



Making a positive difference
for energy consumers

Con O'Donnell

Head of Regulatory Affairs

GNI (UK) Limited

Patrick Larkin

Director

Premier Transmission Limited

Email: energy.securityofsupply@ofgem.gov.uk

Date: 05 March 2025

Dear Con and Patrick,

Approval of the proposed Transportation Agreement between GNI (UK) and PTL at the Moffat Interconnection Point.

On 26 February 2025, amendments to the Transportation Agreement ("TA") between GNI (UK) Limited ("GNI (UK)") and Premier Transmission Limited ("PTL") were submitted to the Authority¹ for approval in accordance with the Standard Licence Condition (SLC) 3 of the Gas Interconnector Licence² ("the Licence") – "Compliance with bilateral agreements".

This condition states that the licensee shall enter into such bilateral agreements as may be reasonably required by any relevant gas transporter and any such agreements must be provided by the licensee to the Authority for its approval.

This letter sets out our decision to approve the TA on the basis that its contents have been agreed by both parties.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² [Licences and licence conditions | Ofgem](#)

Background

In 1993, the Natural Gas Treaty³ was signed between the United Kingdom of Great Britain ("GB") and Northern Ireland ("NI") and the Republic of Ireland ("RoI"). This treaty contains a requirement for the Government of Ireland to ensure that a proportion of the capacity of the gas pipeline between Moffat and Twynholm in Scotland is made available to the authorities of NI on "fair commercial terms".

PTL owns and operates the Scotland-NI Pipeline ("SNIP"). GNI (UK) owns and operates the land pipeline between Moffat and Twynholm ("the Pipeline").

In 1996, GNI (UK) and PTL ("the Parties") entered into a TA, which contains terms for PTL to contract GNI (UK) to transport gas capacity directly between Moffat and NI, therefore making available gas capacity between Moffat and NI to NI shippers. Moffat is the Interconnection Point between the National Transmission System ("NTS") and the RoI entry exit system which provides NI shippers access to the National Balancing Point ("NBP") in GB.

The TA was due to expire after a period of 25 years, ending on 30 September 2021.

On 15 September 2021, following expert determination, the Authority approved the Parties' proposal to enter a new TA which enables PTL's capacity reservation to be extended for a 15-year period from 30 September 2021 to 30 September 2036 on "fair commercial terms".⁴

At the time, the Parties informed the Authority that they were continuing to discuss the terms of Operating Provisions in Schedule 2 to the TA and asked for the Authority's approval to include a prospective approval of the replacement of Schedule 2 once agreed. The Authority did not provide this prospective approval and instructed that the Parties would have to seek separate approval to the replacement of the Operating Provisions of Schedule 2 from the Authority once agreed.

The Agreement

This agreement is an amendment and restatement of the TA approved in 2021 with the express replacement of the Operating Provisions of Schedule 2 in addition to other minor

³ [Agreement between the UK and Ireland relating to the transmission of natural gas - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364222/Agreement-between-the-UK-and-Ireland-relating-to-the-transmission-of-natural-gas.pdf)

⁴ [Approval of the proposed Transportation Agreement between Premier Transmission Limited and GNI \(UK\) | Ofgem](https://www.ofgem.gov.uk/consult/condocs/ta/ta2021/ta2021.pdf)

changes to more accurately reflect the practical day to day operation of the Parties' functions under the TA.

Authority Decision

SLC 3.1 of the Licence requires that bilateral agreements, and any amendments to these agreements, must be submitted to the Authority for approval. We have received a request from PTL and GNI (UK) to approve the amended TA, as well as confirmation from both parties that all components of the TA have been agreed.

After careful consideration of the TA submitted by PTL and GNI (UK) to Ofgem on 26 February 2025, having regard to the Authority's principal objective and statutory duties, the Authority has decided to approve the TA in accordance with the provisions of SLC 3 of the Licence on the basis that its contents have been agreed by both parties.

If you have any questions relating to this decision, please contact energy.securityofsupply@ofgem.gov.uk.

Helen Seaton

Head of Gas Security and Flexibility, ESMS

Signed on behalf of the Authority and authorised for that purpose