

National Gas Transmission plc

Gas Transporter Licence

Special Conditions

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Note: Consolidated conditions are not formal Public Register documents and should not be relied on.

Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

Chapter 1: Interpretation and definitions

Special Condition 1.1 Interpretation and definitions

Introduction

- 1.1.1 The purpose of this condition is to provide for the special conditions of this licence:
- (a) some provisions of general interpretation; and
 - (b) the meaning of the defined terms, which are capitalised throughout the special conditions.

Part A: Interpretation

- 1.1.2 Wherever the subscript 't' is used, without further numerical notation, the value to be used is the one for the Regulatory Year in question.
- 1.1.3 A positive or negative numerical notation indicates that the value to be used is for a year after or before the Regulatory Year in question and the number indicates how many years after or before.
- 1.1.4 In some cases, other subscripts may also be used to denote the value for a specific Regulatory Year and are explained in those special conditions.
- 1.1.5 Any values derived by reference to the value of revenues accrued, received or paid by or to the licensee will be the actual sum accrued, received or paid by or to the licensee on the date of such accrual, receipt or payment without any adjustment for inflation or interest after deduction of value added tax (if any) and any other taxes charged directly by reference to the amounts so accrued, received or paid.
- 1.1.6 Unless otherwise stated, any reference in these special conditions to the Authority giving a direction, consent, derogation, approval or designation includes:
- (a) giving 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) revoking or amending it after consulting with the licensee.
- 1.1.7 Unless otherwise stated, any reference in these special conditions to the Authority making a determination includes making it subject to such conditions as the Authority thinks reasonable in all the circumstances of the case.
- 1.1.8 Any direction, consent, derogation, approval, designation or determination by the Authority will be given or made in writing.

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

- 1.1.9 Any reference in these special conditions to a numbered appendix is, unless otherwise stated, to the relevant numbered appendix to that special condition.
- 1.1.10 Where these special conditions provide for the Authority to issue or amend a document by direction, the steps required to achieve this may be satisfied by action taken before, as well as by action taken on or after, 1 April 2021.
- 1.1.11 Any monetary values in these special conditions are in sterling in a 2018/19 price base unless otherwise indicated.
- 1.1.12 The price base for each PCFM Variable Value is denoted in the GT2 Price Control Financial Model "Input" sheet. Where a PCFM Variable Value is listed as a "£m nominal" value, the GT2 Price Control Financial Model will convert these values in accordance with Part F of Special Condition 2.1 (Transportation owner revenue restriction), so that the component terms of Calculated Revenue and SO Calculated Revenue are in a 2018/19 price base.

Part B: Definitions

- 1.1.13 In these special conditions the following defined terms have the meanings given in the table below.
- 1.1.14 Where these special conditions state that the outputs, delivery dates and allowances for a Price Control Deliverable are located in another document, the following defined terms also have the meanings given in the table below in that document.
- 1.1.15 Where the table below states that a defined term has the meaning given to it by:
- (a) another condition of this licence;
 - (b) the GT2 Price Control Financial Instruments;
 - (c) the RIGs;
 - (d) an Associated Document;
 - (e) the Uniform Network Code; or
 - (f) the Network Code
- the defined term is to have the meaning given in that provision or document as amended from time to time.

the Act	means the Gas Act 1986.
Actual NTS Throughput	means the total offtake of gas from the NTS on each day (in mcm) including gas offtakes by DN Operators, Storage Facilities, interconnectors and Very Large

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	Daily Metered Consumers connected to the NTS, plus the physical elements of NTS Shrinkage.
Adjustment Neutrality Amount	has the meaning given to that term in the Uniform Network Code.
Advice Notice Day	means any Maintenance Plan Day in relation to which the licensee has formally notified the customer of a Maintenance activity to be carried out in alignment with that customer's maintenance programme as agreed following bilateral discussions between the customer and the licensee.
Affiliate	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).
Aggregate Overrun	has the meaning given to that term in the Uniform Network Code.
Allocation	means any process by which Entry Capacity or Exit Capacity may be allotted by or on behalf of the licensee in accordance with the Network Code.
Allowed Revenue	is the amount the licensee should aim to recover through its NTS Transportation Owner Charges, derived in accordance with the formula in Part C of Special Condition 2.1 (Transportation owner revenue restriction).
Annual Environmental Report	means a document prepared and published by the licensee in accordance with Part A of Special Condition 9.1 (Annual Environmental Report).
Annual Iteration Process	means in relation to the GT2 Price Control Financial Model, the process set out in Special Condition 8.2 (Annual Iteration Process for the GT2 Price Control Financial Model), which is to be read and given effect subject to any further applicable explanation or elaboration within the GT2 Price Control Financial Handbook.
Annual Network Capability Assessment Report	means a report prepared by the licensee in accordance with Part B of Special Condition 9.10 (Long term network planning).
Appropriate Auditor	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).

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the Authority	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).
Authority's Website	means www.ofgem.gov.uk
Bad Debt	means the expense incurred by the licensee when NTS Transportation Owner Charges owed to the licensee are not considered recoverable and which crystallises when normal payment terms have been exceeded, and the licensee has made all reasonable efforts to collect the debt but is unable to recover the amounts owed.
Balancing Neutrality Charges	has the meaning given to that term in the Uniform Network Code.
Baseline Allowed NARM Expenditure	means the allowed expenditure associated with the Baseline Network Risk Outputs as set out in Appendix 1 to Special Condition 3.1 (Baseline Network Risk Output).
Baseline Network Risk Output	means the cumulative total of Network Risk Outputs for all items allocated to 'NARM Funding Category A1' for a given Risk Sub-Category in the licensee's Network Asset Risk Workbook.
Basic Net Neutrality Amount	has the meaning given to that term in the Uniform Network Code.
Basic PCD Report	has the meaning given to that term in the PCD Reporting Requirements and Methodology Document.
Between	in the context of something being done, or occurring, between two dates, means on or after the first date and on or before the second date.
Biodiversity Net Gain	means measurable net improvement to biodiversity for a defined area of land compared to the biodiversity before intervention by the licensee.
Bulk Price Differential	means the volume of LPG conveyed to consumers who are connected to each relevant Independent System in the relevant Regulatory Year, multiplied by the difference between: <p style="margin-left: 40px;">(a) the reasonable estimate (made by the licensee) of the actual delivered price of LPG supplied to</p>

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

	output as specified in the relevant special condition; or (b) where expenditure decisions were the result of factors beyond the reasonable control of the licensee including, but not limited to, growth in demand for the licensee's services or government policy.
Electric Compressor	means electrically powered gas compression equipment forming part of the pipeline system to which this licence relates that is used by the licensee to increase the pressure of gas in part of that pipeline system.
<u>Electricity System Operator Licence</u>	<u>means a licence granted or treated as granted under section 6(1)(da) of the Electricity Act 1989.</u>
Eligible Balancing Action	has the meaning given to that term in the Uniform Network Code.
Eligible CNIA	means the amount of expenditure spent or accrued by the licensee in respect of Eligible CNIA Projects.
Eligible CNIA Internal Expenditure	means the amount of Eligible CNIA spent or accrued on the internal resources of the licensee.
Eligible CNIA Projects	means RIIO-1 Network Innovation Allowance projects on which work commenced prior to 31 March 2021, pursuant to the requirements of the RIIO-1 NIA Governance Document.
Eligible NIC Project	means a project undertaken by the licensee or any other Gas Transporter Licensee that appears to the Authority to satisfy such requirements of the NIC Governance Document as are necessary to enable the project to be funded under the NIC Funding Mechanism.
Eligible SIF Project	means a project undertaken by the licensee or any other Gas Transporter Licensee that the Authority assess as satisfying such requirements of the SIF Governance Document as are necessary to enable the project to be funded under the SIF Funding Mechanism.
Energy System Data	means facts and statistics collected together that describe the energy system (current, historic and forecast), including: the presence and state of

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

Funding Return Mechanism	<p>means the mechanism that provides for the recovery from the licensee and from other Gas Transporter Licensees, in each case to such extent (if any) as may be relevant, of:</p> <p>(a) Halted Project Revenues;</p> <p>(b) Disallowed Expenditure;</p> <p>(c) Returned Royalty Income; and</p> <p>(d) Returned Project Revenues.</p>
Gas Balancing Notification	has the meaning given to that term in the Uniform Network Code.
Gas Deficit Emergency	has the meaning given to that term in the Uniform Network Code.
<u>Gas Network Capability Needs Report</u>	<u>means the report prepared by the ISOP in accordance with Part B of condition C8 (Gas strategic network planning) of the Gas System Planner Licence.</u>
<u>Gas Options Assessment Document</u>	<u>means the document of that name prepared by the ISOP under Part C of condition C8 (Gas strategic network planning) of the Gas System Planner Licence.</u>
Gas Shipper	has the meaning given to that term in section 7A(11) of the Act.
<u>Gas System Planner Licence</u>	<u>means a licence granted or treated as granted under section 7AA of the Gas Act 1986.</u>
Gas Transporter Licensee	means the holder of a licence granted under section 7 of the Act.
Gas Volumes Methodology	means a methodology provided under part K of Special Condition 5.6 (System operator external incentives, revenues and costs).
GHG Independent Examiner	means a person nominated by and independent of the licensee with the skills and knowledge of accepted greenhouse gas accounting and audit principles so as to be qualified to undertake an examination of the Greenhouse Gas Emissions Calculation Methodology for calculating the mass of Natural Gas Vented and verification of the application of this methodology.

Note: Consolidated conditions are not formal Public Register documents and should not be relied on.

Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

	accordance with the methodology statements which the licensee must have in place under Special Condition 9.18 (Methodology to determine the release of Entry Capacity and Exit Capacity volumes).
Incremental Obligated Exit Capacity	means the volume of Firm Exit Capacity which the licensee is required to offer for sale at an NTS Exit Point that is above the level of Non-Incremental Obligated Exit Capacity, and is derived in accordance with the methodology statements which the licensee must have in place under Special Condition 9.18 (Methodology to determine the release of Entry Capacity and Exit Capacity volumes).
Independent Examiner	means a person nominated by and independent of the licensee with the skills and knowledge to undertake an examination.
Independent System	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation), except that for the purposes of Special Condition 6.2 (Gas conveyed to Independent Systems) only, it means independent systems (as defined in Standard Special Condition A3) through which the gas conveyed to consumers consists wholly or mainly of LNG or LPG.
Innovation	means: <ul style="list-style-type: none"> (a) solutions that have been trialled by any Network Licensee as part of a RIIO-1 Network Innovation Allowance project pursuant to the requirements of the RIIO-1 NIA Governance Document or a RIIO-2 NIA Project; or (b) involves the application of technology, systems or processes that were not proven as at the time of submission of the Business Plan.
Interruptible Entry Capacity	means Entry Capacity that may be subject to curtailment by the licensee under the provisions relating to interruption in the Uniform Network Code.
IP Completion Day	has the meaning given to that term in Standard Condition 1 (Definitions and Interpretation).
<u>ISOP</u>	<u>means the person for the time being designated as the Independent System Operator and Planner under</u>

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section 162 of the Energy Act 2023 who holds an Electricity System Operator Licence and Gas System Planner Licence.

IT	means a licensee's information technology for business systems that relate to the use of computers, software, hardware and other systems and devices to perform business operations.
LDZ	has the meaning given to that term in the Network Code.
Licence Baseline Entry Capacity	means the volume of Entry Capacity as set out in Appendix 1 of Special Condition 9.13 (Capacity Requests, Baseline Capacity and Capacity Substitution) and any Funded Incremental Obligated Entry Capacity from five years after the contractual delivery date of that capacity.
Licence Baseline Exit Capacity	means the volume of Exit Capacity as set out in Appendix 2 of Special Condition 9.13 (Capacity Requests, Baseline Capacity and Capacity Substitution) and any Funded Incremental Obligated Exit Capacity from five years after the contractual delivery date of that capacity.
Licensed Activity	has the meaning given to the term "Transportation Business" in Standard Special Condition A3 (Definitions and Interpretation).
Licensee's Offices	means the licensee's offices located in Derby, Eakring, London, Solihull, Warrington, Warwick and Wokingham. Where the sites are shared with multiple parties, the metrics achieved at the overall site will be attributed in proportion with the capex allocation (as notified by the licensee to the Authority) for each entity residing at the site
LNG	means liquefied natural gas.
Local Area Energy Plan	means a plan that is the product of a process: (a) through which a range of stakeholders including Network Licensees and local authorities agree on the optimal long-term energy solutions for an area; and

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

(b) that has been conducted in the context of enabling energy systems with net zero carbon emissions.

Locational Action

means any action taken by the licensee where the action was taken in respect of a specific location and would therefore be coded with a locational reason code on the On-the-day Commodity Market, and where locational buys will be treated as a cost to the licensee and locational sells will be treated as a revenue.

Locational Sell Actions

means a Locational Action treated as a revenue for the licensee.

Long ILI

is work necessary to undertake an In Line Inspection of a section of the pipeline system to which this licence relates where the length of pipeline concerned is more than 10km and requiring one or more Maintenance Plan Days.

Long Term Development Statement

means a statement prepared by the licensee in accordance with Part A of Special Condition 9.10 (Licensee's Long term network planning).

Long-term Monetised Risk

means the Monetised Risk measured over a defined period of time greater than one year from a given start date and equal to the cumulative Single-year Monetised Risk values over the defined period.

LPG

means a mix of hydrocarbon gases including propane and butane in accordance with the engineering standard titled "British Standard European Norm 589:2018 Automotive Fuels. LPG. Requirements and test methods".

Maintenance

includes:

- (a) maintenance, inspection, repair, replacement, reinstatement and recommissioning of the pipeline system to which this licence relates or any part or parts of it;
 - (b) works for the expansion, reinforcement or extension of the pipeline system to which this licence relates, including works in relation to existing parts of that pipeline system (including any part of the system which is out of service,
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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

Network Licensee	means the holder of a licence granted under section 7 of the Act or section 6(1)(b) or (c) of the Electricity Act 1989.
Network Model	means a computer simulation used to predict the behaviour of the NTS under different supply and demand scenarios.
Network Risk Output	means the risk benefit delivered or expected to be delivered by an Asset Intervention and is calculated as the difference between Monetised Risk values associated with the "without intervention scenario" and the "with intervention scenario", measured over a period equal to the assumed intervention lifetime from the end of the Price Control Period, which can vary for asset category or specific assets and intervention types.
NIA	means the network innovation allowance provided by Special Condition 5.2 (RIIO-2 network innovation allowance).
NIC	means the arrangements known as the network innovation competition established by Special Condition 2F (The Network Innovation Competition) of this licence as in force on 31 March 2021.
NIC Funding	means the total amount of funding authorised by the Authority for the Licensee and other Gas Transporter Licensees, in accordance with the provisions of the NIC Governance Document, for the purpose of funding Eligible NIC Projects.
NIC Funding Mechanism	means the mechanism by which the licensee recovers the amount of authorised NIC Funding and apportions that amount between the licensee and other Gas Transporter Licensees as appropriate in accordance with the NIC Governance Document.
NIC Governance Document	means the document of that name maintained by the Authority in accordance with Special Condition 7.7 (RIIO-GT1 network innovation competition).
NOMs Incentive Methodology	means the document entitled "Network Output Measures (NOMs) Incentive Methodology" published by the Authority on 6 December 2018.

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

	Network Risk Output for the purposes of Special Condition 3.1 (Baseline Network Risk Output).
Rebasing	means the process of modifying the Baseline Network Risk Output as set out in Part C of Special Condition 3.1 (Baseline Network Risk Outputs).
Redundant Assets	means equipment or assets which are no longer utilised (either now or in the foreseeable future) by the licensee for the Transportation Business.
Redundant Assets PCD Tables	means the tables of that name in the document identified in Appendix 1 to Special Condition 3.16 (Redundant Assets Price Control Deliverable) by its title and publication date.
Regulatory Financial Performance Reporting	means the reporting template and associated guidance of the same name that the licensee is required to submit to the Authority in accordance with the RIGs.
Regulatory Year	means a period of twelve months commencing on 1 April at 05:00 and ending on the following 1 April immediately before 05:00.
Related Undertaking	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).
Relevant Gas Transporter	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).
Relevant Network Model Data	means all the data necessary for the Network Model to satisfy the first two requirements in Part B of Special Condition 9.12 (Licensee's Network Model).
Relevant Point	means a point of the licensee's pipeline system on which the licensee will make information on technical, contracted and available capacities on a numerical basis public, on a regular and rolling basis in a user-friendly and standardised manner, as required by Article 18.3, EC Regulation 715/2009, as it has effect immediately before IP Completion Day as read with any modifications set out in the Act.
Relevant Quarter Year	means a quarter in a Regulatory Year, where a quarter is a continuous period of three calendar months and where q=1 is the period Between 1 April

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

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- (a) the physical capacity of the Short-Cycle Storage Facility under the operation of the relevant Storage Facility operator;
 - (b) the capacity of the Short-Cycle Storage Facility allocated to system users (excluding Operating Margins);
 - (c) the quantity of un-booked capacity at the Short-Cycle Storage Facility;
 - (d) the projected available capacity for the period up until the subsequent submitted Storage Capacity Notice, including the projected total physical deliverability and injectability for the period; and
 - (e) any details of non/reduced availability for the period up until the subsequent submitted Storage Capacity Notice.

Storage Connection Agreement has the meaning given to that term in the Uniform Network Code.

Storage Facility has the meaning given to that term in the Uniform Network Code.

Storage Year has the meaning given to that term in the Uniform Network Code.

Strategic Planning Options Proposal means the document prepared by the licensee in accordance with Part B of Special Condition 9.10 (Licensee's network planning).

Supply Meter Installation has the meaning given to that term in the Network Code.

Supply Of NTS Services means the undertaking and performance for gain and reward of engagements:

- (a) in connection with the conveyance of gas through the NTS other than engagements in connection with activities within the definition of the NTS System Operation Activity;
- (b) for the prevention of the escape of gas, which has been taken off the NTS, other than to the Distribution Network or any pipeline system operated by a person holding a gas transporter's licence or who is exempted from holding such a

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

Special Condition 9.10 ~~Long term~~Licensee's network planning

Introduction

9.10.1 The purpose of this condition is to set out the licensee's obligations in relation to ~~reporting on its long term~~network development planning.

~~9.10.19.10.2~~ This condition includes obligations on the licensee to produce a Long Term Development Statement and a Strategic Planning Options Proposal.

~~Reporting on the long term development plan must take the form of a Long Term Development Statement and an Annual Network Capability Assessment Report.~~

Part A: Long Term Development Statement

~~9.10.29.10.3~~ The licensee must prepare a Long Term ~~Network~~ Development Statement in each Regulatory Year.

~~9.10.39.10.4~~ The Long Term ~~Network~~ Development Statement must include, so far as is reasonably practicable, forecasts of:

- (a) the likely use of the pipeline system to which this licence relates and any other pipeline system specified by the Authority by direction;
- (b) the likely development of the system, facilities and other pipeline systems which the licensee expects from time to time to be taken into account in determining the charges for making connections to the pipeline system to which this licence relates and in pursuance of Transportation Arrangements;

where such information is capable of being applied for the purpose of identifying and evaluating opportunities to:

- i. connect a pipeline to the pipeline system to which this licence relates, or to another Gas Transporter Licensee's pipeline system;
- ii. enter into transportation arrangements with the licensee; or
- iii. connect to the pipeline system to which this licence relates, or another Gas Transporter Licensee's pipeline system, premises which would reasonably be expected to be supplied with gas at a rate exceeding 2,196,000 kilowatt hours a year.

9.10.5 The licensee must also include in its Long Term Development Statement details of the options and changes to assets that have been progressed through the Gas Options Assessment Document and approved by the Authority, in accordance with condition C8 (Gas strategic network planning) of the ISOP's Gas System Planner Licence.

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

9.10.6 The licensee may include in the Long Term Development Statement any further information in response to the information provided by the ISOP in the Gas Network Capability Needs Report and/or the Gas Options Assessment Document.

9.10.49.10.7 The licensee must, subject to any requirement to comply with the listing rules (within the meaning of the Financial Services and Markets Act 2000) and with paragraph 9.10.9 7 below:

- (a) send to the Authority a copy of the Long Term Development Statement by 31st December in each Regulatory Year;
- (b) publish, in such form and manner as the Authority may direct, a summary of each Long Term Development Statement; and
- (c) send a copy of the version prepared in accordance with paragraph 9.10.7 5 (b) to any person who asks for one and makes such payment to the licensee in respect of the cost thereof as it may require, not exceeding such amount as the Authority may from time to time approve.

9.10.59.10.8 In complying with the requirements of paragraph 9.10.7 5(b) and (c), the licensee must exclude, in so far as is reasonably practicable, any matter which relates to the affairs of a person where the publication of that matter would, or might, seriously and prejudicially affect their interests.

9.10.9 Any question arising under paragraph 9.10.8 6 as to whether the publication of some matter which relates to the affairs of a person would, or would have the potential to, seriously and prejudicially affect their interests is to be determined by the Authority.

Part B: Strategic Planning Options Proposal

9.10.10 The licensee must prepare a Strategic Planning Options Proposal that sets out the licensee's response to the most recent Gas Network Capability Needs Report produced by the ISOP.

9.10.11 The licensee must, unless the Authority otherwise directs, provide its Strategic Planning Options Proposal to the ISOP and the Authority within 6 months of publication of the most recent Gas Network Capability Needs Report.

9.10.12 The licensee must, in its Strategic Planning Options Proposal:

- (a) have regard to the information produced by the ISOP pursuant to paragraph 7 of condition C8 (Gas strategic network planning) in the ISOP's Gas System Planner Licence; and
- (b) set out any material differences between licensee's views and the information produced by the ISOP pursuant to paragraph 7 of condition C8 (Gas strategic network planning) in the ISOP's Gas System Planner Licence,

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

providing an explanation of the difference(s) and the licensee's view on any associated implications.

9.10.13 The licensee's Strategic Planning Options Proposal prepared in accordance with paragraph 9.10.10 must include:

- (a) the licensee's best view of any options in response to the system needs that are set out in the Gas Network Capability Needs Report (pursuant to paragraph 4 of condition C8 (Gas strategic network planning) in the ISOP's Gas System Planner Licence), and that may involve construction, expansion, reinforcement, repurposing, replacement or decommissioning;
- (b) an explanation of how the licensee has had regard and responded to the contents of the most recent Gas Network Capability Needs Report (in accordance with paragraph 9.10.10) including the information produced by the ISOP pursuant to paragraph 7 of condition C8 (Gas strategic network planning) in the ISOP's Gas System Planner Licence;
- (c) the licensee's best possible estimate of the cost, cost breakdown and deliverability of options under 9.10.13(a);
- (d) relevant technical criteria and physical specifications relating to each of the options under 9.10.13(a), including the licensee's view of the impact on network capability; and
- (e) any other data or information that the licensee considers is appropriate to include to support the ISOP to perform its functions related to the matters in section 161(3)(d) of the Energy Act 2023.

9.10.69.10.14 The licensee must identify to the ISOP any information provided in the Strategic Options Planning Proposal 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) and secure with the owner of that information (or any any third parties that provided that information to the owner of that information) that this information will be provided to the ISOP for the purposes of the Strategic Planning Options Proposal.

Annual Network Capability Assessment Report

9.10.7—The licensee must prepare an Annual Network Capability Assessment Report in each Regulatory Year.

9.10.8—The licensee must send its Annual Network Capability Assessment Report to the Authority by 30 June in each Regulatory Year or such other date as the Authority may direct.

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

9.10.9—The Annual Network Capability Assessment Report must include, so far as is reasonably practicable:

~~flow forecasts across all network Entry and Exit Zones;~~

~~the level of physical capability for each of those Entry and Exit Zones;~~

~~the level of capability that can economically and efficiently be delivered using commercial tools (either that the licensee has in place or where the potential costs of such commercial tools have been revealed to the licensee through a tender process) for each of those Entry and Exit Zones;~~

~~an explanation of the changes to the level of physical capability levels resulting from changes to the installed operational assets; and~~

~~a view of the required level of physical capability in 10 years' time.~~

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

Special Condition 9.12 Licensee's Network Model

Introduction

9.12.1 The purpose of this condition is to set out the licensee's obligations in relation to the licensee's Network Model.

Part A: Network Model obligations

9.12.2 The licensee must have in place a Network Model approved by the Authority.

9.12.3 The licensee must, if requested by the Authority, use reasonable endeavours to provide reasonable access, including remote access so far as necessary and reasonably practicable, to the Network Model that enables the Authority to operate the Network Model.

Part B: Network Model requirements

9.12.4 The Network Model must satisfy the requirements in this Part.

9.12.5 The first requirement is that the Network Model must facilitate the licensee's compliance with its duty under section 9(1)(a) of the Act.

9.12.6 The second requirement is that the Network Model must be consistent with the Transmission Planning Code.

9.12.7 The third requirement is that the Network Model must be designed so as to demonstrate its consistency with the first and second requirements.

Part C: Review and revision of the Network Model

9.12.8 The licensee must, if requested by the Authority, and in any event not less than once in every period of two Regulatory Years, review the Network Model to ensure that it continues to meet the requirements in Part B.

9.12.9 Before revising the Network Model and during the period of 28 days beginning with the date of completion of any review, the licensee must send to the Authority a report that sets out:

- (a) the outcome of the review including supporting reasoning and analysis;
- (b) how any proposed revisions to the Network Model would better achieve the requirements in Part B; and
- (c) the date on which the licensee plans to implement any proposed revisions to the Network Model.

9.12.10 The Authority will:

- (a) approve the revisions proposed by the licensee;

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

- (b) approve the revisions proposed by the licensee and require the appointment of an independent expert to review the implementation of the revisions;
 - (c) reject the proposed revisions; or
 - (d) reject the proposed revisions and give recommendations as to alternative revisions that it considers should be made.
- 9.12.11 Where the Authority requires a review by an independent expert under paragraph 9.12.10(b), the licensee must, within the period of two months beginning with the date on which implementation of the revisions is completed, provide a copy of the independent expert's report to the Authority, confirming that the revisions have been implemented and that the Network Model is in use in its modified form.

Part D: Provision and modification of Relevant Network Model Data

- 9.12.12 The licensee must include in the Network Model the Relevant Network Model Data.
- 9.12.13 The licensee must:
- (a) have in place a statement of procedures for modifying or updating the Relevant Network Model Data that is approved by the Authority;
 - (b) keep under review the procedures set out in that statement; and
 - (c) propose any revisions to those procedures that it considers should be made in the light of such review.
- 9.12.14 Before revising the procedures required by paragraph 9.12.13(a), the licensee must send to the Authority a report setting out:
- (a) the proposed revisions; and
 - (b) the reasons for those proposed revisions.
- 9.12.15 The Authority will:
- (a) approve the revisions proposed by the licensee;
 - (b) reject the proposed revisions; or
 - (c) reject the proposed revisions and give recommendations as to alternative revisions that it considers should be made.

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023

Part E: Provision of Network Model and associated systems to the ISOP

9.12.16 The licensee must, if requested by the Authority, and in any event by or on 30 September of each Regulatory Year, provide to the ISOP:

- (a) the Network Model;
- (b) Relevant Network Model Data;
- (c) tools and systems associated with the operation of the Network Model;
- (d) changes and updates required to support the configuration of the Network Model and the tools and systems under paragraph 9.12.16(c); and
- (e) any other information or support related to the operation of the Network Model that the ISOP may reasonably request.

9.12.17 The licensee must use reasonable endeavours to ensure that the Network Model and Relevant Network Model Data provided in accordance with paragraph 9.12.16 are replications of the Network Model and Relevant Network Model Data in use by the licensee.

9.12.18 Where the licensee's Network Model and/or the Relevant Network Model Data have significantly changed from the versions provided under 9.12.16, the licensee must, as soon as is reasonably practicable:

- (a) inform the ISOP of the changes; and
- (b) provide the necessary updates and information to the ISOP to ensure that the Network Model and Relevant Network Model Data continue to meet the requirements under 9.12.17.

Part E:Part F: Derogations

9.12.169.12.19 _____ The licensee may apply to the Authority for derogation relieving the licensee of its obligations under this condition.

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Special Conditions to National Gas Transmission Plc's (NTS) Gas Transporter Licence – 25 September 2023