



Making a positive difference  
for energy consumers

To:

Cadent Gas Limited,  
Northern Gas Networks Limited,  
Scotland Gas Networks plc,  
Southern Gas Networks plc,  
Wales & West Utilities Limited

Direct Dial: 020 7901 7415

Email: [vcma@ofgem.gov.uk](mailto:vcma@ofgem.gov.uk)

Date: 31 October 2023

Dear Network Companies,

**Direction under Part B of Special Condition 5.4 Vulnerability and Carbon Monoxide Allowance (VCMA) to amend the VCMA Governance Document**

1. Each of the companies to whom this direction is addressed is the holder of a licence granted or treated as granted under section 7 of the Gas Act 1989.
2. In accordance with paragraph 5.4.11 of Special Condition 5.4 (VCMA), on 20 July 2023 the Gas and Electricity Markets Authority (“the Authority”) published on its website the text of the amended VCMA Governance Document and stated that representations might be made on or before 18 August 2023.
3. The Authority received nine responses, which it has carefully considered. The Authority has placed all non-confidential responses on its website.
4. The Authority has made a number of changes to the proposed text for reasons set out in the decision letter and to fix typos and other errors. The full text of the VCMA Governance Document as well as a track change version compared with that published on 26 February 2021 can be found in our [Decision to update RII0-2 Gas Network Vulnerability and Carbon Monoxide Allowance Governance Document](#).

**The Office of Gas and Electricity Markets**

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5. The reason for this direction is to give effect to the Authority's decision to update the VCMA Governance Document to widen the eligibility criteria, improve details and transparency in project reporting and strategies and ensure an appropriate level of governance to reflect the additional allowance made available.

6. This direction is our notice of reasons for the purposes of section 38A of the Gas Act 1986.

7. Now the Authority pursuant to the provisions of Special Condition 1.1 (Interpretation and definitions) and Special Condition 5.4 hereby directs that the VCMA Governance Document is amended, and the amended version will have effect from 31 October 2023.

For more information regarding this Direction, please contact the VCMA Team ([vcma@ofgem.gov.uk](mailto:vcma@ofgem.gov.uk)).

**Jourdan Edwards**

Interim Deputy Director, Onshore Networks

Signed on behalf of the Authority and authorised for that purpose by the Authority