

Ref: NET/G/BM/1158

Paddy Larkin  
Premier Transmission Limited  
First Floor  
The Arena Building  
85 Ormeau Road  
Belfast  
BT7 1SH

05 March 2025

Dear Paddy,

**Re: Transportation Agreement Amendment Approval Request**

Thank you for submitting, on 11 October 2024, your request for regulatory approval for the amendments to the Transportation Agreement (TA).

The TA is an agreement between Premier Transmission Limited (PTL) and Gas Networks Ireland (UK) Limited (GNI (UK)). The original TA was entered into on 21 August 1996 for a period of 25 years. Since the time of the initial agreement, the TA has been amended several times including by:

- A Deed of Amendment dated 27 January 2015;
- An Amendment and Supplemental Arrangements Agreement dated 29 September 2015;
- Two Operational Variations dated 7 February 2013 ("**OV1**") and 8 September 2014 ("**OV2**").

The original TA expired on 30 September 2021, in line with the terms of its agreement. The UR approved modifications to the TA and this new agreement was effective from 1 October 2021. This new TA replaced, extended and amended the previous agreement and is effective for a 15-year period until the end September 2036. At the time of agreement of the new TA, the Operating procedures were not finalised, and the UR decided that these would be agreed between PTL and GNI (UK) in the future. The TA allows PTL to use capacity of 8.08 million standard cubic meters per day at 56 bar in the portion of the Interconnector 1 pipeline from Moffat to Twynholm which is owned and operated by GNI (UK). Together with the capacity in the Scotland-Northern Ireland Pipeline (owned and operated by PTL), PTL can make this capacity available as a seamless service to Northern Ireland shippers from Moffat to exit points on the PTL network, thereby directly linking the Great Britain and Northern Ireland gas markets and avoiding pancaking of entry and exit charges.

In the request for approval for the current amendments of 11 October 2024, you state that it is considered that the modifications will enhance the clarity of the TA and Operating Provisions and the efficiency of practical operations. We furthermore note that you do not consider there to be any adverse impact on industry stakeholders or consumers of natural gas because of the proposed amendments.

### **Decision**

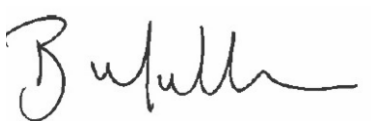
We have reviewed the proposed amendments to the TA and consider that approving the modifications is consistent with our principal objective and general duties in gas and is in the best interest of consumers of gas.

Having considered the amendments to the TA, we approve the updated version submitted on 11 October 2024 under Condition 2.4C.2(c) of PTL's licence for the conveyance of gas in Northern Ireland.

We note that as part of our decision process, we have engaged with Ofgem (Office of Gas and Electricity Markets). We understand that PTL and GNI (UK) also require Ofgem's approval under their respective Gas Interconnector Licences for modifying the TA. Furthermore, we note that the Commission for Regulation of Utilities (CRU) has been informed of proposed TA amendments as a matter of good practice and have not made any additional recommendations in this regard. We understand that Ofgem has also approved the proposed TA amendments and PTL and GNI (UK) should take all necessary steps that can be reasonably expected to ensure the modifications come into effect from 5<sup>th</sup> March 2025.

We are also cognisant of the fact that the existing TA expires in 2036 and trust that PTL will be undertaking strategic planning well in advance of the expiry of this agreement. This will help to ensure a plan is in place to ensure the continued and effective flow of gas to Northern Ireland consumers.

Yours sincerely



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**Brian Mulhern**  
**Networks Director**  
**For and on behalf of Utility Regulator**

Cc Con O'Donnell, GNI(UK)  
Edwina Nyhan GNI(UK)

