

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 15 December 2021 ('the Notice') that we propose to modify the Standard Conditions of all Gas Transporter licences by amending the following existing Standard Conditions:
 - a. Standard Condition 1: Definitions and Interpretation
 - b. Standard Condition 3: Payments by Licensee to the Authority
 - c. Standard Condition 9: Network Code and Uniform Network Code
 - d. Standard Condition 16: Pipe-Line System Security Standards
 - e. Standard Condition 21: Reporting on Performance
3. We stated that any representations to the modification proposal must be made on or before 17 January 2022.
4. 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 change should not be made.
5. We received 9 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments can be found in our Issues Log, on our website², alternatively they are available from foi@ofgem.gov.uk.
6. It is necessary to make a minor alteration to the modifications set out in the Notice. This is to delete a definition that is no longer required due to the modifications to Standard Condition 3. This is shown in yellow highlight in the modification text that can be found on our website.
7. The reasons and effects document is our notice of reasons for the purposes of section 38A of the Act and can be found on our website³, together with the full text of the modifications.
8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules⁴

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

² <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-1-april-2022>

³ <https://www.ofgem.gov.uk/publications/statutory-consultation-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-0>

⁴ CMA70 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf

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. Annex 1 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'.

Under the powers contained in section 23(1)(b) of the Act, we hereby modify the Standard Conditions for all Gas Transporter licences in the manner specified on our website. This decision will take effect from 1 April 2022

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Laura Nell
Interim Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

03/02/2022

Annex 1: Relevant Licence Holders⁵

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

⁵ Gas licence holders are listed on our website here: <https://www.ofgem.gov.uk/publications-and-updates/list-allgas-licensees-including-suppliers>