
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations inter alia amend the Gas (Northern Ireland) Order 1996 (“the 1996 Order”) to ensure that it conforms with the requirements of Directive [2003/55/EC](#) of the European Parliament and of the Council concerning common rules for the internal market in natural gas (“the Directive”). This Directive is to be read with Commission Decision PH(2005) 0791 (“the Commission Decision”) which grants derogations from Articles 18, 23(1)(b) and 24 in relation to supplies of gas to customers in certain geographical areas in Northern Ireland.

They revoke and replace the Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2002 which implemented Community obligations under Directive [98/30/EC](#) which was replaced by the Directive.

Part I contains certain introductory provisions.

Part II amends the 1996 Order, as follows—

- (a) Regulation 4 inserts a definition of the Directive and a definition of the Commission Decision in Part II of the 1996 Order.
- (b) Regulation 5 amends the Order to ensure that licences are granted in accordance with certain objective and non-discriminatory criteria and provides procedural safeguards for any applicant who is refused a licence;
- (c) Regulations 6 and 7 ensure consistency with the Directive as regards exclusive rights to carry on certain activities conferred by licence by:
 - (i) inserting an Article 9(1A) which automatically limits any exclusivity granted to a period of twenty years; but
 - (ii) inserting an Article 9(7) and (7A) which allow for an extension of exclusivity by consent beyond the period of twenty years where it is requisite or expedient to do so in the interests of the efficient operation of the activities in question;
 - (iii) inserting a new Article 9A which allows for the grant of a licence authorising supply to certain customers through a direct line even though such supply would otherwise contravene the exclusive rights given to another licence holder;
- (d) Regulation 8 inserts Article 10A requiring the inclusion of appropriate conditions in licences to ensure that the authorised activities comply with the requirements of the Directive;
- (e) Regulation 9 confers a dispute resolution function in relation to gas on the Northern Ireland Authority for Energy Regulation (“the Authority”).
- (f) Regulation 10 inserts an Article 38A which provides that consents or directions granted under Articles 35 to 38 are only granted where certain objective and non-discriminatory criteria are met, and provides procedural safeguards for the applicant who is refused such a consent or direction.

Part III in particular amends the gas functions of the Authority and the Department of Enterprise, Trade and Investment under Article 14 of the Energy (Northern Ireland) Order 2003 to ensure that they reflect the requirements of the Directive.

Part IV provides for the modification of licences already issued under the 1996 Order to ensure compliance with the provisions of the Directive.

Changes to legislation:

There are currently no known outstanding effects for the Gas Order 1996 (Amendment) Regulations (Northern Ireland) 2006.