

Independent System Operator and Planner

Gas System Planner Licence

Licence Conditions

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Section A: Definitions and interpretation

Condition A1 Definitions

Introduction

1. The purpose of this condition is to set out the defined terms (all of which are capitalised throughout these conditions) that are used in the conditions of this licence.

Part A: Definitions

2. In these conditions the following defined terms have the meanings given in the table below.
3. Where it is stated in these conditions that the outputs, delivery dates and allowances are located in another document, the following defined terms also have the meanings given in the table below in that document.
4. Where the table below states that a defined term has the meaning given to it by:
 - (a) another condition of this licence;
 - (b) a condition of another licence;
 - (c) the ISOP Price Control Financial Instruments;
 - (d) the RIGs;
 - (e) the STC;
 - (f) the Grid Code;
 - (g) the CUSC
 - (h) the Uniform Network Code;
 - (i) the Fuel Security Code;
 - (j) an Associated Document; or
 - (k) An Act of Parliament,

the defined term is to have the meaning given in that provision or document as amended from time to time.

[Placeholder – see spreadsheet provided]

Condition A2 Interpretation

Introduction

1. The purpose of this condition is to set out provisions of general interpretation for the conditions of this licence.
2. Note that other provisions exist in the terms of this licence.

Part A: General rules of interpretation

3. The provisions of this licence are to be read and understood as if they were in an Act of Parliament and the Interpretation Act 1978 applied to them.
4. Unless the context otherwise requires, any word or expression defined in the Utilities Act 2000, the Gas Act 1986, or any of the Energy Acts 2004 to [2023] has the same meaning when used in the conditions of this licence.
5. Unless the context otherwise requires, any reference in the conditions of this licence to an Industry Code, an agreement, or a statement is a reference to that code, agreement, or statement as modified, supplemented, transferred, novated, revised, or replaced from time to time.
6. The heading or title of any section, condition, schedule, paragraph, or subparagraph in the conditions of this licence is for convenience only and does not affect the interpretation of the text to which it relates.
7. The “Introduction” of a condition, before Part A, is for convenience only.
8. Unless the context otherwise requires:
 - (a) any reference in the conditions of this licence to a section, part, condition, schedule or paragraph is a reference to it in the conditions of the licence;
 - (b) any reference in a condition of this licence to a part or paragraph is a reference to it in that condition; and
 - (c) any reference in the conditions of this licence to any natural or legal person include that person’s successors.
9. Any reference in these conditions to:
 - (a) a provision of the conditions of the Electricity System Operator Licence;
 - (b) a provision of the standard conditions of gas Transporter Licences;
 - (c) a provision of the standard special condition of gas Transporter Licences (parts A, B, and D);
 - (d) a provision of the special conditions of gas Transporter Licences (part C);
 - (e) a provision of the standard conditions of Gas Shipper Licences; or
 - (f) a provision of the standard conditions of Gas Supplier Licences;is to be read, if the conditions of this or of any of the other licences are subsequently modified, as a reference (so far as the context permits) to the corresponding provision of the other relevant conditions.
10. References to “the licensee” in this licence are references to the ISOP to whom this licence has been granted, or is to be treated as granted, under section 7AA of the Gas Act 1986.

Part B: Licensee's performance of obligations

11. Where any obligation in this licence is required to be performed by a specified date or time or within a specified period and the licensee has failed so, the obligation will continue to be binding and enforceable after the specified date or time or after the end of the specified period, but without prejudice to all rights and remedies available against the licensee in relation to its failure.
12. The licensee must comply with a direction (and with any conditions to which the direction may be subject) given to it by the Authority or the Secretary of State under any provision of this licence that provides for such direction to be given.
13. Where obligations in the Electricity System Operator Licence provide for documents and reports of the same name to be produced as those obligated under this licence, the licensee must prepare the following documents in the same form, manner and submission as the equivalent document obligated to be produced under the Electricity System Operator Licence:
 - (a) the Independence Statement under paragraph 18 of condition B1 (Independence requirements and compliance obligations) of this licence and paragraph 18 of condition B1 (Independence requirements and compliance obligations) of the Electricity System Operator Licence;
 - (b) the report of the compliance Officer under paragraph 27(h) of condition B1 (Independence requirements and compliance obligations) and paragraph 27(h) of condition B1 (Independence requirements and compliance obligations) of the Electricity System Operator Licence;
 - (c) the Compliance Report under paragraph 28 of condition B1 (Independence requirements and compliance obligations) and paragraph 28 of condition B1 (Independence requirements and compliance obligations) of the Electricity System Operator Licence;
 - (d) the Digitalisation Strategy under paragraph 3 of condition C3 (Digitalisation) of this licence and paragraph 3 of condition C3 (Digitalisation) of the Electricity System Operator Licence;
 - (e) the Digitalisation Action Plan under paragraph 6 of condition C3 (Digitalisation) of this licence and paragraph 6 of condition C3 (Digitalisation) of the Electricity System Operator Licence;
 - (f) the code of conduct under paragraph 5 of condition B6 (Information ringfencing requirements) and paragraph 5 of condition B8 of the Electricity System Operator Licence.

Part C: Specific application of powers

14. Unless a contrary intention appears, any power of the Authority under any provision of this licence to give a direction, consent, derogation, approval or designation, is a power:

- (a) to give it to such extent, for such period of time, and subject to such conditions as the Authority thinks reasonable in all the circumstances of the case; and
 - (b) to revoke or amend it (after consulting the licensee) or give it again under that power.
- 15. Unless a contrary intention appears, any power of the Authority under any provision of this licence to make a determination or a decision is a power:
 - (a) to make it subject to such terms and conditions as the Authority thinks reasonable in all the circumstances of the case; and
 - (b) to make it again under that power.
- 16. Any direction, consent, derogation, approval, designation or determination by the Authority will be given or made in Writing.
- 17. Where these conditions provide for the Authority to issue or amend a document or Associated Document by direction, the steps required to achieve this may be satisfied by action taken before, on, or after the date the relevant condition comes into effect.
- 18. Any reference in a condition to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence.

Condition A3 Housekeeping licence modifications

Introduction

1. The purpose of this condition is to provide a process for making Housekeeping Modifications to the conditions of this licence.

Part A: Assessment of proposed modification

2. Before initiating any modification under this condition, the Authority will assess whether that modification is a Housekeeping Modification.
3. In making the assessment required by paragraph 2, the Authority will have regard to all relevant factors including the views of the Housekeeping Modification Working Group.

Part B: Circumstances in which a modification may be made

4. If, having carried out the required assessment under Part A, the Authority considers that an intended modification of the conditions of this licence is a Housekeeping Modification, it may modify the licence by direction to implement the intended modification. Otherwise, any modification will be made under section 23 of the Gas Act 1986 or section 166 of the Energy Act 2023 where appropriate.
5. Before making a direction under paragraph 4, the Authority will publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the reasons for the proposed direction, including why the Authority believes that it is a Housekeeping Modification; and
- (c) a period during which representations may be made on the proposed direction, which will not be less than 28 days.

6. A direction under paragraph 4 will set out:

- (a) the modification to the conditions of this licence; and
- (b) the date on which it is to have effect or the mechanism by which that date is to be determined.

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Section B: Business conduct and independence

Condition B1 Independence Requirements and compliance obligations

Introduction

1. The purpose of this condition is to establish the Independence Requirements and compliance obligations in respect of the ISOP Business, as follows:
 - (a) Part A sets out the Independence Requirements that the licensee must comply with when undertaking ISOP Business;
 - (b) Part B sets out requirements for the appointment of Sufficiently Independent Directors;
 - (c) Part C sets out obligations related to Transitional Services;
 - (d) Part D sets out the requirement for an Independence Statement;
 - (e) Part E sets out the requirements for the appointment of a Compliance Officer and compliance reporting; and
 - (f) Part F provides for the licensee to apply for a derogation for relief from its obligations under this condition.
2. The Secretary of State's policy is that the licensee is anticipated to have a high level of operational independence from government. This provision does not create any additional right or obligation for any person.

Part A: Independence Requirements

3. The licensee must put in place and maintain such systems, processes and other governance arrangements that are necessary to maintain the impartiality of its employees and the independence of its ISOP Business from Conflict of Interest Parties.
4. In carrying out the functions of the ISOP, the licensee must use best endeavours to avoid any perceived or real conflicts of interest relating to any Conflict of Interest Parties.
5. Paragraph 3 does not exclude the licensee from engaging in partnership projects with Conflict of Interest Parties.

Part B: Requirements for non-executive directors to be Sufficiently Independent Directors

6. Subject to paragraph 15, except and to the extent that the Authority consents otherwise, the licensee must ensure that at all times at least half of its non-executive directors are Sufficiently Independent Directors.
7. A Sufficiently Independent Director must:
 - (a) be a natural person;

- (b) in the reasonable opinion of the licensee, have the skills, knowledge, experience, and qualities necessary to perform effectively as a non-executive director of the licensee; and
 - (c) not have any executive duties within the ISOP.
- 8. Except and to the extent that the Authority consents otherwise, a Sufficiently Independent Director must not be, and must not have been during the 12 months before their appointment as a director of the licensee or the coming into force of this condition (whichever is the later):
 - (a) an employee of the licensee;
 - (b) a director or employee of an ISOP Associate of the licensee; or
 - (c) a director or employee of any Conflict of Interest Party.
- 9. Except and to the extent that the Authority consents otherwise, a Sufficiently Independent Director must not:
 - (a) enter into, or have entered into during the 12 months before their appointment as a director or the coming into force of this condition (whichever is the later), any contractual arrangements with the licensee, ISOP Associate or Conflict of Interest Party, or be employed by an organisation that entered into any contractual arrangements with the licensee, ISOP Associate or Conflict of Interest Party;
 - (b) hold a position to represent the interests of any ISOP Associate or the interests of any Conflict of Interest Party;
 - (c) receive remuneration from the licensee (apart from a director's fee and reasonable expenses), any ISOP Associate or Conflict of Interest Party; or
 - (d) hold any direct shareholdings in any ISOP Associate or Conflict of Interest Party.
- 10. For the purposes of paragraph 9(c), the receipt or retention of any benefit accrued from prior employment or service with the licensee, any ISOP Associate or Conflict of Interest Party will not be considered to be remuneration.
- 11. The licensee must notify the Authority of the names of its Sufficiently Independent Directors within 14 days from the date this licence comes into effect and must notify the Authority within 14 days from the date of appointment where any new directors are appointed to fulfil the obligation in paragraph 15 of this condition.
- 12. The terms of appointment of each Sufficiently Independent Director must include a condition stipulating that both the licensee and the appointee must use their best endeavours to ensure that the appointee remains a Sufficiently Independent Director during their term of office, having particular regard to the requirements set out in paragraphs 7, 8 and 9.
- 13. A term of appointment for a Sufficiently Independent Director must not be for longer than 8 years, but an individual may be reappointed thereafter provided that they continue to meet the criteria requirements set out in paragraphs 7, 8 and 9.

14. The licensee must notify the Authority in Writing within 14 days if any Sufficiently Independent Director is removed from office or resigns, giving reasons for the removal or (to the extent that they are known to the licensee) the resignation. For the purposes of this obligation, the reasons for a resignation may, if appropriate, be stated to be personal reasons.
15. If at any time fewer than half of the licensee's non-executive directors are Sufficiently Independent Directors because of a removal or resignation or other reasons (including death or incapacity), the licensee must use its best endeavours to ensure that a new non-executive director is, or new non-executive directors are, appointed to fulfil the obligation in paragraph 6 as soon as is reasonably practicable to bring the number of Sufficiently Independent Directors up to at least half of the licensee's non-executive directors.

Part C: Transitional Services [TBC]

[Obligations related to transitional services to follow]

Part D: Independence Statement

16. By the end of a period of 30 days, beginning with the date on which this condition comes into effect, the licensee must submit to the Authority the Independence Statement, which must set out:
 - (a) a list of services which fall under the definition of Transitional Services;
 - (b) details of the Transitional Services Agreements under which those Transitional Services are (and are to be) provided and an explanation of how they ensure that any real or perceived conflict of interests are effectively addressed such that the licensee is in compliance with this condition;
 - (c) the systems, processes and other governance arrangements that the licensee will put in place to maintain the impartiality of its employees and the independence of its ISOP Business;
 - (d) how the licensee will meet its Independence Requirements and obligations under this condition in the treatment of Transitional Services, including its proposals to ensure it is able to operate without Transitional Services Agreements by the time that those which exist when the first Independence Statement is delivered expire;
 - (e) a strategy to transfer to the ISOP, or otherwise provide for the long-term outsourcing, of any Transitional Services to service providers who are not members of the National Grid Plc or its Affiliates or Related Undertakings, including:
 - (i) an approach to transferring Transitional Services to the ISOP that ensures economy and efficiency in terms of the combination of cost and quality;
 - (ii) a clear timeline and milestones to complete transfer to the ISOP or outsourcing (without Transitional Services Agreements) of services

- comprising Transitional Services, with due regard to the need to remove any real or perceived conflicts of interest; and
- (iii) protection of business continuity for the licensee at all times to fully exercise its statutory functions and comply with its licence obligations and all relevant requirements; and
 - (f) any other transitional arrangements that could result in any real or perceived conflicts of interest; and
 - (g) any other reporting that the Authority may reasonably require to ensure any real or perceived conflicts of interest are addressed.
17. Within 28 days of receipt of the document provided for in paragraph 16, or any revisions to that document as provided for in paragraph 18(b), the Authority will:
- (a) approve the Independence Statement and notify the licensee of such approval; or
 - (b) give a direction to the licensee that the Independence Statement requires further development and direct the date by which the licensee is required to submit any further revisions to the Authority for approval.
18. Following the Authority's approval of the document provided for in paragraph 16, the licensee must:
- (a) unless the Authority otherwise consents or directs, comply with the terms of the approved Independence Statement; and
 - (b) review the Independence Statement and revise it as necessary:
 - (i) at such intervals as the Authority may direct;
 - (ii) when circumstances change such that the Independence Statement no longer secures compliance with the Independence Requirements and obligations as set out in this condition; and/or
 - (iii) to ensure that the Independence Statement continues to be complete and accurate in all material respects; and
 - (c) submit any revisions to this document to the Authority, which will only become effective once the Authority has approved them in accordance with paragraph 17.
19. The licensee must publish a copy of the Independence Statement, having regard to commercial confidentiality and as approved by the Authority, and each revised version on its website during the period of 15 Working Days beginning with the date of its approval by the Authority.

Part E: Appointment of a Compliance Officer and compliance reporting

20. The licensee must, following consultation with the Authority, appoint a Compliance Officer for the purpose of monitoring and facilitating the licensee's compliance with the Independence Requirements and obligations under this condition.

21. The licensee must ensure that the Compliance Officer appointed under paragraph 20 is the same person appointed under condition B1 (Independence Requirements and compliance obligations) of the Electricity System Operator Licence.
22. The licensee must ensure that the Compliance Officer:
 - (a) is provided with such staff, premises, equipment, facilities and other resources; and
 - (b) has such access to the licensee's premises, systems, information and documentation,as, in each case, the Compliance Officer might reasonably require for the fulfilment of the duties and tasks assigned under this condition.
23. The licensee must ensure that the Compliance Officer is not engaged in the management or operation of the ISOP Business, any ISOP Affiliate or ISOP Related Undertaking, or any Conflict of Interest Parties.
24. The licensee must ensure that the Compliance Officer is sufficiently independent to carry out the duties and tasks under paragraph 26.
25. The licensee must make available to the Compliance Officer the details of any complaint or representation received by it from any person in respect of the conduct of the licensee in undertaking the Independence Requirements and obligations under this condition.
26. The duties and tasks of the Compliance Officer must include:
 - (a) providing advice and information to the licensee for the purpose of ensuring the licensee's compliance with the Independence Requirements;
 - (b) monitoring the effectiveness of the practices, procedures and systems adopted by the licensee to ensure its compliance with the Independence Requirements and obligations under this condition, including the requirements set out in the Independence Statement;
 - (c) advising whether, to the extent that the implementation of such practices, procedures and systems requires the co-operation of any other person, they are designed so as reasonably to secure the required co-operation;
 - (d) investigating any complaint or representation made available to the Compliance Officer in accordance with paragraph 25;
 - (e) recommending and advising upon the remedial action which any such investigation has demonstrated to be necessary or desirable;
 - (f) providing relevant advice and information to the licensee for the purpose of ensuring its implementation of:
 - (i) the practices, procedures and systems adopted in accordance with the Independence Statement; and
 - (ii) any remedial action recommended in accordance with paragraph 26(e);

- (g) any other duties or tasks that the licensee or the Authority may reasonably require to fulfil compliance with the Independence Requirements and obligations under this condition; and
 - (h) reporting annually to the Board once in each Regulatory Year after this condition comes into force as to their activities during the period covered by the report, including the fulfilment of the duties and tasks of the Compliance Officer in paragraphs 26(a) to (g).
27. As soon as is reasonably practicable and in any event before the period of 90 days beginning with the date of issue of each annual report of the Compliance Officer under paragraph 26(h), the licensee must produce, in a form approved by the Authority, the Compliance Report that sets out the licensee's:
- (a) compliance with the Independence Requirements and obligations under this condition during the period since the last Compliance Report; and
 - (b) implementation of the practices, procedures and systems adopted in accordance with the Independence Statement.
28. The Compliance Report must:
- (a) detail the activities of the Compliance Officer during the relevant period covered by the report under paragraph 26(h);
 - (b) report on the impartiality of the licensee's employees and the independence of the ISOP Business, including any perceived or real conflicts of interest with Conflict of Interest Parties and the steps taken to mitigate these conflicts;
 - (c) refer to such other matters as are or may be appropriate in relation to the implementation of the practices, procedures and systems described in the Independence Statement; and
 - (d) set out the details of any investigations conducted by the Compliance Officer, including:
 - (i) the number, type and source of the complaints or representations on which such investigations were based;
 - (ii) the outcome of such investigations; and
 - (iii) any remedial action taken by the licensee following such investigations.
29. The licensee must, as soon as reasonably practicable, and in any event before the end of the period of 120 days beginning with the issue of each annual report of the Compliance Officer under paragraph 26(h), submit to the Authority a copy of the Compliance Report produced in accordance with paragraph 27 and publish a copy of it on its website.

Part F: Derogations

30. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such an extent, for such period of time, and

subject to such conditions as may be specified by the Authority by direction after consulting the licensee.

Condition B2 Restriction on activity and financial ring fencing

Introduction

1. The purpose of this condition is to establish:
 - (a) in part A, the restrictions on activity, shareholdings and other investments of the licensee; and
 - (b) in Part B, limitations in respect of the licensee or an ISOP Associate conducting ancillary functions.

Part A: Restrictions on activity, shares and investments

2. Save as provided by paragraphs 3 and 4, the licensee must not conduct any business or carry out any activity other than the ISOP Business.
3. The licensee must not own, develop, manage or operate an Electricity Storage Facility, except where the licensee owns or operates an Electricity Storage Facility which is situated on a site on which the licensee carries out its ISOP Business, for the purpose of continuity of supply and System Resilience, or energy management and the Electricity Storage Facility is not used to buy or sell electricity in the Electricity Markets.
4. The licensee must not without the prior written consent of the Authority hold or acquire shares or other investments of any kind except:
 - (a) shares or other investments in a body corporate the sole activity of which is to carry out aspects of the ISOP Business that the licensee has delegated to that body (with the approval of the Authority);
 - (b) shares or other investments in a body corporate which is a Subsidiary of the licensee and incorporated by it solely for the purpose of raising finance for any purpose related to the ISOP Business; or
 - (c) investments acquired in the usual and ordinary course of the licensee's treasury management operations, subject to the licensee maintaining in force, in relation to those operations, a system of internal controls which complies with the Independence Requirements set out in condition B1 (Independence Requirements and compliance obligations) and best corporate governance practice as required (or, in the absence of any such requirement, recommended) by the Financial Conduct Authority (or a successor body) from time to time for listed companies in the United Kingdom.
5. Subject to the provisions of paragraph 4, nothing in this condition prevents:

- (a) the licensee from holding shares as, or performing the supervisory or management functions of, an investor in respect of any body corporate in which it holds an interest consistent with the provisions of this licence; or
- (b) the licensee from performing the supervisory or management functions of a Holding Company in respect of any Subsidiary.

Part B: Ancillary functions

- 6. Nothing in this condition will prevent the licensee from:
 - (a) carrying out any functions pursuant to 177(3) of the Energy Act 2023; or
 - (b) conducting any business or carrying out any activity to which the Authority or the Secretary of State has given its consent in Writing.
- 7. The licensee must ensure the carrying out of any function or activity falling under paragraph 6 of this condition is carried out in accordance with the requirements and obligations set out in condition B1 (Independence Requirements and compliance obligations).

Condition B3 Conduct of ISOP Business

Introduction

- 1. The purpose of this condition is to establish the licensee's obligations in respect of the conduct of its ISOP Business, and avoidance of discriminatory or preferential behaviour.

Part A: Licensee's conduct of its ISOP Business

- 2. The licensee must conduct its ISOP Business in the manner best calculated to secure that none of:

- (a) the ISOP licensee;
- (b) any ISOP Affiliate or ISOP Related Undertaking;
- (c) any Gas Shipper or Gas Supplier;
- (d) any Gas Transporter, including any DN Operator;
- (e) any user of the National Electricity Transmission System;
- (f) any Licensed Distributor; and
- (g) any Transmission Licensee;

obtains any unfair commercial advantage, including any advantage from a preferential or discriminatory arrangement.

- 3. The licensee must manage and deliver its ISOP Business in a way best calculated to ensure that the licensee does not unduly restrict, prevent or distort competition in:
 - (a) the supply of electricity or gas;
 - (b) the shipping of gas;
 - (c) the generation of electricity;

- (d) the production of gas;
- (e) electricity transmission;
- (f) gas transportation;
- (g) any Fuel Trading Business; or
- (h) the supply of Meter-Related Services or of Meter Reading Services.

Part B: Licensee's records of compliance

4. The licensee must keep and maintain such records concerning its compliance with this condition that the Authority considers are sufficient to enable it to assess whether the licensee is complying with this condition.
5. The licensee must provide to the Authority such records under paragraph 4 in such manner and at such times as the Authority may require.

Condition B4 Compliance with directions related to national security

1. The purpose of this condition is to require the licensee to comply with directions issued by the Secretary of State where there is a risk relating to national security that may detrimentally impact the resilience, safety or security of the energy system, or the continuity of essential services.

Part A: National security directions

2. The licensee must comply with any direction that has been issued or amended by the Secretary of State in accordance with paragraph 3.
3. The Secretary of State may issue a direction under this paragraph where in the opinion of the Secretary of State:
 - (a) there is a risk relating to national security that may detrimentally impact:
 - (i) the resilience, safety or security of the energy system; or
 - (ii) the continuity of essential services, and
 - (b) it is in the interest of national security that a direction should be issued to the licensee.
4. A direction under paragraph 3 may require the licensee to:
 - (a) take actions or refrain from taking actions as specified in the direction; and/or
 - (b) provide information specified in the direction to the Secretary of State.
5. The Secretary of State may amend or revoke any direction issued to the licensee under this condition.
6. The licensee is not required to comply with any obligation in this licence (or the Electricity System Operator Licence), where and to the extent that compliance with that obligation would be inconsistent with the requirement to comply with a

direction issued in accordance with paragraph 3, for the period set out in the direction.

7. The licensee must inform the Secretary of State of the conflict identified in paragraph 6 between the obligations as soon as reasonably practicable after the conflict is identified.

Condition B5 Prohibition of cross-subsidies

Introduction

1. The purpose of this condition is to establish restrictions on the provision and receipt of cross-subsidies by and to the licensee.

Part A: Restrictions on cross-subsidies

2. The licensee must not give any cross-subsidy to, or receive any cross-subsidy from, an ISOP Affiliate or ISOP Related Undertaking.

Condition B6 Information ringfencing requirements

Introduction

1. The purpose of this condition is to ensure that the licensee appropriately manages and secures confidential information that relates to the licensee's performance of its functions.

Part A: Information requirements within the ISOP Business

2. The licensee must identify any confidential data and confidential information it holds that in its opinion should not be disclosed to or otherwise be accessible to persons other than the licensee's employees, agents, contractors and advisors, which includes but is not limited to:
 - (a) data and information related to national security and to the delivery of the obligations under condition C5 (Licensee's obligations regarding critical national infrastructure) and condition C6 (Energy resilience and resilience reporting); and
 - (b) data and information that is market sensitive.
3. Unless the Authority otherwise consents, the licensee must ensure that appropriate protections are in place to ensure that person or class(es) of persons involved in the delivery of Transitional Services, that have access to confidential data and confidential information under paragraph 2 secure that such confidential data and confidential information is not directly or indirectly disclosed to, solicited, or used by any person who:
 - (a) is not required to have access to that confidential data and confidential information;

- (b) is engaged in Transitional Services (except where they are the class or classes of persons permitted to have access to confidential data and confidential information under a relevant Transitional Services Agreement); or
 - (c) is delivering services as part of bilateral agreements with the NTS System Operator.
- 4. Without prejudice to paragraph 3, the licensee must ensure that the systems for the recording, processing or storage of confidential data and confidential information under paragraph 2 cannot be disclosed to or otherwise accessed by persons engaged in the management or operation of any Conflict of Interest Party.
- 5. Paragraph 4 will not apply to the disclosure or access of information identified in paragraph 2:
 - (a) where required by or under any statute, enactment or provision of subordinate legislation or where the licensee is specifically required to do so under a condition of this licence;
 - (b) to National Gas Transmission plc where such disclosure is required by it for purposes connected with the carrying out of NTS System Operator Activity and so authorised by the Transporter Licence granted or treated as granted to National Gas Transmission plc under the Gas Act 1986, or required for the delivery of services referred to in paragraph 3(c));
 - (c) where required or permitted under the STC;
 - (d) where required or permitted under the Uniform Network Code;
 - (e) where required by or under any statute, enactment or provision of subordinate legislation, or the rules of any governmental or regulatory authority having jurisdiction over the licensee, or for the purposes of facilitating the performance of any functions of the Secretary of State or the Authority (for the avoidance of doubt, this includes the functions of the Secretary of State as the shareholder of the licensee);
 - (f) where the licensee has obtained prior written consent from the provider of the information for such disclosure, provided that the extent of such disclosure is consistent with the consent obtained; and
 - (g) where authorised in advance in Writing by the Authority.
- 6. The licensee must establish and maintain a code of conduct governing the identification, disclosure, and use of information identified in accordance with paragraph 2, and how the licensee ensures compliance with its obligations under paragraphs 3 and 4, as well as Part B of this condition.
- 7. The licensee must produce the code of conduct under paragraph 6 in a form approved by the Authority.
- 8. The requirement of paragraph 7 may be satisfied by actions taken by the licensee and the Authority before this licence condition comes into effect as well as after.

Part B: Information ringfencing and resilience obligations

9. The licensee must ensure that persons engaged in the delivery of the Emergency Processes Assessment and the obligations in part A and part B of condition C6 (Energy resilience and resilience reporting) ensure that such data and information involved in this delivery is not directly or indirectly disclosed to, solicited, or used by any person who is engaged in the coordination and directing the flow of electricity onto and over Transmission Systems (except where such data and/or information was originally supplied by such a person).

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Section C: Strategic and operational functions

Condition C1 Functions under the Gas System Planner Licence

Introduction

1. The purpose of this condition is to ensure the licensee carries out its functions under this Gas System Planner Licence, in compliance with the licensee's Primary Duty and Secondary Duty.
2. This condition also sets out the process the Authority will follow in issuing and amending the ISOP Roles Guidance.

Part A: Functions of the ISOP

3. The licensee must carry out the functions of the ISOP.
4. The functions under this licence include, but are not limited to:
 - (a) strategic planning of pipe-line systems for the conveyance of gas, coordinating with relevant parties and identifying network planning solutions to meet future energy system needs;
 - (b) exchanging of all necessary and appropriate information, needs and analysis for the strategic planning of pipe-line systems and assessment of physical network capability with the NTS System Operator;
 - (c) ensuring coordination and engagement with interested parties to identify and deliver network planning and development solutions to meet the needs of the future whole energy system and to facilitate compliance with the Primary Duty and Secondary Duty, to meet the needs of the future whole energy system;
 - (d) providing ISOP Advice on receipt of requests from the Authority or a Minister of the Crown in accordance with section 168 of the Energy Act 2023;
 - (e) providing guidance, information and analysis to persons involved in the energy sector where the licensee believes this would support compliance with its Primary Duty and Secondary Duty, and publish this guidance, information and analysis where appropriate;
 - (f) publishing easily accessible information which the licensee holds to generate value for existing and future energy consumers and stakeholders, including but not limited to, ensuring information, advice and analysis services are designed to meet the needs of the requesting persons and service users;
 - (g) publishing reliable scenarios of the long term development of the energy system and its needs under different scenarios, and publishing the key assumptions and analysis used by the licensee in its development of future energy scenarios;

- (h) producing and publishing accurate and unbiased forecasts for gas, which include forecast levels of supply and demand at relevant periods and timescales;
- (i) promoting gas supply security and producing Gas Supply Security Assessments, which consider gas supply availability, reliability and deliverability and emerging events, issues and scenarios impacting gas supplies;
- (j) ensuring market arrangements, and leading market strategy to coordinate the progression and development of energy markets in the transition to a decarbonised whole energy system;
- (k) supporting the improvement of the resilience, flexibility and functioning of the whole energy system, including assessment and monitoring of the practices, services and market arrangements in place and provided by market participants;
- (l) setting out, preparing for, and monitoring emergency preparedness, and responding to and learning from emergency events that impact parts of the whole energy system;
- (m) coordinating and cooperating with Gas Transporters, users (within the meaning of that term in the Uniform Network Code) and other relevant parties within the gas industry to identify actions and processes that advance market functions and facilitate the transition to a decarbonised whole energy system; and
- (n) proposing and supporting arrangements that promote the UNC Relevant Objectives in a timely manner.

Part B: ISOP Roles Guidance

5. The function of the ISOP Roles Guidance is to provide further guidance on how the ISOP's roles and functions should be carried out such that the licensee complies with its duties and obligations.
6. The Authority will issue and amend the ISOP Roles Guidance by direction.
7. The Authority will publish the ISOP Roles Guidance on the Authority's Website.
8. Before issuing new or amending the ISOP Roles Guidance, the Authority will publish on the Authority's Website:
 - (a) the text of the new or amended ISOP Roles Guidance;
 - (b) the date the Authority intends the new or amended ISOP Roles Guidance to come into effect;
 - (c) the reasons for the new or amended ISOP Roles Guidance; and
 - (d) the time within which representations may be made on the new or amended the ISOP Roles Guidance which must not be less than 28 days.

9. The requirements of paragraph 8 of this condition may be satisfied by action taken by the Authority before, as well as by action taken after, this condition comes into effect.

Condition C2 Licensee's regard to Strategy and Policy Statement

Introduction

1. The purpose of this condition is for the licensee to carry out its functions and act in accordance with obligations set out in respect of the Strategy and Policy Statement.

Part A: Strategy and Policy Statement

2. The licensee must explain in its Business Plan how it has acted in respect of the Strategy and Policy Statement pursuant to section 162 of the Energy Act 2023 in the carrying out of its functions.
3. Where requested by the Authority, the licensee must demonstrate how it has regard to the Strategy and Policy Statement in respect of a specific activity or function carried out, in the form and manner and at such times as requested by the Authority.

Condition C3 Digitalisation

Introduction

1. The purpose of this condition is to set out the licensee's obligations to:
 - (a) in Part A, have and update a Digitalisation Strategy;
 - (b) in Part B, have and update a Digitalisation Action Plan;
 - (c) in Part C, comply with the DSAP Guidance; and
 - (d) in Part D, comply with Data Best Practice Guidance;
2. This condition also sets out the process the Authority will follow when issuing and amending DSAP Guidance and Data Best Practice Guidance.

Part A: Requirements of the Digitalisation Strategy

3. The licensee must have in place a Digitalisation Strategy.
4. The licensee must review the progress it has made against its Digitalisation Strategy and update its Digitalisation Strategy at the intervals specified in the DSAP Guidance.
5. The licensee must:
 - (a) publish its Digitalisation Strategy, and updates to its Digitalisation Strategy, on the licensee's website where they are readily accessible to the public;
 - (b) maintain an archive of all published versions of its Digitalisation Strategy on the licensee's website where they are readily accessible to the public; and

(c) notify the Authority of any updates to the Digitalisation Strategy.

Part B: Requirements of the Digitalisation Action Plan

6. The licensee must have in place a Digitalisation Action Plan.
7. The licensee must review the progress it has made against its Digitalisation Action Plan, and update its Digitalisation Action Plan, at the intervals specified in the DSAP Guidance.
8. The licensee must:
 - (a) publish its Digitalisation Action Plan, and updates to its Digitalisation Action Plan, on the licensee's website where they are readily accessible to the public;
 - (b) maintain an archive of all published versions of its Digitalisation Action Plan on the licensee's website where they are readily accessible to the public; and
 - (c) notify the Authority of any updates to the Digitalisation Action Plan.

Part C: DSAP Guidance

9. The licensee must comply with the DSAP Guidance when:
 - (a) preparing and updating its Digitalisation Strategy; and
 - (b) preparing and updating its Digitalisation Action Plan.
10. The Authority will issue and amend the DSAP Guidance by direction.
11. The Authority will publish the DSAP Guidance on the Authority's Website.
12. The DSAP Guidance will make provision about:
 - (a) how the licensee should work towards Digitalisation;
 - (b) how the licensee should set out in its Digitalisation Strategy and Digitalisation Action Plan, how it intends to use Energy System Data to generate benefits for consumers and stakeholders, and the specific actions it will take to achieve that outcome;
 - (c) the form and content of the Digitalisation Strategy and the Digitalisation Action Plan, including:
 - (i) their respective structure, content and level of detail;
 - (ii) the types of activities that should be covered in each; and
 - (iii) any required information associated with those activities; and
 - (d) the engagement the licensee is required to undertake with stakeholders to help inform the development of its Digitalisation Strategy and its Digitalisation Action Plan.

Part D: Requirement to employ Data Best Practice

13. The licensee must, when conducting work that involves working with or making decisions about the use of Energy System Data, use its best endeavours to act in accordance with Data Best Practice Guidance.
14. The Authority will issue and amend Data Best Practice Guidance by direction.
15. The Authority will publish Data Best Practice Guidance on the Authority's Website.
16. The Data Best Practice Guidance may make provision as to how the Authority expects the licensee to comply with Data Best Practice to generate benefits for consumers and stakeholders, including ensuring services that involve Energy System Data are designed to meet the needs of consumers and those who directly use the services.

Part E: Process for issuing and amending guidance

17. Before issuing new or amending the DSAP Guidance or Data Best Practice Guidance by direction, the Authority will publish on the Authority's Website:
 - (a) the text of the proposed guidance;
 - (b) the date on which the Authority intends the proposed guidance to come into effect;
 - (c) the reasons for the new issue of, or amendments to, the guidance; and
 - (d) a period during which representations may be made on the content of the guidance, which will not be less than 28 days.

Condition C4 Licensee's assessment of gas supply security

Introduction

1. The purpose of this condition is to set out the obligations on the licensee to produce its Gas Supply Security Assessment.

Part A: Gas Supply Security Assessment

2. The licensee must provide a Gas Supply Security Assessment to the Authority and to the Secretary of State by xx xxxxxx in each Regulatory Year.
3. The licensee must ensure the Gas Supply Security Assessment includes:
 - (a) consideration of gas supplies according to availability, reliability and deliverability against an average demand scenario and a peak aggregate demand scenario (which is likely to be exceeded only in 1 year out of 20 years) assessing a period viewed to be least resilient at future 5 year and 10 year time intervals;
 - (b) events and issues related to gas supplies identified by the licensee that may, over 5 year and 10 year time intervals, impact:
 - (i) the conveyance or supply of gas; or

- (ii) the safety and security of the National Transmission System;
 - (c) advice on any mitigations and remediations that the licensee has identified that may prevent or protect against events and issues identified under paragraph 3(b);
 - (d) where necessary, how the licensee has employed, or its assessment of, any relevant methodologies in relation to gas supply security issued to the licensee by the Secretary of State; and
 - (e) any such data or information related to gas supply security that the Authority or Secretary of State may request.
4. The licensee must consult with:
- (a) the Authority;
 - (b) the Secretary of State; and
 - (c) any other parties it deems appropriate,
- on its Gas Supply Security Assessment before providing it to the Authority and Secretary of State under paragraph 2.
5. The licensee must, as soon as is reasonably practicable after the provision of the Gas Supply Security Assessment to the Authority and the Secretary of State, publish a version of the Gas Supply Security Assessment on its website.

Condition C5 Licensee's obligations regarding critical national infrastructure

Introduction

1. The purpose of this condition is to ensure the licensee supports the identification of critical national infrastructure and reviews and applies methodologies where the Secretary of State may request.

Part A: Reviewing critical national infrastructure

2. Where the Secretary of State requests the licensee to review any methodology (or methodologies) that aims to identify critical national infrastructure (as defined by the Secretary of State in such a request), the licensee must give a reasoned opinion and comment as to whether the application of the methodology (or methodologies) would facilitate the identification of sites, systems and assets that are critical national infrastructure existing in:
- (a) the National Electricity Transmission System;
 - (b) Distribution Systems;
 - (c) Electricity Generators; and
 - (d) any other part(s) of the whole energy system that the licensee views would be appropriate to provide reasoned opinion and comment.

3. The licensee must propose any revisions to any methodology provided under paragraph 2 that in the licensee's opinion will better facilitate the identification of sites, systems and assets that are critical national infrastructure by such date as the Secretary of State may request.

Part B: Critical national infrastructure assessments and application of methodologies

4. The licensee must, when the Secretary of State requests, apply any methodology provided under paragraph 2 and identify sites and assets of critical national infrastructure across:
 - (a) the National Electricity Transmission System;
 - (b) Distribution Systems;
 - (c) Electricity Generators; and
 - (d) any other part(s) of the whole energy system that the licensee views would be appropriate to include.

Condition C6 Energy resilience and resilience reporting

Introduction

1. The purpose of this condition is to ensure the licensee appropriately promotes and supports the resilience, security and flexibility of the whole energy system.

Part A: Energy risk and threat advice

2. The licensee must provide to the Authority and Secretary of State information and analysis on any risk or threat that the licensee has identified, where such a risk or threat may, in the licensee's view, compromise or detrimentally impact the safety, security or resilience of any significant part of the whole energy system.
3. The licensee must advise the Authority and the Secretary of State on any mitigations and remediations the licensee considers could be applied to improve whole energy system resilience or manage risks or threats identified in accordance with paragraph 2, including products, services and regulatory changes.

Part B: Post-event and post-emergency analysis

4. The licensee must, when requested by the Authority or the Secretary of State, provide post-event analysis and assessment where such events have impacted, or could have impacted, the licensee, consumers, or any licensed party operating across the National Electricity Transmission System, Distribution Systems or Electricity Generators.
5. The licensee must, when requested by the Authority or Secretary State, provide post-emergency analysis and assessment in respect of the National Electricity Transmission System.

Part C: Energy Resilience Assessment Report

6. The licensee must provide an Energy Resilience Assessment Report to the Authority and to the Secretary of State by xx xxxx of each Regulatory Year.
7. The licensee must ensure the Energy Resilience Assessment Report includes:
 - (a) the licensee's view on emerging risks and threats:
 - (i) within 5 years;
 - (ii) in 5-10 years' time; and
 - (iii) beyond 10 years,in relation to the National Electricity Transmission System, Distribution Systems, Electricity Generators and any other part of the whole energy system that the Secretary of State may request;
 - (b) an assessment by the licensee of the likelihood and potential impact of risks and threats identified under paragraph 7(a); and
 - (c) any advice on mitigations that the licensee views would limit and address the impact of risks and threats under paragraph 7(a).
8. The licensee must engage with Transmission Licensees, Licensed Distributors, Electricity Generators and the Secretary of State when producing the Energy Resilience Assessment Report.

Part D: Emergency Processes Assessment

9. The licensee must provide its Emergency Processes Assessment and relevant accompanying information and analysis to the Authority, the Secretary of State and such other parties the licensee considers materially affected by the issues contained in the Emergency Processes Assessment by xx xxxxxxxx of each Regulatory Year.
10. The licensee must ensure its Emergency Processes Assessment outlines:
 - (a) the licensee's assessment of scenarios and best practice for emergency processes and preparedness; and
 - (b) any recommended improvements and learnings, including on the prevention of emergencies,across the National Electricity Transmission System, Distribution Systems, Electricity Generators and any other part of the whole energy system that the Secretary of State may request.
11. The licensee must engage with Transmission Licensees, Licensed Distributors, Electricity Generators, the Secretary of State and such other parties that the licensee considers materially affected by the issues in paragraphs 10(a) and 10(b) when producing the Emergency Processes Assessment.

Part E: Industry Readiness and Preparedness Report

12. The licensee must provide its Industry Readiness and Preparedness Report to the Authority, Secretary of State and such other parties the licensee considers materially affected by the issues contained in the Industry Readiness and Preparedness Report by xx xxxx and xx xxxx of each Regulatory Year.
13. The licensee must ensure its Industry Readiness and Preparedness Report outlines its assessment of the preparedness and seasonal readiness for incidents and emergencies that includes assessing persons that operate, or are connected to:
 - (a) the National Electricity Transmission System;
 - (b) Distribution Systems; and
 - (c) any other part of the whole energy system that the Secretary of State may request,in respect of the winter and summer seasons that follow the date the licensee provides its Industry Readiness and Preparedness Report under paragraph 12.

Part F: Derogations

14. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, and subject to such conditions, as may be specified by the Authority by direction.

Condition C7 Arrangements in coordinating market strategy

Introduction

1. The purpose of this condition is to set out the licensee's obligations to support the progression and development of energy markets in compliance with the Primary Duty and Secondary Duty.

Part A: Future market forums

2. The licensee must, within 90 days of this condition coming into effect, establish a forum for the engagement of projects and plans that facilitate the transition of the energy market to a decarbonised energy system, where such a forum includes engagement on the transition of the market and industry arrangements for gas against potential future scenarios.
3. The licensee must use reasonable endeavours to cooperate with the Relevant Gas Market Participants to:
 - (a) within 90 days of this condition coming into effect, establish a steering group associated with the forum in paragraph 2; and
 - (b) progress and frequently hold meetings of the forum of the type outlined in paragraph 2.

4. The licensee must propose projects and plans as part of the forum outlined in paragraph 3 that reflect the licensee's compliance with its Primary Duty and Secondary Duty.
5. The licensee must use reasonable endeavours to cooperate with Relevant Gas Market Participants to progress and develop projects and plans as part of the forum outlined in paragraph 2.

Part B: Future Market Action Plan

6. The licensee must use reasonable endeavours to cooperate with Relevant Gas Market Participants in the production of a Future Market Action Plan at least once in every 2 Regulatory Years.
7. The licensee must use reasonable endeavours to ensure that the Future Markets Action Plan contains:
 - (a) a summary of the progress, projects, engagements, issues and plans raised at the forum under paragraph 2;
 - (b) a description of projects and plans that the licensee and other Relevant Gas Market Participants intend to progress in connection with paragraph 5; and
 - (c) an initial view of which parties are best placed to deliver projects and plans under paragraph 7(b), whether the licensee, any Relevant Gas Market Participant or any third party.

Condition C8 Gas strategic network planning

Introduction

1. The purpose of this condition is to set out the licensee's obligations in relation to performing its gas strategic planning functions.

Part A: Gas assessment obligations

2. The licensee must take such steps it considers may be necessary to enable and facilitate any improvements to, gas strategic network planning.
3. When discharging its obligations under this condition, the licensee must act in a manner best calculated to ensure transparency.

Part B: Gas Network Capability Needs Report

4. The licensee must prepare a Gas Network Capability Needs Report that sets out the licensee's view of the physical capability of, and system needs for, the National Transmission System, ensuring that the information and system needs produced are:
 - (a) in compliance with the Primary Duty and Secondary Duty; and
 - (b) capable of being applied for the purpose of identifying and proposing options that respond to such system needs, where such options are to be evaluated in the Gas Options Assessment Document.

5. The licensee must prepare the Gas Network Capability Needs Report, and provide it to the Authority, by xx xxxxx xxxx, and by xx xxxxx xxxx in every 2 Regulatory Years.
6. The licensee must include in its provision to the Authority under paragraph 5, a summary of:
 - (a) any engagement with interested parties in the development of the Gas Network Capability Needs Report; and
 - (b) any views or information provided by interested parties and an explanation of how these were taken into account in the development of the Gas Network Capability Needs Report.
7. The Gas Network Capability Needs Report must also include:
 - (a) flow forecasts on a nodal or zonal basis, in accordance with the future scenarios prepared by the licensee to model the long-term development of the system and its needs under different future scenarios;
 - (b) the level of physical capability by node or zone;
 - (c) a description of the data used by the licensee to model each of the future scenarios;
 - (d) the level of capability that can be economically and efficiently delivered by the NTS System Operator using tools (that the licensee is aware the NTS System Operator has in place) on a nodal or zonal basis;
 - (e) an explanation of the methodologies and processes applied for determining physical capability, including:
 - (i) narrative explanation on the application of the methodology for determining physical capability of the National Transmission System;
 - (ii) planning assumptions employed related to modelling supply and demand, in accordance with the future scenarios prepared by the licensee; and
 - (iii) any other assumptions related to non-supply and demand factor analysis applied by the licensee;
 - (f) an explanation of the changes to the level of physical capability resulting from confirmed changes to the installed operational assets;
 - (g) a view of the required level of physical capability in 10 years' time; and
 - (h) a view of the required level of physical capability beyond a 10 year period to 2050, which the licensee views is in compliance with the Primary Duty and Secondary Duty.
8. The licensee must use reasonable endeavours to ensure that the information produced in the Gas Network Capability Needs Report is capable of being applied for the purpose of identifying and proposing options that respond to the needs

published under paragraph 4, where such options are evaluated in the Gas Options Assessment Document.

9. The licensee must publish its Gas Network Capability Needs Report by xx xxxxx xxxx, and by xx xxxxxx in every 2 Regulatory Years, on its website in a readily accessible form and manner.
10. When publishing the report under paragraph 9 the licensee must have due regard to the need for excluding any information that may seriously and prejudicially affect the commercial interests of the owner of that information (or any third parties that provided that information to the owner of that information) if published or might be expected to be incompatible with any legislation, rule of law or licence condition, providing reasons to the Authority for any omission of information.

Part C: Gas Options Assessment Document

11. The licensee must provide a Gas Options Assessment Document to the Authority by xx xxxx xxxx.
12. The Gas Options Assessment Document must set out as far as is reasonably practicable:
 - (a) the licensee's view of the drivers for change to the National Transmission System, which are in compliance with the Primary Duty and Secondary Duty, and which consider:
 - (i) the Statutory Network Security Standard;
 - (ii) customer needs for gas supply and demand;
 - (iii) deliverability and social impact; and
 - (iv) the Entry Capacity release obligations and Exit Capacity release obligations pursuant to Special Condition 9.13 (Capacity Requests, Baseline Capacity and Capacity Substitution) of National Gas Transmission plc's Transporter Licence;
 - (b) the licensee's best view of the options for the National Transmission System that could meet the needs and requirements identified in the Gas Network Capability Needs Report, which may include:
 - (i) options provided in response to the needs previously identified in the Gas Network Capability Needs Report, including any options provided by the NTS System Operator;
 - (ii) options that do not involve, or involve minimal, construction, expansion, reinforcement or replacement;
 - (iii) options that relate to the rules, codes, and regulations that underpin the regulatory framework or operation of pipe-line systems;
 - (iv) options that relate to the practices, services and commercial arrangements within the energy market; and
 - (v) options suggested by other interested persons.

- (c) the licensee's best view of the relative suitability of each option or combination of options set out under paragraph 12(b) where suitability is also measured in relation to the drivers for change under paragraph 12(a).
 - (d) the licensee's recommendations on which, if any, option(s) set out in accordance with paragraph 12(b) should be developed further, in compliance with the Primary Duty and Secondary Duty and the drivers for change under paragraph 12(a);
 - (e) any changes to licensee's view on the physical capability of the National Transmission System since the provision of its Gas Network Capability Needs Report, including any changes that have significantly impacted the licensee's view of options under paragraph 12(b);
 - (f) any original system needs provided in accordance with paragraph 4 that may have significantly changed, with an explanation of the differences and associated implications on the licensee's view of options provided under paragraph 12(b) and recommendations under paragraph 12(d);
 - (g) how the licensee has considered other arrangements or agreements with parties in respect of developing the National Transmission System, including any Funded Incremental Obligated Entry Capacity or Funded Incremental Obligated Exit Capacity; and
 - (h) a summary of how the licensee has engaged with the NTS System Operator (and any other relevant parties) on the information produced in the Gas Options Assessment Document and any views or representations from this engagement.
13. The licensee's best view of options under paragraph 12(b) must include the licensee's assessment of the impact of different options on the National Transmission System, and cost benefit analysis of options where applicable.
 14. The licensee must include in its summary under paragraph 12(h) any material differences between the licensee's views and the views of the NTS System Operator, providing an explanation of the difference and any associated implications.
 15. The licensee must publish its Gas Options Assessment Document by xx xxxxx xxxx, and by xx xxxxxxxx in every 2 Regulatory Years thereafter, on its website in a readily accessible form and manner.
 16. When publishing the report under paragraph 15, the licensee must have due regard to the need for excluding any information that may seriously and prejudicially affect the commercial interests of the owner of that information (or any third parties that provided that information to the owner of that information) if published or might be expected to be incompatible with any legislation, rule of law or licence condition, providing reasons to the Authority for any omission of information.

Part D: Derogations

17. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, and subject to such conditions, as may be specified by the Authority by direction.

Condition C9 Gas Network Innovation Strategy

Introduction

1. The purpose of this condition is to oblige the licensee to work with other parties to develop a Gas Network Innovation Strategy.
2. This condition does not prevent the licensee from undertaking Innovation Projects that are not specifically outlined within the Gas Network Innovation Strategy.

Part A: Requirement to create and maintain a Gas Network Innovation Strategy

3. The licensee must develop and maintain a Gas Network Innovation Strategy and must use reasonable endeavours to cooperate with all other Relevant Network Licensees in the development of the Gas Network Innovation Strategy.
4. The licensee must use reasonable endeavours to work with all other Relevant Network Licensees to ensure the Gas Network Innovation Strategy is reviewed every 2 years and where necessary, in the majority view of the Relevant Network Licensees, is updated.

Part B: Gas Network Innovation Strategy

5. The Gas Network Innovation Strategy must:
 - (a) set out the procedures for updating it (which must include the requirement to consult with Network Innovation Interested Parties in accordance with Part C below and the biennial review referred to in paragraph 4);
 - (b) be kept up to date in accordance with the procedures referred to in paragraph 5(a); and
 - (c) be readily accessible to the public from the licensee's website.
6. The Gas Network Innovation Strategy must include:
 - (a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the gas network over different time periods that could be addressed through innovative projects;
 - (b) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in order to address the challenges referred to in paragraph 6(a), with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the Gas Network Innovation Strategy will help to address those challenges;
 - (c) a description of the challenges which the Relevant Network Licensees consider are pertinent to the gas network over different time periods and

which are not currently being addressed through projects or plans, including but not limited to projects or plans made by the Relevant Network Licensees and Network Innovation Interested Parties;

- (d) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in relation to the challenges identified in paragraph 6(c) of this condition, with particular regard to how future Innovation Projects, which Relevant Network Licensees will seek to initiate over the period of the Gas Network Innovation Strategy, will help to address those challenges. Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to any challenge identified in paragraph 6(c), a reason should be provided as part of this description;
- (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort;
- (f) a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and
- (g) any directions related to the Gas Network Innovation Strategy issued by the Authority.

Part C: Consultation

- 7. The licensee must, in cooperation with Relevant Network Licensees, have regard to whole system considerations and use reasonable endeavours to consult with Network Innovation Interested Parties and with stakeholders in other sectors prior to publication, or revision, of the Gas Network Innovation Strategy. This includes stakeholders in the following sectors:
 - (a) electricity;
 - (b) gas;
 - (c) heat;
 - (d) refuse;
 - (e) telecoms;
 - (f) transport; and
 - (g) water and wastewater.
- 8. The licensee must include in the Gas Network Innovation Strategy:
 - (a) a description of those Network Innovation Interested Parties and stakeholders referred to in paragraph 7, with whom it has consulted; and
 - (b) its analysis of any representations relevant to the requirements set out in paragraph 6, received in response to the consultation.

Section D: Provision of advice and information services

Condition D1 Provision of ISOP Advice

Introduction

1. The purpose of this condition is to set out the licensee's obligations and reporting requirements in connection with the provision of ISOP Advice.

Part A: ISOP Advice to the Authority and to a Minister of the Crown

2. The licensee must have regard to the provisions set out in the ISOP Advice Process Document when providing ISOP Advice in accordance with section 168 of the Energy Act 2023.

Part B: Further obligations regarding ISOP Advice

3. The licensee must retain:
 - (a) a record of each request, and any modified requests, for ISOP Advice, and a copy of all ISOP Advice provided;
 - (b) a copy of correspondence related to ISOP Advice provided, and correspondence related to each request, or modified request, referred to in paragraph 3(a); and
 - (c) a record of any request for ISOP Advice that has been refused and any correspondence related to such a refusal.
4. The licensee must provide to the Authority such records, maintained pursuant to paragraph 3, as the Authority or Secretary of State may request.
5. The licensee must, if so requested by the Authority, give reasoned comments on the accuracy and text of any summary or explanation of any ISOP Advice that the Authority proposes to publish in accordance with section 35 of the Gas Act 1986 or section 48 of the Electricity Act 1989.

Condition D2 Information requests by the licensee

Introduction

1. The purpose of this condition is to set out the obligations and requirements in connection with the licensee's power to request information under section 169 of the Energy Act 2023.
2. This condition also provides for the ISOP Information Request Statement that sets out further detail on the process the licensee expects to follow when requesting information.

Part A: Information requests

3. When the licensee acts in accordance with section 169 of the Energy Act 2023, the licensee must comply with the obligations in this condition and the ISOP Information Request Statement as approved by the Authority.

Part B: ISOP Information Request Statement

4. The licensee must by the date that this licence comes into effect (or such later date as the Authority may direct) prepare and submit to the Authority for approval an ISOP Information Request Statement.
5. The ISOP Information Request Statement must include, but need not be limited to, the following matters:
 - (a) the process the licensee expects to follow when issuing an information request notice, including any further detail around the expected engagement between the licensee and recipient of an information request notice; and
 - (b) the details to be included in an information request notice issued by the licensee.
6. The licensee must keep the ISOP Information Request Statement under review and determine if any amendment should be made to the ISOP Information Request Statement, to better facilitate the licensee to act in accordance with section 169 of the Energy Act 2023.
7. Where the licensee determines that the ISOP Information Request Statement should be amended, or if directed to do so by the Authority, the licensee must amend the ISOP Information Request Statement.
8. Unless otherwise directed by the Authority, before preparing a new ISOP Information Request Statement under paragraph 4, or amending the ISOP Information Request Statement, the licensee must:
 - (a) provide a copy of the proposed new or amended ISOP Information Request Statement to the Authority;
 - (b) consult for a period not less than 28 days with interested parties; and
 - (c) within 14 days of the close of the consultation, submit to the Authority a report setting out:
 - (i) the proposed amendments;
 - (ii) any representations made and not withdrawn; and
 - (iii) any change to the amendments proposed as a result of such representations.
9. During the period of 28 days beginning with the date of the receipt of the report under paragraph 8(c) and ISOP Information Request Statement under paragraph 8(a) the Authority will:

- (a) approve the new or amended ISOP Information Request Statement proposed by the licensee;
 - (b) reject the proposed new or amended ISOP Information Request Statement and set out the reasons for such rejection; or
 - (c) request more information from the licensee and then approve or reject the proposed amendments to the ISOP Information Request Statement within 28 days of receipt of information that the Authority considers satisfies its request.
10. The licensee must publish the new or amended ISOP Information Request Statement, as approved by the Authority, on the licensee's website.
11. The requirements of paragraphs 8, 9, and 10 may be satisfied by actions taken by the licensee and the Authority before this licence comes into effect, as well as after.

Part C: Reporting requirements

12. The licensee must, unless the Authority otherwise consents, maintain for a period of 6 years a record of information requests issued pursuant to section 169 of the Energy Act 2023, including:
- (a) a copy of the information request notice;
 - (b) any subsequent variations to the original information requested;
 - (c) the recipient's response(s) to the notice, including any refusal or challenges to the notice or requested information;
 - (d) the time taken for the recipient to provide the requested information;
 - (e) the manner and form the information was provided in; and
 - (f) the information provided in response to the notice, and whether such information complied, in the licensee's view, with the notice issued or varied by the licensee.
13. The licensee must provide to the Authority such records, maintained in accordance with paragraph 12, as the Authority may request.

Condition D3 Provision of information to the Authority

Introduction

1. The purpose of this condition is to set out the obligations by which the licensee provides information and reports to the Authority for the Authority to perform certain functions.

Part A: Provision of information to the Authority

2. Subject to paragraphs 3 and 5, the licensee must provide to the Authority, in such manner and at such times as the Authority may reasonably require, such information and must procure and provide to it such reports, as the Authority may reasonably require or as may be necessary for the purpose of performing:

- (a) any functions transferred to or conferred on the Authority by or under the Utilities Act 2000; and
- (b) the regulatory functions conferred on the Authority by or under any other statute or enactment.

Part B: Further obligations regarding information provision

- 3. The licensee shall not be required by the Authority to provide under this condition, information for the purpose of the exercise of its the functions under section 34 of the Gas Act 1986 or section 47 of the Electricity Act 1989.
- 4. The licensee must, if so requested by the Authority, give reasoned comments on the accuracy and text of any summary or explanation of any information or advice (so far as relating to its ISOP Business) which the Authority proposes to publish in accordance with section 35 of the Gas Act 1986 or section 48 of the Electricity Act 1989.
- 5. This condition shall not require the licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before a court.
- 6. The power of the Authority to call for information under this condition is in addition to the power of the Authority to call for information under or in accordance with any statute, enactment or any other condition. There is a presumption that the provision of information in accordance with any other condition is sufficient for the purposes of that condition, but that presumption shall be rebutted, if the Authority states in Writing that in its opinion such further information is, or is likely to be, necessary to enable it to exercise functions under the condition in question.

Condition D4 Data assurance requirements

Introduction

- 1. The purpose of this condition is to set out the processes and activities the licensee must undertake to reduce the risk, and subsequent impact and consequences, of any inaccurate or incomplete reporting, or any misreporting, of information to the Authority, and the processes the Authority will follow in issuing and amending the Data Assurance Guidance (DAG).

Part A: Obligations as regard data assurance requirements

- 2. The licensee must:
 - (a) comply with the provisions of the DAG;
 - (b) where required to provide DAG Data under the provisions of this licence, provide DAG Data which complies with the requirements set out in the DAG;

- (c) subject to paragraph 3, where required to provide DAG Data under the provisions of this licence, provide accurate and complete DAG Data;
 - (d) carry out a Risk Assessment in accordance with such provisions and timescales as are specified for that purpose in the DAG, and ensure that it has used its best endeavours to mitigate such risks as it has identified in the Risk Assessment;
 - (e) if directed by the Authority, procure an independent review of its Data Assurance Activities in accordance with such provisions and timescales as are specified for that purpose in the DAG; and
 - (f) provide to the Authority, in accordance with such provisions and timescales as are specified for that purpose in the DAG, reports that contain:
 - (i) the results of the licensee's Risk Assessment;
 - (ii) a description of the Data Assurance Activities that the licensee intends to undertake concerning expected future DAG Data submissions for the relevant reporting period set out in the DAG;
 - (iii) a description of the Data Assurance Activities undertaken by the licensee concerning previously submitted DAG Data for the relevant reporting period set out in the DAG; and
 - (iv) if required, the details and results of the independent review procured by the licensee of its Data Assurance Activities.
3. DAG Data provided to the level of accuracy and reliability required under the relevant licence condition will be considered to be accurate and complete for the purposes of this condition.
 4. The licensee must have in place and maintain appropriate systems, processes, and procedures to enable it to perform its obligations under paragraph 2.

Part B: Data Assurance Guidance (DAG)

5. The Authority will issue and amend the DAG by direction.
6. The Authority will publish the DAG on the Authority's Website.
7. The DAG will make provision for any of the following matters:
 - (a) the DAG Data to which the Risk Assessment applies;
 - (b) the format (including its form, layout, scope and content) of the Risk Assessment;
 - (c) the frequency with which and the timescales within which the Risk Assessment is required to be carried out;
 - (d) the format (including its form, layout, scope and content) of any independent review that may be required of the licensee's Data Assurance Activities and the associated reporting requirements;
 - (e) the format (including its form, layout, scope and content) of the reporting requirements detailed in paragraph 2(f);

- (f) the frequency with which and the timescales within which the licensee should report on its Data Assurance Activities to the Authority; and
 - (g) the time period(s) to which required reports must relate.
8. The provisions of the DAG will not exceed what is required to achieve the purposes of this condition, having regard to the materiality of the costs likely to be incurred by the licensee in complying with those provisions relative to the impact on consumers from data reporting errors.
 9. Information requested by the Authority under or pursuant to the requirements of the DAG will not exceed what could be requested from the licensee by the Authority under condition D3 (Provision of information to the Authority).
 10. Before issuing or amending the DAG by direction the Authority will publish on the Authority's Website:
 - (a) the proposed text of the new or amended DAG;
 - (b) the date on which the Authority intends the new or amended DAG to come into effect;
 - (c) the reasons for the new or amended DAG; and
 - (d) the period during which representations may be made on the new or amended DAG, which will not be less than 28 days.

Part C: Licensee's obligation to carry out a Data Assurance Activity

11. The licensee must comply with any direction by the Authority requiring the licensee to carry out (or, where appropriate, procure and facilitate the carrying out of) such Data Assurance Activity as may be specified in the direction.
12. Before issuing a direction under paragraph 11 the Authority will publish on the Authority's Website:
 - (a) the text of the proposed direction;
 - (b) the date on which the Authority intends the direction to come into effect;
 - (c) the reasons why it proposed to issue the direction; and
 - (d) the period during which representations may be made on the proposed direction which will not be less than 28 days.
13. The direction will set out:
 - (a) a description of the Data Assurance Activity to be carried out by the licensee (or, where appropriate, by a person nominated by the Authority) for the purpose of ensuring the accuracy and completeness of data provided to the Authority;
 - (b) if necessary, the steps that must be taken by the licensee to procure and facilitate the carrying out of the activity under paragraph 13(a) by any such nominated person;

- (c) a description of the DAG Data to which the activity described in the direction must apply;
- (d) an explanation of why the Authority requires the licensee to carry out that activity;
- (e) any relevant dates by which that activity must be completed; and
- (f) the form and content of any information relating to that activity that the licensee must provide to the Authority.

Part D: Derogations

14. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee.

Condition D5 Regulatory Instructions and Guidance (RIGs)

Introduction

1. The purpose of this condition is to set out the scope, contents and common governance arrangements for the Regulatory Instructions and Guidance (RIGs).

Part A: The RIGs

2. The Authority will issue and amend the RIGs by direction.
3. The Authority will maintain a current version of the RIGs on the Authority's Website.
4. Subject to paragraphs 5 and 6, the RIGs will make provision for:
 - (a) instructions and guidance on the establishment of systems, processes, procedures, and ways for recording and providing Specified Information;
 - (b) instructions and guidance on the standards of accuracy and reliability that are applicable to the recording of Specified Information (including different classes of such information);
 - (c) a timetable for the development of such systems, processes and procedures as are required to achieve the standards under paragraph 4(b);
 - (d) the methodology for calculating or deriving numbers comprising Specified Information;
 - (e) provision with respect to the meaning of words and phrases used in defining Specified Information;
 - (f) requirements as to the form and manner in which, or the frequency with which, Specified Information must be recorded;
 - (g) requirements as to the form and manner in which, or the frequency with which, Specified Information must be provided to the Authority;

- (h) requirements as to which (if any) of the Specified Information is to be subject to audit, the terms on which an auditor is to be appointed by the licensee for that purpose, and the nature of the audit to be carried out by that person;
 - (i) requirements as to the circumstances in which the Authority may appoint a RIGs Examiner to examine the recording of the Specified Information by the licensee;
 - (j) a statement on whether and to what extent each category of the Specified Information is required for the purposes of the RIGs;
 - (k) provision about how the Authority intends to monitor, assess and enforce compliance with the RIGs; and
 - (l) instructions and guidance on the standards of accuracy and reliability that are applicable to the commentary that supports the information provided by the licensees under the RIGs (to enable the Authority to assess efficiency and delivery of value to consumers).
5. The provisions of the RIGs will not exceed what is reasonably required to achieve the purposes of this condition, having regard to the materiality of the costs likely to be incurred by the licensee in complying with those provisions.
 6. No Specified Information will exceed what could be requested from the licensee by the Authority under paragraph 2 of condition D3 (Provision of information to the Authority) excluding any reference to paragraph 3 of that condition.
 7. Before issuing new RIGs or amending the RIGs, the Authority will publish on the Authority's Website:
 - (a) the proposed text of the new or amended RIGs;
 - (b) the date on which the Authority intends the new or amended RIGs to come into effect;
 - (c) the reasons for the new or amended RIGs; and
 - (d) the period during which representations may be made on the new or amended RIGs which will not be less than 28 days.
 8. The requirements of paragraph 7 of this condition may be satisfied by action taken by the Authority before, as well as by action taken after, this licence condition comes into effect.

Part B: Compliance with the RIGs

9. The licensee must comply with the RIGs.
10. The licensee must have in place and maintain appropriate systems, processes and procedures to enable it to:
 - (a) estimate, measure, and record Specified Information; and
 - (b) provide Specified Information to the Authority in accordance with the RIGs.

11. The accounting records and other records kept by the licensee with respect to the Specified Information must be:
 - (a) separately identified and reasonably attributed as between the ISOP Business and the business of any ISOP Affiliate or ISOP Related Undertaking of the licensee;
 - (b) maintained for a period of 8 years, or such shorter period as set out in the RIGs, from the date that they are made.
12. The licensee must take all reasonable steps to validate and check that the Specified Information is complete, reliable and meets the standards prescribed by the RIGs.
13. The licensee must, on or before each submission date, write to the Authority to confirm that, in its opinion, the Specified Information in respect of each Regulatory Year meets the standards prescribed by the RIGs.
14. Nothing in this condition requires the licensee to provide any documents or give any information that it could not be compelled to produce or give in evidence in civil proceedings before a court.

Part C: Requirements for new or more detailed information

15. This Part C applies if any new or amended RIGs have the effect of introducing a requirement to provide:
 - (a) a new category of Specified Information; or
 - (b) an existing category of Specified Information to a greater level of detail, which has not previously been collected by the licensee, whether under provisions of the RIGs or otherwise.
16. Where this Part C applies, the licensee may provide estimates to the Authority in respect of the relevant category of Specified Information for any Regulatory Year specified by the Authority.
17. The estimates referred to in paragraph 16 of this condition may be derived from such other information available to the licensee as may be appropriate for that purpose.

Part D: Derogations

18. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee.

Section E: Industry codes and charging

Condition E1 Obligations regarding the Uniform Network Code

Introduction

1. The purpose of this condition is to establish appropriate obligations on the licensee in respect of arrangements related to the Uniform Network Code, including obligations due to the requirement on the licensee to enter into or accede to the Uniform Network Code.

Part A: Modification procedures and duty to cooperate

2. In respect of the Uniform Network Code, a modification proposal may be made by the licensee.
3. The licensee must comply with the Network Code Modification Procedures insofar as is applicable to the licensee, including compliance where the licensee makes a proposal to modify the Uniform Network Code.
4. The licensee will cooperate with the Authority, and/or any person(s) appointed by the Authority or appointed pursuant to a direction of the Authority, to undertake any reasonable requests in relation to planning, project assurance and/or coordination/systems integration in order to give full effect to the conclusions of a UNC Significant Code Review.
5. Cooperation for the purposes of paragraph 4 may include but is not limited to:
 - (a) the sharing of such information as reasonable, and constructive participation in the industry engagement in order to undertake appropriate planning of changes to IT systems or industry standard operational processes system changes pursuant to the conclusions of a UNC Significant Code Review;
 - (b) the provision of such data as may be identified and reasonably requested in order to undertake testing and/or the population of any new central systems;
 - (c) the preparation and cleansing of such data as may reasonably be requested in order to facilitate live operation of the new central system;
 - (d) the provision of test scripts and results of any testing as may be requested by any person appointed to assure the success of any testing;
 - (e) all reasonable steps to:
 - (i) meet key programme milestones for the completion of any action(s) assigned to the licensee;
 - (ii) adhere to any remedial plan put in place to address any issues, delays or slippage that may impact the licensee's ability to meet the programme milestones, to the extent that failure to do so may

jeopardise the successful and timely implementation of the programme;

- (iii) identify any dependencies that the licensee may have upon agents or other third-parties and secure the necessary support from such parties; and
- (iv) promptly escalate and/or resolve any disputes that if unresolved may jeopardise the fulfilment of these obligations.

6. Where:

- (a) the Health and Safety Executive have given a notice to the licensee in pursuance of this paragraph referring to a matter relating to the protection of the public from dangers arising from matters to which the licensee's functions relate; and
- (b) a modification to the Uniform Network Code could, consistent with the UNC Relevant Objectives, appropriately deal with the matter,

the licensee must propose such a modification in accordance with the Network Code Modification Procedures, and any requirement that a modification be such as to better facilitate the achievement of the UNC Relevant Objectives shall be treated as met if the modification is consistent with those objectives.

7. The licensee must comply with its obligations under the Uniform Network Code to disclose information relating to any market arrangements related to the carrying out of strategic planning and forecasting in connection with:
- (a) the development of pipe-line systems for the conveyance of gas; and
 - (b) other arrangements relating to the conveyance or supply of gas.
8. The licensee must use reasonable endeavours to provide and have in place a representative in the composition of the UNC Panel.

Part B: Availability of data formats

9. Where the licensee uses standard file formats for transferring data, for any purposes set out in the Uniform Network Code, between any persons identified in the Uniform Network Code as appropriate persons for the receipt of data, it must:
- (a) make those standard file formats and associated definitions of data items available, free of charge, to Gas Shippers and other Gas Transporters for their use in connection with their licensed activities; and
 - (b) comply with its obligations under the Uniform Network Code and the CDSP Service Agreement in this regard.

Section F: Price control

[Price control will form part of a later consultation]

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Section G: Financial provisions

[Financial provisions will form part of a later consultation].

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