

To: All holders of a gas transporter licence

**Gas Act 1986
Section 23(1)(b)**

Modification of the standard conditions of all gas transporter licences

1. Each of the licensees to whom this document is addressed has a gas transporter licence which has been granted or treated as granted under section 7 of the Gas Act 1986 (the Act).
2. Under section 23(2) of the Act, the Gas and Electricity Markets Authority (the Authority)¹ gave notice on 30 April 2021 (the Notice) that we proposed to modify the following gas transporter standard licence conditions in the manner set out in Schedule 1 to the Notice:
 - Condition 8: Provision and Return of Meters
 - Condition 14: Compliance with Core Industry Documents
 - Condition 31: Supply Point Information Service

We stated that any representations with respect to the proposed licence modifications must be made on or before 5pm on 1 June 2021.

3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the modifications should not be made.
4. We received 5 responses to our consultation, all of which we carefully considered. The majority of responses agreed with our proposals. We have published all non-confidential responses on our website. Our response to these comments, as well as our reasons for any differences between the modifications and those proposed in the Notice, is set out in our accompanying Decision document which is available on our website at <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-licence-changes-retail-code-consolidation>.
5. We have decided to proceed with making the licence modifications as proposed, subject to the following further change: we took the opportunity to correct our proposal to amend references to "Meter Asset Manager", which we had proposed to modify to "Meter Equipment Manager", and will now modify to "Metering Equipment Manager", as this is the correct term used in the Retail Energy Code.
6. We are making these licence modifications, in summary, in order to ensure that the new governance arrangements and structures required for and being realised by Retail Code Consolidation are properly reflected in the licences.
7. In summary, the effect of these modifications will be that the new governance arrangements and structures required for, and being realised by, Retail Code Consolidation will be reflected in the licences. The effect of the majority of the modifications will be minor on an operational level; primarily, the modifications will ensure the licences correctly reference other industry documents and arrangements

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

which are due to be modified under the Authority's Retail Code Consolidation Significant Code Review. A more detailed description of the reasons for and effects of these licence modifications can be found in our accompanying Decision document.

8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules² requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of "relevant licence holder".
9. Under the powers set out in section 23(1)(b) of the Act, we hereby modify the standard licence conditions of all gas transporter licences in the manner specified in the attached Schedule 1.
10. These modifications will take effect from the date of Retail Code Consolidation, which is the date to be designated by the Authority and which date will be not less than 56 days from the date of publication of our decision in relation to these licence modifications. The date of Retail Code Consolidation is currently expected to be 1 September 2021³.
11. This document is notice of the reasons for the decision to modify the gas transporter licences as required by section 38A of the Act.

**Rachel Clark,
Programme Director, Switching Programme
Duly authorised on behalf of the
Gas and Electricity Markets Authority**

2 July 2021

² CMA70: <https://www.gov.uk/government/publications/energy-licence-modification-appeals-rules-cma70>

³ Although the 56 day standstill period ends on 27 August 2021, the date of Retail Code Consolidation will not be any earlier than 1 September 2021.

Schedule 1 – Modification of the standard conditions of all Gas Transporter Licences

We have included the sections of the gas transporter SLCs we have proposed to remove or amend below. Deletions are shown in strike through and new text is double underlined. Additional amendments to those consulted upon in the April 2021 statutory consultation are shown in yellow highlight. We have only shown those licence conditions where modifications are proposed.

GAS TRANSPORTERS LICENCE: STANDARD CONDITIONS

Condition 8: Provision and Return of Meters

1. Subject to paragraph 2, the licensee shall comply with any reasonable request by a relevant shipper (or a gas shipper who is about to become such a shipper) to provide through a **Metering** ~~Asset~~Equipment Manager and install at the premises of a domestic customer a gas meter owned by it and of a type specified by the shipper subject, however, to a meter of that type being reasonably available to the licensee and the shipper agreeing to pay its charges in respect of the meter.

- 1A. For the purpose of paragraph 1, "**Metering** ~~Asset~~Equipment Manager" means:
 - a) a person approved in accordance with the ~~Supply Point Administration Agreement~~Retail Energy Code as possessing expertise satisfactorily to provide Meter-Related Services or a class or description of persons so approved ("relevant expertise"); or
 - b) an undertaking approved in accordance with the ~~Supply Point Administration Agreement~~Retail Energy Code as having staff possessing the relevant expertiseand for the purposes of this definition,
 - (i) "approved in accordance with the ~~Supply Point Administration Agreement~~Retail Energy Code" means approved in accordance with it for the purposes of this condition generally and "staff" includes officers, servants and agents; and
 - (ii) "Meter-Related Services" means the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of the whole or part of the Supply Meter Installation as defined

in Section M, paragraph 1.2 of the Network Code of Transco plc as at the date this paragraph 1A has effect.

Condition 14: Compliance with Core Industry Documents

1. The licensee shall become a party to and thereafter comply with those provisions of:
 - (a) ~~Supply Point Administration Agreement (Not used)~~; and,
 - (b) the Retail Energy Codethat are relevant to it.

Interpretation

5. In this condition:

Significant Code Review means a review of matters in relation to its principal objective and/or general duties (under section 3A of the Electricity Act or section 4AA of the Gas Act), statutory functions and/or relevant obligations arising under Retained EU Law, which the Authority considers are likely to relate to one or more of the documents referred to in this condition, or to which the licensee is required under this licence to be a party, and concerning which the Authority has consulted upon and issued a Notice to the parties stating that the review will constitute a Significant Code Review.

Core Industry Documents means the following:

- (a) ~~the Supply Point Administration Agreement required to be in place pursuant to Standard Condition 30 of the Gas Supply licence, as from time to time modified (Not used)~~; and
- (b) the Retail Energy Code required to be in place pursuant to Standard Condition 11 of the Gas Supply licence, as from time to time modified.

Condition 31: Supply Point Information Service

3. The data referred to in sub-paragraph 2(a) above is:
 - (a) such technical and other data as is necessary to facilitate supply by any gas supplier to any premises connected to the licensee's pipe-line system, including secondary sub-deduct premises, and to meet the reasonable requirements of gas shippers in respect of such premises for information for balancing and change of supplier purposes, including (where so required):
 - (i) the identity of the gas shipper responsible under the Network Code for the supply point at such premises;

(ii) the type of metering equipment installed at each such premises where the licensee has been supplied with details of such equipment; and

(iii) a unique and accurate address of each such premises so far as is reasonably practicable, having regard to the nature and source of the information provided to the licensee; and

4A. The Authority may, after consulting with the licensee and any other party likely to be materially affected, give a direction ("a derogation") to the licensee that relieves it of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified in the direction.

Schedule 2 – Relevant licence holders

Cadent Gas Limited
Energy Assets Pipelines Limited
ES Pipelines Limited
ESP Connections Limited
ESP Networks Limited
ESP Pipelines Limited
Fulcrum Pipelines Limited
Greenpark Energy Transportation Limited
GTC Pipelines Limited
Harlaxton Gas Networks Limited
Humbly Grove Energy Services Limited
Independent Pipelines Limited
Indigo Pipelines Limited
INOVYN Enterprises Limited
Last Mile Gas Limited
Leep Gas Networks Limited
Murphy Gas Networks Limited
National Grid Gas Plc
Northern Gas Networks Limited
Quadrant Pipelines Limited
Saltfleetby Energy Limited
Scotland Gas Networks Plc
Severn Gas Transportation Limited
Southern Gas Networks Plc
SP Gas Transportation Hatfield Limited
Squire Energy Limited
Wales & West Utilities Limited