



## Media Release

### CER Investigation of Gas Networks Ireland Licence Breach

On 4<sup>th</sup> March 2016, the Commission for Energy Regulation (CER) determined that Gas Networks Ireland (formerly Bord Gáis Éireann) breached a number of the conditions of its Natural Gas Transmission Licence, dated 17<sup>th</sup> September 2004.

Details of these breaches can be found in CER documents CER16094 and CER16095, available on [www.cer.ie](http://www.cer.ie).

On 26 October 2014, the CER received an email from a former employee of Bord Gáis Éireann (BGÉ), which alleged an “act of serious financial impropriety” by a senior member of staff within Gas Networks Ireland. These allegations were also communicated to the Utility Regulator for Northern Ireland (UREGNI) due to the dual jurisdiction operations of Bord Gáis Éireann through its subsidiary in Northern Ireland.

The whistle-blower alleged that the senior member of staff deliberately concealed from the Board cost overruns owed to the contractor engaged to construct the Barnakyle to Coonagh West Gas Pipeline and that these monies owed to the contractor were subsequently paid through other gas infrastructure projects in Ireland that the company were involved in without observing due process or the necessary approval by the then Board of Bord Gáis Éireann.

Licence holders have a duty to comply with the conditions of their licences. This duty is owed by the licensee to the customers it serves. Having investigated the allegations, the CER has determined that Gas Networks Ireland breached a number of the conditions of the licence that it held.

Commissioner Aoife MacEvilly said:

*“These actions were a clear breach of trust and the CER has taken steps to ensure that the effect of the breaches has been reversed in terms of any cost overruns being redistributed back to customers and to ensure that these breaches are not repeated.*”

*In breaching its licence conditions, Gas Networks Ireland failed in its duty to supply accurate information to the CER to the detriment of its customers. The CER is taking a number of steps following this investigation. These include reinforcing our activities in monitoring licence compliance by Gas Networks Ireland and other operators and engaging with the Department of Communications, Energy and Natural*

*Resources with a view to enhancing the regime for administrative sanctions, including the power to fine system operators or market participants in cases of non-compliance.”*

**Ends**

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