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Ms. Veronika Gallagher
Utility Regulator
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14 Queens Street
Belfast
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By Email: Gas_networks_responses@uregni.gov.uk
Cc: Tanya.Hedley@uregni.gov.uk

09th July 2018

Re: Further Consultation on Granting of WTL Security Consent

Dear Veronika,

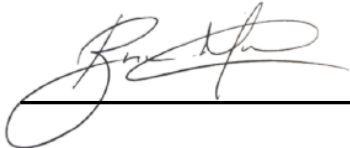
Thank you for your letter dated 04th July 2018 in relation to the need for WTL to grant further rights in respect of security over its network assets.

As alluded to in our response to the initial consultation, GNI (UK)'s key concern is that any transferee of the WTL network will have the capability to discharge the function of a transmission system operator ("TSO") and UR's written response to GNI (UK) dated 20 June 2018 clarified this position in that the granting of consent by UR does not imply any decision by UR to grant further consents that would be needed under conditions where rights under the security documents were exercised in the future. UR's response acknowledged that a key consideration in granting a consent in the future would be the extent to which the person to whom the network assets or licence were proposed to be transferred had the competence to perform the obligations of a TSO.

GNI (UK) therefore has no objection to the granting of further rights in respect of security over the network assets as outlined in your letter dated 20 July 2018 on the basis that the written confirmation previously provided in relation to any transfer of the network on enforcement of the security in favour of WTL's financiers (or their nominees) would apply equally here, i.e. any such transfer in favour of SGN (or its nominee) would be treated as a separate 'disposal' requiring further consent of UR, and a review of the competence of the proposed transferee to perform the obligations of a TSO would inform the decision as to whether or not to provide consent at that point.

Please do not hesitate to contact me if you require any further information.

Yours sincerely,



Brian Mullins
Regulatory Framework Manager
Gas Networks Ireland on behalf of GNI (UK) Limited