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DRAFT STATUTORY INSTRUMENTS

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**2003 No.**

**The Energy (Northern Ireland) Order 2003**

**PART V**

**LICENCES**

*New kinds of licences*

**New kind of electricity transmission licence**

**28.**—(1) Part II of the Electricity Order shall be amended as follows.

(2) In Article 8(1) (prohibition on unlicensed activities in connection with supply of electricity) for sub-paragraph (b) there shall be substituted—

“(b) participates in the transmission of electricity for that purpose; or”.

(3) In Article 8, after paragraph (3) there shall be inserted—

“(4) For the purposes of this Part, a person participates in the transmission of electricity if—

(a) he co-ordinates, and directs, the flow of electricity onto and over a transmission system by means of which the transmission of electricity takes place; or

(b) he makes available for use for the purposes of such a transmission system anything which forms part of it.

(5) Where different people have different interests in anything which forms part of a transmission system, only the person in actual possession of the thing may be regarded for the purposes of paragraph (4) as making it available for use.”.

(4) In Article 10(1) (licences authorising supply etc.) for sub-paragraph (b) there shall be substituted—

“(b) to participate in the transmission of electricity for that purpose; or”.

(5) After Article 10 there shall be inserted—

**“Transmission licences**

**10A.**—(1) A transmission licence may authorise the holder to participate in the transmission of electricity in any area, or only in an area specified in the licence.

(2) The Authority may, with the consent of the holder of a transmission licence, modify any term included in the licence in pursuance of paragraph (1).

(3) Without prejudice to the generality of Article 11(1)(a), conditions included in a transmission licence by virtue of that sub-paragraph may—

(a) require the licence holder not to carry on an activity which he would otherwise be authorised by the licence to carry on; or

- (b) restrict where he may carry on an activity which he is authorised by the licence to carry on.”.

### **Conversion of existing electricity transmission licences**

**29.**—(1) In this Article—

- (a) references to an existing transmission licence are to a licence under Article 10(1)(b) of the Electricity Order which is in force immediately before the commencement date; and
- (b) references to the commencement date are to the date on which Article 28 comes into operation.

(2) An existing transmission licence shall have effect on and after the commencement date—

- (a) as a licence under Article 10(1)(b) of the Electricity Order (as amended by Article 28) authorising the holder to participate in the transmission of electricity in the area which for the purposes of his existing transmission licence was his authorised area; and
- (b) with such incidental, consequential and supplementary modifications as appear to the Department to be necessary or expedient.

(3) Modifications under paragraph (2)(b) may relate to—

- (a) the terms of a licence, or
- (b) the conditions of a licence.

(4) As soon as practicable after the commencement date, the Department shall publish the text of each licence modified under this Article.

(5) Before modifying any licence under paragraph (2)(b), the Department shall consult—

- (a) the Authority; and
- (b) the holder of the licence,

in such manner as it considers appropriate.

(6) Paragraph (5) may be satisfied by consultation before, as well as by consultation after, the commencement date.

### **New kind of gas conveyance licence**

**30.**—(1) Part II of the Gas Order shall be amended as follows.

(2) In Article 6(1) (prohibition on unlicensed activities in connection with supply of gas) for sub-paragraph (a) there shall be substituted—

“(a) participates in the conveyance of gas from one place to another;”.

(3) In Article 6, after paragraph (3) there shall be inserted—

“(4) For the purposes of this Part, a person participates in the conveyance of gas if—

- (a) he co-ordinates, and directs, the flow of gas into and through a pipe-line by means of which the conveyance of gas takes place; or
- (b) he makes a pipe-line available for use for the purposes of such conveyance.

(5) Where different people have different interests in a pipe-line, only the person with actual possession of the pipe-line may be regarded for the purposes of paragraph (4) as making it available for use.”.

(4) In Article 8(1) (licences authorising supply, etc.) for sub-paragraph (a) there shall be substituted—

“(a) to participate in the conveyance of gas from one place to another;”.

(5) After Article 8 there shall be inserted—

**“Licences under Article 8(1)(a)**

**8A.**—(1) A licence under Article 8(1)(a) may authorise the holder to participate in the conveyance of gas in any area, or only in an area specified in the licence.

(2) The Authority may, with the consent of the holder of a licence under Article 8(1)(a), modify any term included in the licence in pursuance of paragraph (1).

(3) Conditions included in a licence under Article 8(1)(a) by virtue of Article 10(1)(a) may (without prejudice to the generality of that sub-paragraph)—

- (a) require the licence holder not to carry on an activity which he would otherwise be authorised by the licence to carry on; or
- (b) restrict where he may carry on an activity which he is authorised by the licence to carry on.”.

**Conversion of existing gas conveyance licences**

**31.**—(1) In this Article—

- (a) references to an existing conveyance licence are to a licence under Article 8(1)(a) of the Gas Order which is in force immediately before the commencement date; and
- (b) references to the commencement date are to the date on which Article 30 comes into operation.

(2) An existing conveyance licence shall have effect on and after the commencement date—

- (a) as a licence under Article 8(1)(a) of the Gas Order (as amended by Article 30) authorising the holder to participate in the conveyance of gas in the area which for the purposes of his existing conveyance licence was his authorised area; and
- (b) with such incidental, consequential and supplementary modifications as appear to the Department to be necessary or expedient.

(3) Modifications under paragraph (2)(b) may relate to—

- (a) the terms of a licence, or
- (b) the conditions of a licence.

(4) The Department may make such incidental, consequential and supplementary modifications as appear to the Department to be necessary or expedient to the standard conditions of licences under Article 8(1)(a) of the Gas Order.

(5) As soon as practicable after the commencement date, the Department shall publish—

- (a) the text of each licence modified under this Article; and
- (b) if the standard conditions of licences under Article 8(1)(a) have been modified under paragraph (4), the text of those conditions as modified.

(6) Before modifying any licence under paragraph (2)(b), the Department shall consult—

- (a) the Authority; and
- (b) the holder of the licence,

in such manner as it considers appropriate.

(7) Paragraph (6) may be satisfied by consultation before, as well as by consultation after, the commencement date.

(8) Any modification of part of a standard condition of a licence under this Article shall not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part II of the Gas Order.

(9) Where at any time the Department modifies under this Article the standard conditions of licences under Article 8(1)(a) of the Gas Order, it shall also make (as nearly as may be) the same modifications of those conditions for the purposes of their incorporation in licences of that type granted after that time.

### **New standard conditions for gas conveyance licences**

**32.**—(1) Such conditions as may be determined by the Department and published by it in such manner as it considers appropriate shall be standard conditions for the purposes of licences under Article 8(1)(a) of the Gas Order in place of the conditions determined in relation to such licences under Article 11(1) of that Order.

(2) No conditions shall be determined under paragraph (1) after the commencement of paragraph (3).

(3) In Article 11 of the Gas Order —

- (a) in paragraph (1) for “sub-paragraph (a), (b) or (c)” there shall be substituted “sub-paragraph (b) or (c)”; and
- (b) in paragraph (2) after “paragraph (1)” there shall be inserted “or Article 32(1) of the Energy (Northern Ireland) Order 2003”.

(4) As soon as practicable after the commencement of paragraph (3), the Department shall make to a licence in force under Article 8(1)(a)—

- (a) such modifications as appear to the Department to be necessary or expedient for the purpose of securing that the standard conditions determined under paragraph (1) are incorporated in that licence (or incorporated with such modifications as the Department considers requisite to meet the circumstances of the case);
- (b) such incidental, consequential and supplementary modifications as appear to the Department to be necessary or expedient; and
- (c) such other modifications as may be agreed with the licence holder.

(5) Modifications under paragraph (4) may relate to—

- (a) the terms of a licence, or
- (b) the conditions of a licence.

(6) As soon as practicable after making any modifications under paragraph (4), the Department shall publish the text of each licence modified under that paragraph.

(7) Before modifying any licence under paragraph (4)(a) or (b), the Department shall consult—

- (a) the Authority; and
- (b) the holder of the licence,

in such manner as it considers appropriate.

(8) Paragraph (7) may be satisfied by consultation before, as well as by consultation after, the commencement of paragraph (3).

(9) Any modification of part of a standard condition of a licence under this Article shall not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part II of the Gas Order.