

Brian Mullins
GNI (UK) Ltd
PO Box 51
Gasworks Road
Cork

Ref: CNO/G/TH/403

16th July 2018

Dear Brian,

Re: Further Consultation on Granting of WTL Security Consent

Thank you for your previous correspondence in relation to the information we provided on the grant of the Security Consent in respect of WTL's pre-construction financing (the 'early financing').

In addition to the proposed need for WTL to grant rights in respect of security over the network assets to the providers of finance and SGN there is also a requirement to provide rights to the Department of the Economy (DFE). The need for this would be triggered by the financial assistance being provided by DFE (as identified under the terms and conditions of the letter of offer provided by DFE), the conditions not being met leading to a requirement to repay the finance provided within 21 days and this payment not being made.

In this context, the Authority needs to consider Condition 1.12 of the WTL licence. The grant of security over the network assets – including, in our view, the grant of any right to obtain such a security – constitutes a disposal which requires the Authority's consent if it materially affects the ability of WTL to carry on the regulated business.

The Authority can give such consent under Condition 1.12.4 of the WTL licence where it has “consulted and taken into consideration any representations made in a timely manner by any other licence holder liable to be materially affected by the disposal in question”, in line with Condition 1.12.5 of the WTL licence.

We consider that GNI (UK) Ltd may constitute such an “other licence holder liable to be materially affected by the disposal”. Therefore, we are providing GNI (UK) Ltd with an opportunity to provide comments on the proposed disposal, i.e. WTL entering into an agreement with DFE under which DFE will have the right to require the grant in its favour of security by way of a second ranking security agreement.

We would welcome any representations GNI (UK) Ltd may wish to make on this matter by 18 July 2018 at 12 noon at the latest. Your response should be sent to:

Tanya Hedley
Utility Regulator
Queens House
14 Queens Street
Belfast BT1 6ED
Email: Gas_networks_responses@uregni.gov.uk with cc to
Tanya.Hedley@uregni.gov.uk

If, prior to submitting your response, you wish to discuss this matter in more detail, please contact Tanya Hedley under the email addresses provided above.

Yours sincerely



Tanya Hedley
Director of Compliance and Network Operations
For and on behalf of NIAUR

Cc: Paddy Larkin