



Revised Gas Transmission RIGs Consultation

Consultation
February 2024



About the Utility Regulator

The Utility Regulator is the economic regulator for electricity, gas and water in Northern Ireland. We are the only multi-sectoral economic regulator in the UK covering both energy and water.

We are an independent non-ministerial government department and our main duty is to promote and protect the short- and long-term interests of consumers.

Our role is to make sure that the energy and water utility industries in Northern Ireland are regulated, and developed within ministerial policy, as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly.

We are based at Queens House in Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls, Networks and Energy Futures; and Markets and Consumer Protection.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

Today, we publish for consultation our proposals regarding the revision of the annual reporting requirements for the Gas Transmission System Operators (TSOs) & Gas Market Operator (GMO). The guidance requires updating to reflect changes made in the GT22 price control final determination.

This document sets out proposals for the Regulatory Instructions and Guidance (RIGs) for the annual reporting of gas TSOs & GMO costs and outputs. It details the changes from the existing guidance, rationale for change and the expected effect.

Audience

This document will be of interest to the TSO & GMO and other Northern Ireland gas network stakeholders.

Consumer impact

Annual reporting has been a part of the regulatory framework for gas TSOs & GMO for several years. These RIGs provide a framework for the UR to collect consistent information from TSOs & GMO on an annual basis. This information will help monitor the TSOs & GMO performance and, over time, will provide a database that will inform subsequent gas transmission price controls.



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1. Introduction

Purpose of this Document

- 1.1 A key role of the Utility Regulator (UR) is to protect the interests of current and future Northern Ireland (NI) gas consumers. A crucial way to achieve this is by monitoring and reporting against regulated companies cost and output performance.
- 1.2 The purpose of this paper is to set out proposals for revision of the Regulatory Instructions and Guidance (RIGs) for the annual reporting of Gas Transmission System Operator (TSO) & Gas Market Operator (GMO) costs and outputs, in light of our Gas Transmission price control (GT22). This paper details the changes from the existing reporting guidance, rationale for change and the expected effect.
- 1.3 Following consultation, UR will review responses and take a decision regarding the annual reporting requirements. It is anticipated that the new reporting should be effective for the 01 May 2024 RIGs return date.

Background

- 1.4 There are four gas conveyance licence holders for the Northern Ireland high pressure networks:
 - a) GNI (UK) Limited (GNI (UK));
 - b) Premier Transmission Limited (PTL);
 - c) Belfast Gas Transmission Limited (BGTL); and
 - d) West Transmission Limited (WTL).
- 1.5 GNI (UK) is a subsidiary of Gas Networks Ireland, which operates and maintains the natural gas transmission and distribution network in the Republic of Ireland (RoI).
- 1.6 PTL, BGTL and WTL are all part of the Mutual Energy Group (MEL).
- 1.7 There is also a Gas Market Operator for NI (GMO NI), which is a Contractual Joint Venture (CJV) between the TSOs to deliver a single system operator service.
- 1.8 Decisions regarding the TSOs and GMO revenue and outputs are periodically determined (every five years) through the price control process.
- 1.9 The TSOs and GMO then reports performance against price control

allowances and outputs on an annual basis. This is done via a variety of submissions, of which, the RIGs return is one of the most important.

- 1.10 RIGs reporting was established as part of *Condition 1.21: Regulatory Instructions and Guidance* in the *Licence for The Conveyance of Gas in Northern Ireland* for the TSOs. Annual reporting will also fulfil obligations to complete a report on GMO activity required under *Condition 2.17.14* of TSO licences.

Price Control Changes

- 1.11 The latest gas transmission price control determination covers the period 1 October 2022 until 30 September 2027. The final determination (FD) was published in May 2022¹.
- 1.12 Taking into account the price control final determination, several minor changes are to be reflected in the RIGs including:
- a) REPEX projects;
 - b) Business Carbon Footprint (BCF) reporting;
 - c) General updates to the reporting year prepopulated cells;
 - d) Removing unrequired information or cells; and
 - e) Definitions update.

Process of RIGs Revisions

- 1.13 Amendments to RIGs are made via the direction being issued by the UR to the TSOs and GMO under *Condition 1.21.4 Development and modification of the RIGs*. However, the direction is of no effect unless the process as set out under *Condition 1.21.4 (c)* is completed. This process includes the following:
- a) UR must give notice to the licensee that it proposes to issue new RIGs or (as the case may be) to modify the RIGs:
 - (i) Specifying the date that the provisions of the document to be issued or modified should take effect;
 - (ii) Setting out the text of the RIGs to be issued or modified and the UR reasons for proposing to issue or modify; and
 - (iii) Specifying the time (which will not be less than a period of 28 days from the date of the notice) within which representations

¹ See GT22 final determination [publication](#)

in response to such proposals may be made.

- b) That UR considers any representations in response to the notice that are duly made and not withdrawn.
- 1.14 This paper provides the relevant detail required to fulfil the legal obligations under *Condition 1.21.4 (c)*. This consultation should be considered as the relevant notice required to issue new RIGs.
- 1.15 It is anticipated that the new reporting should be effective for the 01 May 2024 return relating to the 2022-23 gas year.
- 1.16 After consideration of consultation responses, UR intends to issue a direction under *Condition 1.21.4 (c)*, detailing the specific date and format of the new RIGs that will take effect.

2. Proposed Updates

Reporting Template and Definitions

- 2.1 We are proposing several minor updates to the current gas transmission RIGs template and definitions that will align with the GT22 final determination. These are outlined in the below table:

Update	Details
REPEX projects	Correct the REPEX for TSOs to reflect the content from GT22. Areas that have been corrected are Projects, Allowances and Outputs.
Business Carbon Footprint (BCF) reporting	Implement business carbon footprint (BCF) reporting for TSOs. This required an additional table and definitions manual update.
General updates	Implement a GT22 reporting chapter.
Removing unrequired information or cells	Remove the carbon footprint line in the maintenance table as this is no longer required with the new BCF reporting.
Definitions Manual update	Updated the definition manual for GMO NI's "satisfaction score". Changes to BCF and removal of information or cells updated in the definition's manual.

Table 2.1: Proposed updates

Commentary Requirements

- 2.2 Alongside the submission of its RIGs data template, each licensee must submit supporting commentary. The commentary should give more details on specific areas to aid our understanding of the results. Any additional information or documentation requested in the RIGs and / or which the TSO / GMO deems appropriate to provide.
- 2.3 The submission must be accompanied by a letter and statement signed by a Director on behalf of the licensee confirming that to the best of their knowledge data is accurate, complete and has been provided in accordance with the RIGs.
- 2.4 We are not proposing to update the commentary requirements as set out in the Definitions Manual.

Reporting Period and Timescales

- 2.5 The relevant reporting year for the provision of information runs from 1 October to 30 September of the following calendar year. For example, a reporting year of 2022/23 means the year ended on 30 September 2023. The template and guidance cover the entirety of the existing price control. The UR does not intend on issuing guidance each year unless something is incorrect, or changes are required.
- 2.6 TSOs / GMO must provide its submission, completed in accordance with these RIGs, no later than 31 January immediately following the end of the reporting year; that is, four months after the end of the reporting year. For example, information for the reporting year ended 30 September 2023, must be provided by 31 January 2024. For the avoidance of doubt, this means that the data submitted for GT22 (in respect of the reporting years) would use the RIGs as modified.
- 2.7 TSOs / GMO must provide a submission annually. The UR does not intend to change this.

Key Issues

- 2.8 UR welcomes all relevant feedback on these annual reporting template updates. Responses may however wish to focus on the following questions:
- a) Do you consider that the template and definitions manual align with the GT22 Final Determination?
 - b) Is there other information regarding cost and performance which the TSO/GMO should be reporting in line with the GT22 Final Determination?
 - c) Would any additional reporting be beneficial?

3. Next Steps

Consultation Responses

- 3.1 UR welcomes feedback on all aspects of the consultation. This might include views on the reporting requirements, publication requirements or detail that stakeholders think should be included.
- 3.2 The deadline for responses to this consultation is 5pm on Tuesday 26 March 2024 following a four-week period of consideration. After taking account of responses, we then plan to set out our decision on these RIG revisions by mid-April. Responses should be sent to:

Ciaran McSherry
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED
ciaran.mcsberry@uregni.gov.uk and Gas_networks_responses@uregni.gov.uk

- 3.3 UR’s preference would be for responses to be submitted to the above email addresses. We welcome feedback on any aspect of the consultation.
- 3.4 Your response may be made public by the Utility Regulator. If you do not want all or part of your response or name made public, please state this clearly in the response by marking your response as ‘CONFIDENTIAL’.
- 3.5 If you want other information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential.
- 3.6 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 and the Data Protection Act 2018).
- 3.7 As stated in the GDPR Privacy Statement for consumers and stakeholders, any personal data contained within your response will be deleted once the

matter being consulted on has been concluded though the substance of the response may be retained.

- 3.8 Copies of all documents will be made available in large print, Braille, audio cassette and a variety of relevant minority languages if required.