

Administrative Modifications to Gas Distribution Licences

Consultation and Notice under Article 14(2) of the
Gas (Northern Ireland) Order 1996

10 September 2024



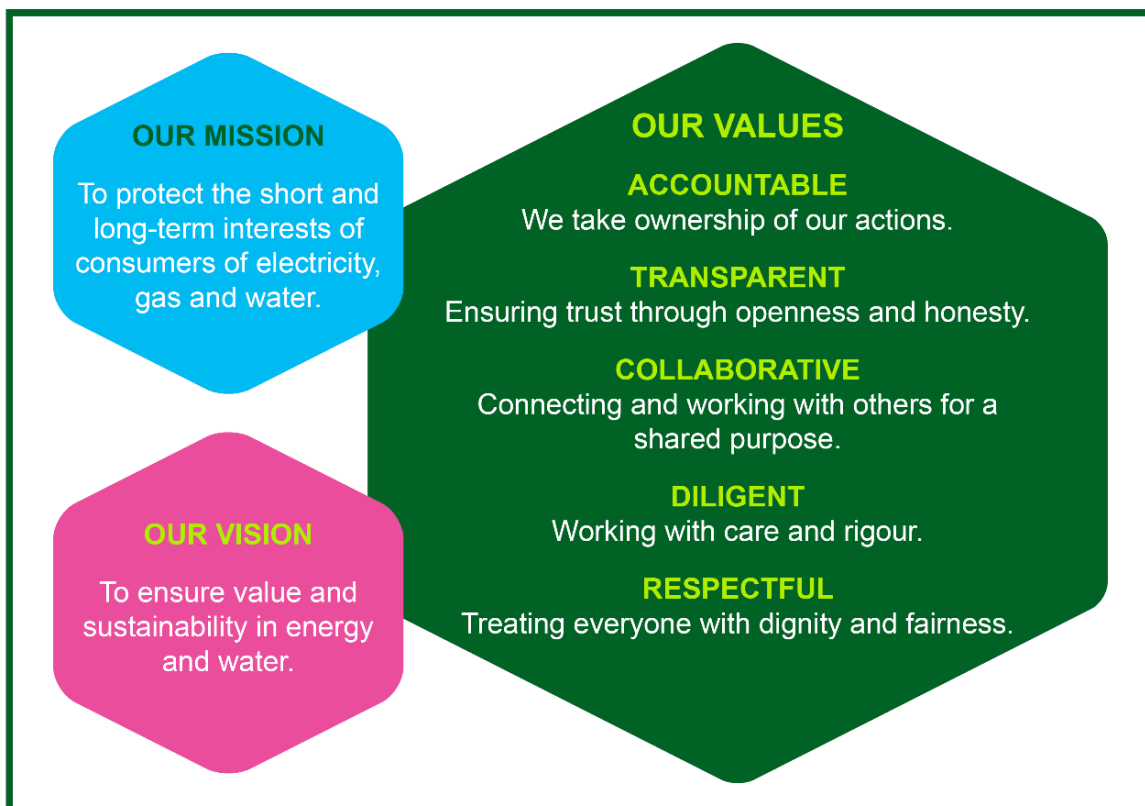
About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland’s electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; Markets; Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Abstract

This notice and consultation sets out proposed administrative modifications to the licences of firmus energy (Distribution) Limited, Phoenix Energy Group Ltd and SGN Evolve Network Ltd. The proposed modifications seek to reflect name and address changes in the licences. They also seek to update the communication methods for the giving of notices under the licences to account for technological change.

Audience

This document is likely to be of interest to regulated companies in the energy industry, government, other statutory bodies as well as consumer groups and other organisations with an interest in the energy industry.

Consumer impact

We consider that the proposed modifications will enhance accuracy of licence drafting with respect to name and address details, as well as allowing for efficient, convenient and timely giving of notices under the licences.

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Glossary

DNO	Distribution Network Operator
Evolve	SGN Evolve Network Ltd
FEDL	Firmus energy (Distribution) Limited
GDPR	General Data Protection Regulation
PE	Phoenix Energy Group Ltd
UR	Utility Regulator

Executive Summary

This document sets out for consultation our proposals to modify the gas distribution licences of:

- SGN Evolve Network Ltd (Evolve);
- Firmus energy (Distribution) Limited (FEDL);
- Phoenix Energy Group Ltd (PE).

The proposed licence modifications are administrative modifications which seek to:

- Reflect name and address changes in the licences;
- Update the communication methods for the giving of notices under the licences to account for technological change.

We consider that the proposed modifications will enhance accuracy of licence drafting with respect to name and address details, as well as allowing for efficient, convenient and timely giving of notices under the licences.

1. Introduction

Purpose of this consultation

- 1.1 The Utility Regulator's (UR) principal objective in carrying out the duties associated with our gas functions is:
- To promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland, and
 - To do so consistently with our fulfilment of the objectives set out in the European Gas Directive¹, and
 - By having regard to a number of matters, as set out more fully in the Energy (Northern Ireland) Order 2003.
- 1.2 To do so, we need to ensure that gas conveyance licences remain up-to-date.
- 1.3 This document sets out for consultation the modifications we propose to make, in line with our duties, to the gas distribution licences of:
- SGN Evolve Network Ltd (Evolve);
 - Firmus energy (Distribution) Limited (FEDL);
 - Phoenix Energy Group Ltd (PE).
- 1.4 The recent rebranding of two of the Distribution Network Operators (DNOs) – PE² and Evolve³ – has triggered a need for consequential licence modifications, to ensure accuracy of the licence drafting with respect to branding references.
- 1.5 Whilst working on these licence modifications, we have identified some other matters in the affected conditions of all three DNO licences which we propose to address as well. These relate to:
- Changes of name and address details of FEDL in their respective licence;
 - Changes to the name and address details of the Department and the Authority in all three distribution licences;

¹ Directive 2009/73/EC of the European Parliament and the Council of 13 July concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

² Phoenix Natural Gas Limited changed its name to Phoenix Energy Group Ltd on 13 October 2023.

³ SGN Natural Gas Limited changed its name to SGN Evolve Network Ltd on 4 September 2023.

- The arrangements for giving of notices under the licences which, in their current drafting, appear outdated given technological change with respect to communication methods.

1.6 On this background, the proposed licence modifications are administrative modifications which seek to:

- Reflect name and address changes in the licences;
- Update the communication methods for the giving of notices under the licences to account for technological change.

1.7 We consider that the proposed modifications will enhance accuracy of licence drafting with respect to name and address details, as well as allowing for efficient, convenient and timely giving of notices under the licences.

Overview over Licence Conditions Impacted by Proposed Modifications

1.8 Table 1 provides an overview over the licence conditions impacted by the proposed modifications.

Name	Evolve	FEDL	PE
Interpretation and Construction, Definitions	1.1.6	1.1.6	1.1.6
Notices	1.14	1.14	1.15

Table 1: Overview over licence conditions impacted by proposed modifications and main drivers

Document Structure

1.9 This consultation document is structured in a number of chapters as follows:

- *Chapter 1 Introduction* provides an overview over the purpose and structure of this consultation document as well as the licence conditions impacted by the proposed modifications; it also sets out details on how to respond to the licence consultation as well as equality considerations
- *Chapter 2 Administrative Modifications* describes the background to the proposed modifications, explains the modification proposal and sets out related reasons and effects
- *Chapter 3 Next Steps* sets out the indicative timetable for the next steps of the licence modification process

- Annexe A shows the proposed changes to the Evolve licence
 - Annexe B shows the proposed changes to the FEDL licence
 - Annexe C shows the proposed changes to the PE licence
 - Annexe D represents the notice under Article 14(2) of the Gas (Northern Ireland) Order 1996 of our licence modification proposal
- 1.10 Annexes A to C set out, for each licence holder, the proposed licence modifications as tracked changes to the current licence conditions. Within the annexes proposed deletions are indicated by red text that has been struck through, proposed additions are indicated by red text that is underlined.

Responding to this Consultation

- 1.11 The Utility Regulator welcomes industry and stakeholder views and comments on the outlined licence modifications proposals and their effect. Any representations or objections with respect to the proposals may be made on or before 12 noon on 9 October 2024 to:

Veronika Gallagher

Utility Regulator

Queens House

14 Queen Street

Belfast BT1 6ED

Email: Gas_networks_responses@uregni.gov.uk with cc to veronika.gallagher@uregni.gov.uk

- 1.12 The Utility Regulator's preference would be for responses to be submitted by e-mail.
- 1.13 Your response may be made public by the Utility Regulator. 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'.
- 1.14 If you want other information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the

information you have provided as confidential.

- 1.15 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 and the Data Protection Act 2018).
- 1.16 As stated in the GDPR Privacy Statement for consumers and stakeholders, any personal data contained within your response will be deleted once the matter being consulted on has been concluded though the substance of the response may be retained.
- 1.17 Copies of all documents will be made available in large print, Braille, audio cassette and a variety of relevant minority languages if required. Please contact Veronika Gallagher on 028 9031 6641 or email Gas_networks_responses@uregni.gov.uk with cc to veronika.gallagher@uregni.gov.uk to request this.

Equality Considerations

- 1.18 As a public authority, the Utility Regulator has a number of obligations arising from Section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:
- a) persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
 - b) men and women generally;
 - c) persons with disability and persons without; and
 - d) persons with dependants and persons without.
- 1.19 The Utility Regulator must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups.
- 1.20 In the development of its policies the Utility Regulator also has a statutory duty to have due regard to the needs of vulnerable customers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and individuals residing in rural areas. Some of the above equality categories will therefore overlap with these vulnerable groupings.
- 1.21 In order to assist with equality screening of the proposals contained within this consultation paper, the Utility Regulator requests that respondents

provide any information or evidence in relation to the needs, experiences, issues and priorities for different groups which they feel is relevant to the implementation of any of the proposals. Furthermore, the Utility Regulator welcomes any comments which respondents might have in relation to the overall equality impact of the proposals.

2. Administrative Modifications

Background

- 2.1 Two of the DNOs, PE and Evolve, have recently rebranded. This involved a change on company name, whilst the company number remained the same. We therefore propose to update references to the company names accordingly in the licences and to update commentary on the licensees' name change histories in the consolidated versions of the licences.
- 2.2 The Evolve licence also contains an outdated company address which we propose to update.
- 2.3 Whilst FEDL did not change its company name and/or address recently, we noticed that the FEDL licence also contains an outdated company name reference and address, which we propose to update as well.
- 2.4 We have furthermore noticed that references to the names and address of the Department in all three distribution licenses are outdated and propose to update these accordingly.
- 2.5 Similarly, the name of the Authority in the FEDL licence is outdated, and there are inaccuracies with respect to the Authority's address in all three distribution licences, which we propose to address.
- 2.6 Whilst considering the provisions for giving notices under the licences in the context of the rebranding changes summarised above, we have realised that one of the methods for giving such notices is by transmission of facsimile. Given that this technology is rarely used in practice these days, we propose to remove related references from the licences and include provisions making notices by Electronic Communication instead.
- 2.7 Finally, a consolidation error has been identified with respect to *Condition 2.19: Exit Capacity Booking* of the Evolve licence which we propose to correct.

Proposed Licence Modifications

General:

- 2.8 The proposed modifications, as described below, are set out in detail in Annexes A to C.

Condition 1.1.6: Interpretation and Construction, Definitions [Evolve, FEDL, PE]

- 2.9 We propose to update, in the definition of the term “*Authority*” in the FEDL licence, the reference to “*Northern Ireland Authority for Energy Regulation*” to read “*Northern Ireland Authority for Utility Regulation*”.
- 2.10 We furthermore propose to update, in the definition of the term “*Department*” of all three distribution licences, the reference to “*Department of Enterprise, Trade and Investment*” to read “*Department for the Economy*”.
- 2.11 We also propose to replace in the PE licence the definition of the term “*Licensee*” the current wording “*means Phoenix Natural Gas Limited*” with “*means Phoenix Energy Group Ltd, a company registered in Northern Ireland (No. NI032809)*”.

Condition 1.14 :Notices [Evolve, FEDL]/Condition 1.15 Notices [PE]

- 2.12 In *Condition 1.14.1 Notices [Evolve ,FEDL]/1.15.1 Notices [PE]*, under “*Licensee*”, we propose to update:
- In the Evolve licence the name and address details to read:
*“SGN Evolve Network Ltd,
Blackwater House,
14 Silverwood Industrial Estate,
Lurgan, BT66 6LN”*
 - In the FEDL licence the name and address details to read:
*“Firmus Energy (Distribution) Limited,
A4-A5 Fergusons Way,
Kilbegg Road,
Antrim, BT41 4LZ”*
 - In the PE licence the reference to “*Phoenix Natural Gas Limited*” to read “*Phoenix Energy Group Ltd*”.
- 2.13 In *Condition 1.14.1 Notices [Evolve ,FEDL]/1.15.1 Notices [PE]*, under “*Authority*”, we propose to update:
- In the FEDL licence the name referred to from “*Northern Ireland Authority for Energy Regulation*” to read “*Northern Ireland Authority for Utility Regulation*”;
 - In all three distribution licences, the address to read:
*“Northern Ireland Authority for Utility Regulation,
Queens House,*

14 Queen Street,
Belfast, BT1 6ED”.

2.14 In *Condition 1.14.1 Notices* [Evolve, FEDL]/*1.15.1 Notices* [PE], under “*Department*”, we propose to update the name and address to read:

“*Department of the Economy,
Energy Group,
Adelaide House,
39/49 Adelaide Street,
Belfast, BT2 8FD*”.

2.15 Finally we also propose to amend *Condition 1.14.1 Notices* [Evolve, FEDL]/*1.15.1 Notices* [PE] by:

- Changing the wording in the introductory sentence indicating how notices shall be made from “*shall be in writing and shall be deemed to have been properly given if delivered in person or sent by registered mail or transmitted by facsimile to the relevant party [...]*” to “*shall be given in Writing to the relevant party*”;
- Removing the details on the facsimile telephone numbers of the Licensee, the Authority and the Department’
- Adding. At the end of *Condition 1.14.1 Notices* [Evolve, FEDL]/*1.15.1 Notices* [PE], the following three new definitions:

“**Writing** includes writing sent or received by *Electronic Communication*

Electronic Communication means a message comprising text that:

- (a) is sent over a *Public Electronic Communications Network*;
- (b) can be stored in that network or in the recipient’s terminal equipment until it is collected by the recipient; and
- (c) is in a particular form and is used for a particular purpose and the recipient of it has expressed a willingness, to the sender, to receive it in that form and for that purpose.

Public Electronic Communications Network has the meaning given in section 151 of the *Communications Act 2003*.”

2.16 In *Condition 1.14.2 Receipt* [Evolve, FEDL]/*1.15.2 Receipt* [PE], we propose to update paragraph (iii) so that it covers deemed delivery and receipt of “*Electronic Communication*” rather than “*facsimile*” and reads “*at the time of*

receipt, if sent by Electronic Communication”.

Consolidated Licence Cover Page and Notes [Evolve, PE]

2.17 We also propose to update the name on the cover page of the consolidated licences for PE and Evolve to “*Phoenix Energy Group Ltd*” and “*SGN Evolve Network Ltd*” respectively, and to include a note as follows:

- For PE: “*Licence granted to Phoenix Natural Gas Limited (a company registered in Northern Ireland, No. NI026420) on 5 September 1996. The licence was assigned on 31st December 2007 to Phoenix Distribution (Northern Ireland) Limited (a company registered in Northern Ireland, No. NI032809). The company name was changed to Phoenix Natural Gas Limited on 24 September 2008, and to Phoenix Energy Group Ltd on 13 October 2023.*”
- For Evolve: “*Licence granted to Scotia Gas Networks Northern Ireland Limited on 11 February 2015. Scotia Gas Networks Northern Ireland Limited changed its name to SGN Natural Gas Limited on 22 April 2015. SGN Natural Gas Limited changed its name to SGN Evolve Network Ltd on 4 September 2023.*”

2.18 In addition, we propose to delete from the *Notes* section at the end of the consolidated version of the PE licence, the first entry “*Change of incorporated name from “Belfast Gas Limited” to Phoenix Distribution (Northern Ireland) Limited” – dated 11th August 1997.*” and to renumber the remaining entries accordingly.

2.19 We note these proposed changes to the consolidated versions of the licences do not constitute licence modifications as such, as

- the cover page of a consolidated licence; and
- the *Notes* section at the end of a consolidated licence, which provides an overview over different modifications that have taken place,

do not form part of the licence terms and conditions. These changes are hence not tracked as such in Annexes A and C.

Condition 2.19: Exit Capacity Booking [Evolve]

2.20 We propose to update the consolidated version of the Evolve licence for modifications to *Condition 2.19: Exit Capacity Booking* which:

- Were consulted on in a consultation on *Consequential changes to gas low pressure and supply licences arising from the introduction of the*

*new gas day and entry charging*⁴ published on 21 April 2015, and set out in detail in the Annexe⁵ to this consultation;

- Were made on 12 June 2015 without change from what had been consulted on, as set out in detail in the Annex⁶ to the decision document⁷.

2.21 We note that this modification has already been made in 2015. The proposed update is hence not a new modification, and not tracked as such in Annexe A, but a correction of a licence consolidation error.

Reasons and Effects

Condition 1.1.6: Interpretation and Construction, Definitions [Evolve, FEDL, PE]

2.22 The proposed change to the definition of “*Authority*” in the FEDL licence is consequential to the name change of the organisation which occurred some time ago but had not been reflected in the FEDL licence.

2.23 Similarly, the proposed change to the definition of “*Department*” is consequential to the Department of Enterprise, Trade and Investment being replaced by the Department for the Economy. Whilst this change had occurred some time ago, it has not been reflected in the distribution licences since.

2.24 The proposed change to the definition of “*Licensee*” in the PE licence is also consequential to the recent name change of the organisation.

2.25 We consider that the proposed changes enhance accuracy of licence drafting.

Condition 1.14: Notices [Evolve, FEDL]/Condition 1.15 Notices [PE]

2.26 The proposed changes to name details under “*Licensee*” in *Condition 1.14.1 Notices* [Evolve, FEDL]/*1.15.1 Notices* [PE] are consequential to rebranding by the licence holders. In the case of Evolve and PE this has happened in September respectively October 2023; in the case of FEDL the name change occurred some time ago but had only been reflected on the cover page of the consolidated licence and not in Condition 1.14.

2.27 The proposed changes to address details under “*Licensee*” in *Condition*

⁴ [Utility Regulator: Consultation on Gas Licence Modifications: Consequential changes to gas ow pressure and supply licences arising from the introduction of the new gas day and entry charging, 21 April 2015.](#)

⁵ [Low pressure licence conditions extract mark-up, 21 April 2015.](#)

⁶ [SGN licence condition 219 extract mark-up, 12 June 2015.](#)

⁷ [Utility Regulator: Decision Paper: Art. 14 Gas Oder, Modifications to low pressure gas conveyance and gas supply licences consequential to the introduction of entry capacity and the new gas day, 12 June 2015.](#)

1.14.1 Notices of the Evolve and FEDL licences are consequential to the two organisations moving their headquarters which has not been reflected in the licences since.

- 2.28 Similarly, the proposed change to name and address details under “*Authority*” in *Condition 1.14.1 Notices* of the FEDL licence is consequential to the name and address change of the organisation which has not been reflected in the FEDL licence since. The proposed changes to the address details under “*Authority*” in *Condition 1.14.1 Notices* [Evolve]/*1.15.1 Notices* [PE] licence are corrections of typographical drafting errors.
- 2.29 Also, the proposed changes to name and address details under “*Department*” in *Condition 1.14.1 Notices* [Evolve, FEDL]/*1.15.1 Notices* [PE] are consequential to the Department of Enterprise, Trade and Investment being replaced by the Department for the Economy and subsequently moving its headquarters to a new address, both of which have not been reflected in the licences since.
- 2.30 The reason for proposing to remove references to:
- facsimile numbers;
 - use of facsimile for giving notices under the licence; and
 - provisions clarifying when any such notices given are deemed to have been received;
- is that this technology is rarely used in practice any more these days. As a result there is a risk that incoming facsimiles might not get noticed in a timely manner.
- 2.31 Similarly, the reason for proposing to include provisions to allow for the giving of notices via Electronic Communication is to reflect the increased relevance of this method of communication and provide a practical alternative to the giving of notices in person or by through registered mail, both of which remain valid options as well.
- 2.32 We consider that the proposed changes to name and address details enhance accuracy of licence drafting.
- 2.33 We consider furthermore that the proposed removal of facsimile as a method for giving notices under the licences has no material practical implications whilst making the licence drafting more relevant and reducing the risk of communication issues.
- 2.34 We consider that the proposed introduction of Electronic Communications as

a means for giving notices allows for a more efficient, convenient and timely way for giving notices than what might be the case when compared to the alternative methods (in person delivery, registered mail). However, any associated cost saving impact is anticipated to be negligible.

Consolidated Licence Cover Page and Notes [Evolve, PE], Condition 2.19 Capacity Booking [Evolve]

- 2.35 Whilst the proposed changes to the cover page of the consolidated licences for PE and Evolve, the Notes section of the consolidated PE licence and to *Condition 2.19: Exit Capacity Booking* for Evolve do not constitute licence modifications as such, we have included them in this consultation for information and transparency.
- 2.36 We consider having an overview over the name change history of a Licensee on the front of a consolidated licence to be useful.
- 2.37 The first note in the *Notes* section of the consolidated PE licence, is erroneous and proposed to be removed for this reason. Clarity on the name change history, which we consider to be useful information, is instead envisaged to be provided through the updated note on the cover page of both the PE and Evolve licences respectively.
- 2.38 We consider that these updates to the consolidated licences enhance accuracy, clarity and transparency, but have no practical impact otherwise.

3. Next Steps

- 3.1 This paper represents the Utility Regulator’s proposals on modifications to the gas distribution licences of FEDL, PE and Evolve. Table 2 summarises the next steps and associated timelines for the licence modification process. We note that that timelines are indicative at this stage and may be subject to change.
- 3.2 Once we have considered any responses to this consultation, we will issue our notice of decision. The licence modification effective date will a minimum of 56 days after that notice of decision.

Next Steps	Proposed Date
Notice of proposal to modify gas conveyance licences published	10 September 2024
Statutory consultation closes	9 October 2024
Notice of decision to modify gas conveyance licences published	November 2024
Licence modification effective date	January 2025

Table 2: Indicative timelines for next steps

Annexes

Table 3 below provides an overview over the annexes to this consultation document.

Annexes A to C set out, for each licence holder, the proposed modifications tracked against the current licence drafting.

Annexe D represents the notice under Article 14(2) of the Gas (Northern Ireland) Order 1996 of our licence modification proposal.

Annexe Number	Annexe Name
Annexe A	Proposed Evolve licence modifications
Annexe B	Proposed FEDL licence modifications
Annexe C	Proposed PE licence modifications
Annexe D	Notice under Article 14(2) of the Gas (Northern Ireland) Order 1996

Table 3: Overview over Annexes