Mark Raphael  
Belfast Gas Transmission Limited (BGTL)  
1st Floor, The Arena Building  
85 Ormeau Road  
Belfast  
BT7 1SH  

29 June 2012  

Dear Mark  

Re: BGTL Code Modification Proposals 7 and 8  

Thank you for your recent submission of the Final Modification Reports in respect of the above named modifications. The Northern Ireland Authority for Utility Regulation (NIAUR) has considered the issues raised by these modifications and the FMR. The Authority has concluded that the modification would better facilitate the "relevant objective" as defined in your gas conveyance licence - condition 2.4.1.

Reasons for the Authority's decision

**BGTL Code Modification Proposal 7 - Implementation of Charging and Credit Procedures to achieve IME 2 Compliance**

**BGTL Code Modification Proposal 8 - Implementation of Daily Capacity and Virtual Reverse Flow**

BGTL has concluded in its FMRs that on introduction of a daily capacity product Shippers will be able to avail of short term capacity and so would enhance the efficient operation of the network. Introduction of reverse flow services will also enhance the efficient operation of the network. Modifications are also required to update the payment and credit procedures in the Network Code to ensure the new services are charge for accordingly and appropriate credit procedure obligations are put in place.

Also on offering a daily capacity product in Northern Ireland, the UK would address the infringement of Gas Regulation (EC) No 1775/2005 with respect to
availability of daily capacity and virtual reverse flow services. The Authority agrees with BGTL's conclusions.

We note that no responses were received to this consultation.

**Conclusion**

Accordingly, and as required by Section 9 of your Transportation Code Modification Rules, NIAUR directs BGTL to implement the proposed modifications 7 and 8 with effect from 1st July 2012.

Yours sincerely

[Signature]

Shane Lynch
For and on behalf of NIAUR