
STATUTORY RULES OF NORTHERN IRELAND

1996 No. 447

GAS

**Gas (Applications for Licences and Extensions)
Regulations (Northern Ireland) 1996**

Made - - - - 24th September 1996

Coming into operation 24th September 1996

The Department of Economic Development, in exercise of the powers conferred on it by Article 8(3) of the Gas (Northern Ireland) Order 1996⁽¹⁾ and of every other power enabling it in that behalf, hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Gas (Applications for Licences and Extensions) Regulations (Northern Ireland) 1996 and shall come into operation on 24th September 1996.

Interpretation

2. In these Regulations—

“the Department” means the Department of Economic Development;

“the Order” means the Gas (Northern Ireland) Order 1996;

“application” means an application for a licence or extension;

“extension” means in relation to—

(a) a gas conveyance licence, an extension of that licence under Article 8(2)(a) of the Order;

(b) a gas storage licence, an extension of that licence under Article 8(2)(b) of the Order; and

(c) a gas supply licence, an extension of that licence under Article 8(2)(c) of the Order;

“gas conveyance licence” means a licence under Article 8(1)(a) of the Order;

“gas storage licence” means a licence under Article 8(1)(b) of the Order;

“gas supply licence” means a licence under Article 8(1)(c) of the Order;

“licence” when used without qualification, includes any licence under Article 8(1) of the Order;

“standard condition” in relation to any licence means a condition (if any) determined and published by the Department in accordance with Article 11(1) of the Order for the purposes of that licence and a reference to a standard condition includes a reference to that condition as modified for the time being under Article 11(4) of the Order.

Form of application

3. An application shall be in the form, and shall contain the particulars, specified in Schedule 1.

Documents and other particulars to accompany applications

4.—(1) Subject to paragraphs (2) and (3):—

- (a) an application for a gas conveyance licence, or for an extension, shall be accompanied by the documents and other particulars specified in Part I of Schedule 2;
- (b) an application for a gas storage licence, or for an extension, shall be accompanied by the documents and other particulars specified in Part II of Schedule 2;
- (c) an application for a gas supply licence, or for an extension, shall be accompanied by the documents and other particulars specified in Part III of Schedule 2.

(2) The obligation imposed by paragraph (1) shall, to the extent that documents and other particulars are specified in Parts I, II and III of Schedule 2 by reference to, or in relation to, a standard condition have effect:—

- (a) in the case of an application for a licence, subject to paragraph (3), as if the standard condition in question were to be incorporated in any licence granted as a result of the application;
- (b) in the case of an application for an extension of a licence, in relation to such of the standard conditions in question as have been incorporated in the licence.

(3) Where a modification of any standard condition is specified in accordance with paragraph 15 of Part I of Schedule 2, paragraph 11 of Part II of Schedule 2, or paragraph 15 of Part III of Schedule 3, the obligation imposed by paragraph (2)(a) above shall be modified accordingly.

Lodgement of applications

5. An application shall:—

- (a) be signed and dated by or on behalf of the applicant, stating, where signed on behalf of the applicant, the capacity in which the signatory does so; and
- (b) be delivered, or sent by prepaid post, to the Department or to the Director at his principal office.

Manner of publishing applications

6.—(1) For the purposes of Article 8(3) of the Order, a notice containing a copy of the application shall be published by the applicant:—

- (a) in the Belfast Gazette; and
- (b) in the newspaper or newspapers circulating:—
 - (i) in the case of a gas conveyance licence, in each part of the area to which the application relates;
 - (ii) in the case of a gas storage licence in the area in which the gas storage facility to which the licence relates is to be located; and
 - (iii) in the case of a gas supply licence in each area where the persons or premises to which the application relates are located.

(2) Where, in relation to any application, a map forms part of the documents and particulars provided in accordance with regulation 4, each notice relating to that application published by the applicant in a periodical under paragraph (1)(b) shall state that a copy of that map is available for

inspection by the public at the offices of the Department or the principal office of the Director, as the case may be, between 10.00 am and 4.00 pm on any working day.

(3) An applicant shall cause a copy of the Belfast Gazette and of each newspaper in which the application made by him is published under paragraph (1)(b) to be delivered to or sent as soon as is practicable after publication by prepaid post to the Department or to the Director at his principal office, as appropriate.

Fees payable with applications

- 7.—(1) The fee payable with an application for a gas conveyance licence shall be £800.
- (2) The fee payable with an application for a gas storage licence shall be £500.
- (3) The fee payable with an application for a gas supply licence shall be £500.
- (4) The fee payable with an application for an extension shall be £200.
- (5) Any fees payable under this regulation shall be paid when the application to which it relates is lodged.

Sealed with the Official Seal of the Department of Economic Development on 24th September
1996

J. E. Wolstencroft
Assistant Secretary

SCHEDULE 1

Form of Application for a Gas Conveyance Licence, Gas Storage Licence or Gas Supply Licence

Regulation 3

7. Status of the applicant that company, private limited comp partnership, unincorporated asso case particulars of the legal status

1. Full name of the applicant(s).

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2. Address of the applicant(s) or, in the case of a body corporate, the registered or principal office.

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3. Where the applicant is a partnership or other joint venture (other than a body corporate), the name and address of each party concerned.

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4. The name, address and telephone number of the person or persons resident in Northern Ireland to whom correspondence or enquiries concerning the application should be directed.

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5. The particular type of licence(s) sought that is to say whether to convey gas and/or store gas and/or supply gas, or an extension of any of these types of licence granted to the applicant at the time of this application.

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6. The date from which the licence or extension is desired to take effect.

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8. If the applicant is a body c

(a) The jurisdiction under wh

(b) If applicable, its registrati

(c) The full names and address director within the mean appropriate, the correspon

(d) Where incorporated outsid number of a person or p accept service of any no company.

(e) The name and registered o of Article 4 of the 1986 O of the applicant and the n undertaking (within the n applicant.

SCHEDULE 2

Regulation 4(1)(a)

Part I

Documents and other Particulars to accompany an Application for a Gas Conveyance Licence or Extension (see Note)

Financial information

1. If the applicant is a company copies of:—
 - (a) the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
 - (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) above relate, together with the appropriate auditors' reports;
 - (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b) above.
2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:—
 - (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
 - (b) the groups accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
 - (c) such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).
3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts together with any auditors' reports, as indicate the financial state of affairs of the group in question:—
 - (a) at the time of the application; and
 - (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:—

- (a) with an application made by the applicant in accordance with these Regulations; or
 - (b) subsequent to such an application in pursuance of a condition of the applicant's licence.
4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:—
 - (a) at the time of the application; and

(b) at the end of each of the three financial years preceding that time.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such particulars and documents as are provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

Constitutional documents

6. Where the applicant is a company, copies of its Memorandum and Articles of Association or other constitutional documents.

Expertise of applicant

7. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are incidental thereto.

Proposed authorised area and pipeline system

8. A map drawn to an appropriate scale showing:—
- (a) the area in which the applicant proposes to convey gas from one place to another (“the proposed area”);
 - (b) the proposed configuration of the pipeline system the applicant would use for that purpose if the application were granted; and
 - (c) any pipes used or to be used by the applicant wholly or mainly for the purpose of conveying gas to the proposed area if the application were granted.
9. A list of the district councils in whose area the proposed area lies.

Development plan

10. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension, if the application were granted, including estimates, for each year of the period required to complete the development, of:—

- (a) the length(s) (in kilometres), diameter(s) and design operating pressure(s) of the pipelines to be used for the authorised activities;
- (b) the number of premises which may be connected to the pipeline system;
- (c) the amount of gas, in therms, expected to be conveyed, separately identifying any amount to be conveyed to domestic premises;
- (d) the total revenue from the authorised activities;
- (e) the total capital costs of the authorised activities, showing separately such costs in relation to procuring and laying pipe-lines, providing and installing meters, procuring and installing other operational plant and machinery, and overhead and administrative requirements (in all cases excluding finance charges);
- (f) the total operating costs of the authorised activities, showing separately such costs in relation to fuel (including gas purchases), staff costs, rent and rates, development costs and insurance; and

(g) net annual cashflow,
and stating, where appropriate, the assumptions underlying the figures provided.

System security standards

11. Particulars of the proposed system security standards for the pipeline network.

Safety requirements

12. Such particulars as will indicate whether any pipeline system through which the applicant would be authorised to convey gas if the application or extension were granted would be operated safely.

13. Particulars of the applicant's proposed arrangements to secure the performance of any obligations in relation to escapes of gas imposed on him by Schedule 5 to the Order.

Exclusive authority

14. Any exclusive authority to convey gas sought and justification for the conferral of such authority.

Standard conditions

15. Any modification requested to any of the standard conditions for a gas conveyance licence and the grounds on which the applicant believes that any such modification:—

- (a) is requisite to meet the circumstances of a particular case; and
- (b) is such that no other holder of such a licence would be unduly disadvantaged by the making of the modification.

16. Particulars of the applicant's proposed arrangements for compliance with those standard conditions for a gas conveyance licence which are identified for this purpose.

Interpretation

17. In this schedule:—

“the 1986 Order” means the Companies (Northern Ireland) Order 1986(2);

“annual accounts” has the meaning given by Article 270 of the 1986 Order;

“auditors' report” means a report prepared under Article 243 of the 1986 Order;

“company” means:—

- (i) a company within the meaning of Article 3(1) of the 1986 Order; or
- (ii) a body corporate, incorporated in and having a principal place of business in Northern Ireland, other than a body corporate mentioned in Article 8 of the 1986 Order;

“domestic premises” means premises to which gas is conveyed at a rate which is reasonably expected not to exceed 2,500 therms a year;

“group” has the meaning given by Article 270 of the 1986 Order;

“group accounts” means such accounts as are required to be prepared by Article 235 of the 1986 Order, or, as the case may be, delivered under Article 236 of that Order, together with any accounts required to be delivered in accordance with Article 251(2) of that Order;

(2) S.I. 1986/1072 (N.I. 6)

“parent undertaking” and “subsidiary undertaking” have the meanings given by Article 266 of the 1986 Order.

SCHEDULE 2

Regulation 4(1)(b)

Part II

Documents and other particulars to accompany an application for a Gas Storage Licence or Extension (see Note)

Financial information

1. If the applicant is a company copies of:—
 - (a) the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
 - (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) relate, together with the appropriate auditors' reports;
 - (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b).
2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:—
 - (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
 - (b) the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
 - (c) such interim accounts for that group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).
3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts, together with any auditors' reports, as indicate the financial state of affairs of the group in question:—
 - (a) at the time of the application; and
 - (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 7 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:—

- (a) with an application made by the applicant in accordance with these Regulations; or
- (b) subsequent to such an application in pursuance of a condition of the applicant's licence.

4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:—

- (a) at the time of the application; and
- (b) at the end of each of the three financial years preceding that time.

5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such information and documents as is provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

Constitutional documents

6. Where the applicant is a company, copies of its Memorandum and Articles of Association or other constitutional documents.

Expertise of applicant

7. A statement giving such particulars of the applicant, and of any sub-contractors or other persons on whose expertise the applicant proposes to rely, as may indicate whether the applicant or that other person has or will acquire the necessary skills to undertake the activities to which the licence or, as the case may be, the extension, relates and any other activities which are reasonably incidental thereto.

Proposed location of storage facility

8. A map drawn to an appropriate scale showing the proposed location of the gas storage facility to which the application relates.

Development plan

9. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension if the application were granted, including details of:—

- (a) the type, design and capacity of the storage facility intended;
- (b) the intended regime for acceptance of gas for storage and export of gas to gas networks;
- (c) any intended arrangements for connection of the storage facility with any gas networks;
- (d) estimated total revenue from the authorised activities in each of the first 10 years of operation of the storage facility;
- (e) estimated total capital costs of the storage facility;
- (f) estimated total operating costs of the authorised activities in each of the first 10 years of operation of the storage facility, showing separately such costs in relation to fuel (including gas purchases), staff costs, rent and rates, development costs and insurance; and
- (g) net annual cashflow,

and stating, where appropriate, the assumptions underlying the figures provided.

Safety requirements

10. Such particulars as will indicate whether any gas storage facility in which the applicant was authorised to store gas if the application were granted would be operated safely.

Standard conditions

11. Any modification requested to any of the standard conditions for a gas storage licence and the grounds on which the applicant believes that any such modification:—

- (a) is requisite to meet the circumstances of a particular case; and
- (b) is such that no other holder of such a licence would be unduly disadvantaged if the modification were made.

12. Particulars of the applicants proposed arrangements for compliance with those standard conditions for a gas storage licence which are identified for this purpose.

Interpretation

13. In this schedule:—

“the 1986 Order” means the Companies (Northern Ireland) Order 1986(3);

“annual accounts” has the meaning given by Article 270 of the 1986 Order;

“auditors' report” means a report prepared under Article 243 of the 1986 Order;

“company” means:—

- (i) a company within the meaning of Article 3(1) of the 1986 Order; or
- (ii) a body corporate, incorporated in and having a principal place of business in Northern Ireland, other than a body corporate mentioned in Article 8 of the 1986 Order;

“group” has the meaning given by Article 270 of the 1986 Order;

“group accounts” means such accounts as are required to be prepared by Article 235 of the 1986 Order, or, as the case may be, delivered under Article 236 of that Order, together with any accounts required to be delivered in accordance with Article 251(2) of that Order;

“parent undertaking” and “subsidiary undertaking” have the meanings given by Article 266 of the 1986 Order.

SCHEDULE 2

Regulation 4(1)(c)

Part III

Documents and other particulars to accompany an application for a Gas Supply Licence or Extension (see Note)

Financial information

1. If the applicant is a company copies of:—

- (a) the most recent annual accounts of the applicant in respect of which an auditors' report has been prepared, together with that report;
- (b) the annual accounts of the applicant for the two financial years preceding that to which the accounts referred to in sub-paragraph (a) relate, together with the appropriate auditors' reports;

(3) S.I. 1986/1072 (N.I. 6)

- (c) such interim accounts (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraph (a) and (b).
2. In addition to the documents specified at paragraph 1 if the applicant is a subsidiary undertaking, copies of:—
- (a) the most recent group accounts in respect of the group of which the subsidiary undertaking forms part and in respect of which an auditors' report has been prepared, together with that report;
 - (b) the group accounts in respect of that group for the two financial years preceding that to which the accounts referred in sub-paragraph (a) relate, together with the appropriate auditors' reports; and
 - (c) such interim accounts for the group (whether audited or not) as may have been prepared in respect of a period more recent than that covered by any of the documents specified in sub-paragraphs (a) and (b).
3. Where the documents specified at paragraph 2 do not include the consolidated accounts for any parent undertaking of the applicant established outside Northern Ireland, copies of such accounts together with any auditors' reports, as indicate the financial state of affairs of the group in question:—
- (a) at the time of the application; and
 - (b) at the end of each of the three financial years preceding that time.

Note

If the application is for an extension of a licence, the information and documents specified at paragraphs 1 to 3 above and paragraphs 4 to 6 below need only be given in so far as, in any material respect they differ from or add to the most recent information or documents which were provided in relation to the same requirement:—

- (a) with an application made by the applicant in accordance with these Regulations; or
 - (b) subsequent to such an application in pursuance of a condition of the applicant's licence.
4. Where the applicant is not a company, such accounts or other information as indicate the financial state of affairs of the applicant, and of any person in whom effective control of the applicant resides:—
- (a) at the time of the application; and
 - (b) at the end of each of the three financial years preceding that time.
5. A statement giving such further particulars (if any), whether by way of financial projections, sources of finance (including the amount of any borrowings required or being sought from banks or other lending institutions) or otherwise, as will, in conjunction with such information and documents as is provided in accordance with paragraphs 1 to 4, indicate whether the applicant would be likely to be able to finance the activities authorised by its licence if the application were granted.

Constitutional documents

6. Where the applicant is a company copies of its Memorandum and Articles of Association or other constitutional documents.

Description of consumers to be supplied

7. Where the applicant proposes to supply gas to premises in a particular area or in an area of a particular description, such particulars as are necessary so that the area can be adequately and readily

identified, whether by reference to an accompanying map drawn to an appropriate scale or some generally accepted description such as the name of a townland(s).

8. Where the applicant proposes to supply gas to a particular class or description of premises such particulars as are necessary so that the relevant class or description of the premises can be adequately and readily identified.

9. Where the applicant proposes to supply gas to particular premises:—

- (a) the location of each of the premises in question, whether by name of the customer and postal address, by reference to an accompanying map drawn to an appropriate scale, or otherwise; and
- (b) the nature of each of the premises and the purpose for which they are used.

10. Where the applicant proposes to supply gas on, within or from the network otherwise than to premises, details of its intended supply business.

Development plan

11. A development plan in respect of the activities (“the authorised activities”) which would be authorised by the licence or, as the case may be, the extension, if the application were granted, including estimates for each of the first 5 years of:—

- (a) the amount of gas, in therms, expected to be supplied, separately identifying any amount to be supplied to domestic premises;
- (b) the total revenue from the authorised activities;
- (c) the total capital costs of the authorised activities;
- (d) the total operating costs of the authorised activities, showing separately such costs in relation to trading gas (including gas purchases and conveyance charges), staff costs, (rent and rates and marketing costs and insurance); and
- (e) net annual cashflow,

and stating, where appropriate, the assumptions underlying the figures provided.

Acquisition and conveyance of gas

12. Particulars of the person or persons from whom the applicant intends to acquire the gas which he will supply, and particulars of the arrangements made for the conveyance of that gas.

Security and continuity of supply

13. A description of the applicant’s proposed arrangements for ensuring security and continuity of supply for customers.

Exclusive authority

14. Any exclusive authority to supply gas sought and the justification for the conferral of such authority.

Standard conditions

15. Any modification requested to any of the standard conditions for a gas supply licence and the grounds on which the applicant believes that any such modification:—

- (a) is requisite to meet the circumstances of a particular case; and

- (b) is such that no other holder of such a licence would be unduly disadvantaged in competing if such a modification were made.

16. Particulars of the applicant's proposed arrangements for compliance with those standard conditions for a gas supply licence which are identified for this purpose.

Directions under the Energy Act 1976(4)

17. Details of the terms relating to pipeline system emergencies and directions under section 2(1) (b) of the Energy Act 1976 which the applicant proposes to include in contracts for the supply of gas in accordance with a standard condition for a gas supply licence.

Interpretation

18. In this schedule:—

“the 1986 Order” means the Companies (Northern Ireland) Order 1986(5);

“annual accounts” has the meaning given by Article 270 of the 1986 Order;

“auditors' report” means a report prepared under Article 243 of the 1986 Order;

“company” means:—

(i) a company within the meaning of Article 3(1) of the 1986 Order; and

(ii) a body corporate, incorporated in and having a principal place of business in Northern Ireland, other than a body corporate mentioned in Article 8 of the 1986 Order;

“domestic premises” means premises to which gas is conveyed at a rate which is reasonably expected not to exceed 2,500 therms a year;

“group” has the meaning given by Article 270 of the 1986 Order;

“group accounts” means such accounts as are required to be prepared by Article 235 of the 1986 Order, or, as the case may be, delivered under Article 236 of that Order, together with any accounts required to be delivered in accordance with Article 251(2) of that Order;

“parent undertaking” and “subsidiary undertaking” have the meanings given by Article 266 of the 1986 Order.

EXPLANATORY NOTE

(This note is not part of the Order.)

These Regulations prescribe the manner in which:—

(a) applications under Article 8(1) of the Gas (Northern Ireland) Order 1996 for licences to convey, store or supply gas; or

(b) applications under Article 8(2) of that Order for extensions of such licences,

are to be made. The Regulations also prescribe the manner in which such applications are to be published and the fees which should accompany the applications.

(4) [1976 c. 76](#)

(5) [S.I. 1986/1072](#) (N.I. 6)

Applications for licences or extensions shall be in the form provided for in Schedule 1 (regulation 3) and shall be accompanied by the information set out in Schedule 2 (regulation 4). Regulation 5 provides for the lodgement of applications.

Applications shall be published in the Belfast Gazette and in a newspaper or newspapers circulating in the areas to which the application relates (regulation 6), together with a notice stating that copies of any maps furnished under regulation 4 may be inspected by the public at the Director Generals' principal office.

The fees to accompany applications are set out in regulation 7.