

To: National Grid Gas plc, Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, and Wales & West Utilities Limited

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

Modification of the standard special conditions Part A of the gas transporter licences held by the licensees listed above

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 standard special conditions Part A of the gas transporter licence held by National Grid plc (the NTS Licence) and gas transporter licences held by the following licensees in respect of the distribution networks (DN Licences): Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales & West Utilities Limited in the manner set out in Schedule 2 to the Notice:
 - Standard Special Condition A31: Supply Point Information Service
 - Standard Special Condition A33: Restriction on Use of Certain Information and Independence of the Transportation Business

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 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.

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

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 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)(a) of the Act, we hereby modify the standard special conditions Part A of the NTS Licence (as defined above) and DN Licences (as defined above) 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 standard special conditions Part A of the NTS Licence (as defined above) and DN Licences (as defined above) 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 Special Conditions applicable to both NTS and DN Licensees: Part A

We have included the sections of the gas transporter SSCs 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.

STANDARD SPECIAL CONDITIONS APPLICABLE TO BOTH NTS AND DN LICENSEES: PART A

Standard Special Condition A31: Supply Point Information Service

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.

Standard Special Condition A33: Restriction on Use of Certain Information and Independence of the Transportation Business

2. Unless the Authority otherwise consents in writing, the licensee shall put in place and at all times maintain managerial and operational systems which prevent any relevant supplier, relevant shipper, relevant generator, relevant producer, any trading business, its meter-related services business or its meter reading business from having access to confidential information except and to the extent that such information:
 - (a) is made available on an equal basis to any gas or electricity supplier or gas shipper, electricity generator, gas producer (within the meaning of section 7(10) of the Act) or any metering asset equipment manager (bearing the meaning of that expression contained in Standard Special Condition D17 (Provision and Return of Meters)); or
 - (b) relates to a customer who at the time to which the information relates was a customer of the relevant supplier.

Schedule 2 – Relevant licence holders

Cadent Gas Limited
National Grid Gas Plc
Northern Gas Networks Limited
Scotland Gas Networks Plc
Southern Gas Networks Plc
Wales & West Utilities Limited