

Date
22 April 2024

Cadent Gas Limited
Pilot Way Ansty Park
Coventry CV7 9JU
United Kingdom
cadentgas.com

Catherine Warrilow
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU



Dear Kate,

Consultation on a proposal to modify Special Condition 3.20 (Diversions and Loss of Development Claims DIVt) of the Gas Transporter Licence held by the Gas Distribution Networks

This letter outlines Cadent's view on the proposals contained within Ofgem's statutory consultation on the proposal to modify the Special Conditions 3.20.

We welcome and are fully supportive of the proposed modifications to this licence condition. The proposed modifications will ensure that the licence is aligned to the original intent of the re-opener mechanism.

The licence currently restricts GDNs to only being able to recover costs relating to the physical relocation of existing gas assets. The proposed modifications recognise that in a number of scenarios there may be lower cost alternative solutions to asset diversions that deliver the same benefits to consumers.

In maintaining consumer gas supplies, GDNs need to respond to a wide range of environmental factors that impact the resilience and integrity of our networks. However, the current licence drafting would only allow GDNs to recover costs specifically associated with responding to soil erosion. The proposed modifications will enable GDNs to recover the costs with responding to a wider range of environmental factors that could impact consumer supplies as well as the safety and resilience of the network.

Should you have any questions about our response or require any further information please do not hesitate to contact me.

Please note our response is not confidential and may be published by Ofgem.

Yours sincerely,

[By email]

Jahir Kashem

Regulatory Performance Business Partner