

PNG Distribution Capacity Booking: Licence Conditions**1. Proposed New Condition 2.13****2.13.1 Licensee to maintain conveyance arrangements**

Unless the Authority otherwise directs, the Licensee shall at all times maintain such arrangements with Other Network Operators in respect of the conveyance of gas through their networks as are necessary to ensure that sufficient gas can be conveyed to the Network to meet Forecast Network Consumption.

2.13.2 Forecasts Network Consumption Definition

Forecast Network Consumption means:

- (a) in respect of a particular day, an amount of gas which would at least equal the daily firm demand from existing Network Consumers, which having regard to historical weather and other data derived from at least the previous 50 years and to representations made by Gas Suppliers in accordance with the procedures set out at Condition 2.13.3, is likely to be exceeded only in 1 year out of 20 years; and
- (b) in respect of a particular Formula Year, an amount of gas over a year which would equal the aggregate daily firm demand over a year from Network Consumers which, having regards to such data and representations as aforesaid, is likely to be exceeded only in 1 year out of 50 years

2.13.3 Annual Consultation

Unless the Authority otherwise directs;

- (a) no later than 1st March thereafter, the Licensee shall publish a draft statement of:
 - (i) its best estimate of daily firm demand from Network Consumers for each day in the following Formula Year which, having regard to historical weather and other data from at least the previous 50 years, is likely to be exceeded only in 1 year out of 20 years; and
 - (ii) its best estimate of aggregate daily firm demand from Network Consumers for the following Formula Year which, having regard to such data as aforesaid, is likely to be exceeded only in 1 year out of 50 years

in such form and manner as the Authority may direct and send a copy of the statement to any person who asks for one on payment of a charge in respect of the cost incurred by the Licensee in complying with this requirement which does not exceed such amount as the Authority may from time to time direct; and

- (b) no later than 21st April thereafter, the Licensee shall publish a final statement of the matters referred to in Condition 2.13.4(a)(i) and (ii) above, having regard, in addition to the considerations referred to in that Condition, to any representations received by it within 21 days of the publication of the draft statement .

2.13.4 **Additional Definitions**

In this Condition:

- “daily firm demand” means the peak aggregate daily demand for gas by Network Consumers from time to time which might reasonably be expected after the supply of gas to each such consumer had been interrupted or reduced to the extent that is permitted under any contract between that consumer and its Gas Supplier;
- “day” means a period beginning at 6am on one day and ending immediately before 6am on the following day and “daily” shall be construed accordingly; and
- “Network Consumers” means all those persons located within the Licensed Area who are supplied with gas from the Network; and
- “Other Network Operators” means a person licensed to convey gas under Article 8(1)(a) of the Order or exempted from the requirement to be licensed to convey gas under Article 7(1) of the Order, other than the Licensee

2. Proposed modified condition 2.7

Condition 2.7: Conduct of Transportation Business

2.7.1 Conduct of business activities

The Licensee shall conduct its business activities relating to the conveyance of gas (including any activities related to the making of arrangements with Other Network Operators for the conveyance of gas through their networks for the purposes of Condition 2.13) in the manner best calculated to secure that neither:

- (a) the Licensee or any affiliate or related undertaking of it or any company of which the Licensee is an affiliate or related undertaking; nor
- (b) any other licence holder or exemption holder;

obtains any unfair commercial advantage in any business in the storage or supply of gas including, in particular, any such advantage from a preferential or discriminatory arrangement.

2.7.2 Disclosure of information

The Licensee shall use its best endeavours to secure that no information relating to or derived from its business activities relating to the conveyance of gas (including any activities related to the making of arrangements with Other Network Operators for the conveyance of gas through their networks for the purposes of Condition 2.13) is disclosed for the benefit or used for the purposes of a trading business of the Licensee or any affiliate or (so far as the Licensee can require it) related undertaking of the Licensee or company of which the Licensee is an affiliate or related undertaking.

2.7.3 Exempt information

Condition 2.7.2 shall not extend to:

- (a) information received by the Licensee which is relevant to any trading business of the Licensee, but only in so far as that information relates directly to the supply of gas as may be made exclusively by the Licensee under Condition 3.2.2; or
- (b) information specified in any consent to non-compliance with that Condition given by the Authority to the Licensee; or

- (c) information relating to a particular licence holder or holder of an exemption which that party has consented in writing to being used or disclosed in accordance with the terms of that consent; or
- (d) information which it is necessary for the trading business to use or disclose in order to enter into and comply with arrangements for the conveyance of gas; or
- (e) information which is in the public domain (other than as a result of contravention by the Licensee of any Condition of any licence granted under this Licence Document); or
- (f) information which is required to be disclosed pursuant to a Condition of any licence granted under this Licence Document.

2.7.4 Additional definition

In this Condition "trading business" means activities connected with the acquisition and disposal of gas in Northern Ireland other than for the efficient operation of a pipe-line system operated by the Licensee or for replacing gas lost from the Network.