of 09:00 and 16:00 on Friday, at the time of receipt by the sender of confirmation of receipt and otherwise at 09:00 on the next business day after transmission;
- (c) marked clearly and conspicuously for the attention of the relevant addressee.

- 13.2 If a communication by fax is received in an incomplete or illegible form:
- (a) if the addressee so requests (by telephone or otherwise), the sender shall promptly retransmit the communication to the addressee; and
  - (b) provided that the request for re-transmission was made within 24 hours after time of receipt (in accordance with section 13.1) of the first fax, the communication shall not be deemed to have been received until the time (whether or not between 09:00 and 17:00 hours) of receipt by the sender of confirmation of such retransmission.
- 13.3 No accidental omission or neglect in sending any notice or other communication to, or non-receipt of any or notice or other communication by, any person shall be capable of invalidating any act or thing done pursuant to these Rules.
- 14. Reports prepared jointly with other Designated Pipe-line Operator's**
- 14.1 Without prejudice to section 4.1(e) Belfast Gas shall prepare a report relating to the modification of the Transmission Network Code jointly with the other Designated Pipe-line Operator's where appropriate.

## **THE APPENDIX**

### **Definitions and Interpretation**

#### **Definitions**

1. In these Rules:

|  |  |
|--|--|
| <b>“Alternative Procedure”</b>             | shall have the meaning given to it in section 10.1;  |
| <b>“Alternative Proposed Modification”</b> | shall have the meaning given to it in Section 7.2;   |
| <b>“Application for Change”</b>            | shall have the meaning given to it in Section 12.2;  |
| <b>“Authority”</b>                         | shall mean the Northern Ireland Authority for Utility Regulation;  |
| <b>"Belfast Gas"</b>                       | means Belfast Gas Transmission Limited, as licensee under the Belfast Gas Transmission Licence;  |
| <b>“Consultation Period”</b>               | shall have the meaning given to it in Section 5;   |
| <b>“Consultees”</b>                        | shall have the meaning given to it in section 2.6;   |
| <b>“Final Modification Report”</b>         | shall be the meaning given to it in section 8.1;   |
| <b>“Initial Modification Report”</b>       | shall have the meaning given to it in section 3.1;   |
| <b>"Licence"</b>                           | means the licence to convey gas granted to Belfast Gas under Article 8 (1) (a) of the Gas (Northern Ireland) Order 1996 from time to time, as it may be amended from time to time; |
| <b>“Proposed Modification”</b>             | shall have the meaning given to it in section 2.1;   |
| <b>“Preliminary Determination”</b>         | shall have the meaning given to it in section 4.1;   |
| <b>“relevant objective”</b>                | shall have the meaning given to it in Condition 2.5.1 of the Licence subject to the additional requirement set out in Standard Condition 2A.7.2;                                   |

|                                    |   |
|------------------------------------|---|
| <b>“Rules”</b>                     | shall have the meaning given to it in section 1.2;  |
| <b>"Shipper"</b>                   | means a person other than Belfast Gas or a Gas Supplier who, for the time being, has acceded to and is bound by the Transmission Network Code by an Accession Agreement;                                    |
| <b>“Transmission Network Code”</b> | means the Transmission Network Code governing the relationship between Belfast Gas and each Shipper in relation to the transportation of gas on the Transportation System pursuant to Condition 2.5.2 a (i) |

## **2. Interpretation**

- 2.1 Unless the context otherwise requires, any reference in these Rules to:
- 2.1.1 **"including"** shall mean including but not limited to;
  - 2.1.2 **"business day"** shall be construed as a reference to a day, other than a Saturday, Sunday or a bank holiday, in Northern Ireland;
  - 2.1.3 a person shall be construed as a reference to any person, firm, company, corporation, government or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;
  - 2.1.4 time shall be construed by reference to the official time in the United Kingdom and;
  - 2.1.5 the singular shall include the plural and vice versa.
- 2.2 Terms defined in the Licence shall, unless the term is defined in these Rules, have the same meaning when used in these Rules.
- 2.3 Headings in these Rules are for ease of reference only and shall not affect its construction.
- 2.4 References in these Rules to sections are to sections of these Rules and to conditions and standard conditions are to conditions and standard conditions of the Licence.