

**To: All interested parties**

**Gas Act 1986  
Section 23(1)(a)**

**Modification of the Special Conditions of the gas transporter licence held by the licensees listed in paragraph 1 below (the 'Licensees')**

1. The following licensees are holders of a Gas Transporter Licence ('the Licence') granted or treated as granted under section 7 of the Gas Act 1986 ('the Act'): Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales and West Utilities Limited (the 'Licensees').
2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 9 December 2024 ('the Notice') that we propose to modify the Special Conditions ('SpC') of the Licence by amending SpC 3.20 (Diversions and Loss of Development Claims Re-opener (DIV<sub>t</sub>)) and SpC 3.22 (New Large Load Connections Re-opener (NLLR<sub>t</sub>)).<sup>2</sup> We stated that any representations to the modification proposal must be made on or before 13 January 2025.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received one response to the Notice, from Cadent Gas Limited, which we carefully considered. We have placed this response on our website. The respondent was supportive of our proposals, therefore no major alterations have been made. The modifications to the Licence are set out in Schedules 1-6 of this decision.
5. It is necessary to make minor alterations to the modifications set out in the Notice. These alterations are shown in yellow highlight in the attached Schedules 3, 5 and 6. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedules 3, 5 and 6 are to correct minor typographical and calculation errors, and are not substantive in nature.
6. We are making these licence changes to enable associated allowances from the above re-opener mechanisms to be subject to a Price Control Deliverable ('PCD') as set out in our Final Determinations<sup>3</sup> on the Diversions and Loss of Development Claims and New Large Load Connections Re-openers applications.
7. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>4</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 7 provides a list of the relevant licence holders in

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

<sup>2</sup> [Statutory consultation on proposed modifications to the special conditions of the gas transporter licences | Ofgem](#)

<sup>3</sup> [Final Determinations on RIIO-2 re-opener applications 2024: Electricity Transmission, Electricity Distribution and Gas Distribution | Ofgem](#)

<sup>4</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

relation to this modification. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

8. Under the powers set out in section section 23(1)(a) of the Act, we hereby modify the special conditions of the gas transporter licence held by the Licensees in the manner specified in attached Schedules 1-6. This decision will take effect from 9 April 2025.
9. This document is notice of the reasons for the decision to modify the gas transporter licence held by the Licensees as required by section 38A of the Act.

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**Nathan Macwhinnie**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**12 February 2025**

**Schedule 1: Common modifications to 1.1.16 in Special Condition 1.1 held by Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales and West Utilities Limited.**

(New text is double underscored)

## **Chapter 1: Interpretation and definitions**

### **Special Condition 1.1 Interpretation and definitions**

#### **Part B: Definitions**

1.1.16

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Price Control Deliverable	means the outputs, delivery dates and associated allowances in Special Conditions 3.2 to 3.4, 3.6, 3.7, 3.10 to 3.13, <u>3.20, 3.22</u> , 3.25 to 3.31 and 9.12.
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**Schedule 2: Common modifications to Special Condition 3.20 in the licences held by Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales and West Utilities Limited.**  
(New text is double underscored and text removed is struck through)

## **~~Special Condition 3.20 Diversions and Loss of Development Claims policy Re-opener~~**

### **Introduction**

~~3.20.1 The purpose of this condition is to calculate the term  $DIV_t$  (the Diversions policy Re-opener term). This contributes to the calculation of the Totex Allowance.~~

~~3.20.2 The effect of this condition is to establish a Re-opener triggered by the licensee where there are material additional Diversion Costs, reasonable alternative solutions that avoid Diversion Costs, Loss of Development Claims or costs of rectifying or mitigating damage to Network Assets due to adverse environmental factors beyond the control of the licensee.~~

~~3.20.3 This condition also explains the process the Authority will follow when directing any changes as a result of the Re-opener.~~

### **Part A: What is the scope of this Re-opener?**

~~3.20.4 The licensee may apply to the Authority for a direction adjusting the value of the  $DIV_t$  term for any Regulatory Year during the Price Control Period in relation to additional:~~

- ~~(a) Diversion Costs or the cost of reasonable alternative solutions that avoid Diversion Costs;~~
- ~~(b) Loss of Development Claims; or~~
- ~~(c) costs of diverting gas assets due to adverse environmental factors.~~

### **Part B: When to make an application**

~~3.20.5 The licensee may only make an application under paragraph 3.20.4 Between 25 January 2024 and 31 January 2024, and during such later periods as the Authority may direct.~~

### **Part C: How to make an application**

~~3.20.6 An application under paragraph 3.20.4 must be made in writing to the Authority and:~~

- ~~(a) specify the Diversion Costs, the cost of reasonable alternative solutions to avoid Diversion Costs, Loss of Development Claims or costs of rectifying damage to Network Assets due to adverse environmental factors beyond the control of the licensee that have led to the application;~~
- ~~(b) set out the adjustments to the value of the  $DIV_t$  term that the licensee is requesting and the Regulatory Years to which that adjustment relates;~~

- ~~(c) explain the basis of the licensee's calculation of the proposed adjustments to the value of the  $DIV_t$  term;~~
- ~~(d) if the application relates to Diversion Costs, include engineering justification statements that the Diversion Costs, are efficient and unavoidable;~~
- ~~(e) if the application relates to reasonable alternative solutions to avoid Diversion Costs, these must be at lower lifetime cost than a Diversion and provide the equivalent consumer benefits as a Diversion would;~~
- ~~(f) if the application relates to Loss of Development Claims, demonstrate that reasonable challenge has been made to the basis for, and quantum, of any Loss of Development Claim; and~~
- ~~(g) include such detailed supporting evidence, including Improvement Plans, risk mitigation approaches, cost benefit analysis and impact assessments, as is reasonable in the circumstances.~~

~~3.20.7—An application under paragraph 3.20.4 must:~~

- ~~(a) be confined to Diversion Costs, the cost of reasonable alternative solutions to avoid Diversion Costs, Loss of Development Claims or costs of rectifying damage to Network Assets from soil erosion that were incurred or are expected to be incurred on or after 1 April 2021;~~
- ~~(b) take account of any allowed expenditure, which can be avoided as a result of the change; and~~
- ~~(c) relate to costs incurred or expected to be incurred that exceed the Materiality Threshold.~~

#### **Part D: What process will the Authority follow in making a direction?**

~~3.20.8—Before making a direction under paragraph 3.20.4 the Authority will publish on the Authority's Website:~~

- ~~(a) the text of the proposed direction;~~
- ~~(b) the reasons for the proposed direction; and~~
- ~~(c) a period during which representations may be made on the proposed direction, which will not be less than 28 days.~~

~~3.20.9—The direction will set out any adjustments to the value of the  $DIV_t$  term and the Regulatory Years to which that adjustment relates.~~

## **Special Condition 3.20 Diversions and Loss of Development Claims policy Re-opener and Price Control Deliverable (DIV<sub>t</sub>)**

### **Introduction**

3.20.1 The purpose of this condition is to calculate the term DIV<sub>t</sub> (the Diversions policy Re-opener term). This contributes to the calculation of the Totex Allowance.

3.20.2 The effect of this condition is to:

- a) specify any Price Control Deliverable relating to Diversions and Loss of Development Claims developments;
- b) establish a Re-opener triggered by the licensee where there are material additional Diversion Costs, reasonable alternative solutions that avoid Diversion Costs, Loss of Development Claims or costs of rectifying or mitigating damage to Network Assets due to adverse environmental factors beyond the control of the licensee;
- c) provide for an assessment of the Price Control Deliverable specified in this condition.

3.20.3 This condition also explains the process the Authority will follow when making any changes under this condition.

### **Part A: Formula for calculating the diversions policy Re-opener term (DIV<sub>t</sub>)**

3.20.4 The value of DIV<sub>t</sub> is derived in accordance with the following formula:

$$DIV_t = DIVO_t - DIVRO_t$$

Where:

DIVO<sub>t</sub> means the sum of allowances in Appendix 1; and

DIVRO<sub>t</sub> has the value zero unless otherwise directed by the Authority in accordance with Part D.

### **Part B: What is the licensee funded to deliver**

3.20.5 Appendix 1 specifies the outputs that the licensee is funded to deliver, the delivery dates for those outputs and the allowances associated with those outputs.

### **Part C: Diversions and Loss of Development Claims Policy Re-opener**

3.20.6 The licensee may apply to the Authority for a direction adjusting the value of the DIV<sub>t</sub> term for any Regulatory Year during the Price Control Period in relation to additional:

- a) Diversion Costs or the cost of reasonable alternative solutions that avoid Diversion Costs;
- b) Loss of Development Claims; or
- c) costs of diverting gas assets due to adverse environmental factors.

3.20.7 The licensee may only make an application under paragraph 3.20.6 Between 25 January 2024 and 31 January 2024, and during such later periods as the Authority may direct.

3.20.8 An application under paragraph 3.20.6 must be made in writing to the Authority and:

- a) specify the Diversion Costs, the cost of reasonable alternative solutions to avoid Diversion Costs, Loss of Development Claims or costs of rectifying damage to Network Assets due to adverse environmental factors beyond the control of the licensee that have led to the application;
- b) set out the adjustments to the value of the  $DIV_t$  term that the licensee is requesting and the Regulatory Years to which that adjustment relates;
- c) explain the basis of the licensee's calculation of the proposed adjustments to the value of the  $DIV_t$  term;
- d) if the application relates to Diversion Costs, include engineering justification statements that the Diversion Costs, are efficient and unavoidable;
- e) if the application relates to reasonable alternative solutions to avoid Diversion Costs, these must be at lower lifetime cost than a Diversion and provide the equivalent consumer benefits as a Diversion would;
- f) if the application relates to Loss of Development Claims, demonstrate that reasonable challenge has been made to the basis for, and quantum, of any Loss of Development Claim; and
- g) include such detailed supporting evidence, including Improvement Plans, risk mitigation approaches, cost benefit analysis and impact assessments, as is reasonable in the circumstances.

3.20.9 An application under paragraph 3.20.6 must:

- a) be confined to Diversion Costs, the cost of reasonable alternative solutions to avoid Diversion Costs, Loss of Development Claims or costs of rectifying damage to Network Assets due to adverse environmental factors beyond the control of the licensee that were incurred or are expected to be incurred on or after 1 April 2021;
- b) take account of any allowed expenditure, which can be avoided as a result of the change; and
- c) relate to costs incurred or expected to be incurred that exceed the Materiality Threshold.

3.20.10 The following modifications to the licence may be made under this Re-opener:

- a) modifications to the outputs, delivery dates and allowances in Appendix 1; and
- b) modifications to the outputs, delivery dates and allowances in the other special conditions of this licence.

3.20.11 Any modifications made under this Re-opener will be made under section 23 of the act.

## **Part D: Assessment of the Price Control Deliverable ( $DIVRO_t$ )**

3.20.12 The Authority will, in accordance with the assessment principles set out in Part A of Special Condition 9.3 (Price Control Deliverable assessment principles and reporting requirements), consider directing a value for DIVRO<sub>t</sub> where the licensee has not Fully Delivered an output in Appendix 1.

**Part E: What process will the Authority follow in making a direction?**

3.20.13 Before making a direction under paragraph 3.20.6 or 3.20.12 the Authority will publish on the Authority's Website:

- a) the text of the proposed direction;
- b) the reasons for the proposed direction; and
- c) a period during which representations may be made on the proposed direction, which will not be less than 28 days.

3.20.14 A direction under paragraph 3.20.6 will set out any adjustments to the value of the DIV<sub>t</sub> term and the Regulatory Years to which that adjustment relates.

3.20.15 A direction under paragraph 3.20.12 will set out:

- (a) The delivery status of the output that has not been Fully Delivered
- (b) The value of the DIVRO<sub>t</sub> term and the Regulatory Years to which that adjustment relates; and
- (c) The methodology and data that has been used to decide the delivery status and value of any adjustments to the DIVRO<sub>t</sub> term.

**Appendix 1**

**Diversions and Loss of Development Claims Price Control Deliverable Projects**

<u>GDN</u>	<u>Field</u>	<u>Description</u>

**Diversions and Loss of Development Claims Price Control Deliverable allowances by Regulatory Year (£m)**

<u>GDN</u>	<u>Output</u>	<u>Delivery date</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>



**Schedule 3: Modifications to Special Condition 3.20 in the licence held by Wales and West Utilities Limited.**

**Appendix 1**

**Diversions and Loss of Development Claims Price Control Deliverable Projects**

<u>GDN</u>	<u>Field</u>	<u>Description</u>
WWU	<u>Named diversions projects</u>	<p><u>Project A £1.42m</u></p> <ul style="list-style-type: none"> <li><u>Section 1: Lay 0.6km x 250mm MDPE MP pipeline and 1.5km x 180mm MP MDPE pipeline and to install a 10m x 63mm PE MP pipeline to the governor feeding an existing recycling centre. Abandon 0.6km x 250mm of the existing MDPE MP pipeline and 1.4km x 180mm of the existing MP MDPE pipeline that runs along the Treorchy to Treherbert Tfw railway line.</u></li> <li><u>Section 2: Lay 1.4km x 315mm MDPE MP pipeline and abandon 1.2km x 250mm of the existing MDPE MP pipeline, and 0.1km x 10" steel and 63mm of the existing MDPE MP pipeline that runs along the Ton Pentre to Ystrad Rhondda Tfw railway line.</u></li> </ul> <p><u>Project B £0.79m</u></p> <ul style="list-style-type: none"> <li><u>Abandon 1.6km of the existing ST MP pipeline along the Aberdare to Cwmbach Tfw railway line and laying 2.1km of 315mm MP MDPE pipeline predominately in the public highway. Lay new 80m x 63mm MP PE pipeline along the C259.</u></li> </ul> <p><u>Project C £1.83m</u></p> <ul style="list-style-type: none"> <li><u>Lay 1.285m of IP MDPE pipeline, fix section of new IP line to highway bridge. Construct IP-MP governor, make outlet connection into existing 24" MP pipeline network. Upon completion, abandon 1,603m of existing 24" ST MP pipeline.</u></li> </ul> <p><u>Project D £0.28m</u></p> <ul style="list-style-type: none"> <li><u>Lay approximately 480m of 180mm MP MDPE pipeline in the public highway and the abandonment of 28m of the existing 18m of MP MDPE pipeline. In addition, and prior to the de-commissioning of the pipeline, a new 120m x 63mm PE low pressure pipeline is to be laid to a non-domestic property.</u></li> </ul> <p><u>Project E £0.74m</u></p> <ul style="list-style-type: none"> <li><u>Lay approximately 280m of 300mm diameter 32.6bar HP ST pipeline by open cut just outside of the development site boundary around the north and west of the land. Abandon approximately 218m of the existing pipeline that has been built over by the lodges.</u></li> </ul>

		<p><u>Project F £0.50m</u></p> <ul style="list-style-type: none"> <li>• <u>Abandon and leave in situ 47m of existing ST pipeline. Install 312m of new 450mm MP MDPE pipeline, divert live pipeline section from existing governor on Eastgate Road to connect back into existing pipeline in Ingmore Road. Abandon further 30m of 18" ST MP and 4m of 18" DI MP mains.</u></li> </ul> <p><u>Project G £0.064</u></p> <ul style="list-style-type: none"> <li>• <u>Lay approximately 1.5m of 250mm LP PE pipeline from the existing 12" ST LP pipeline and tie back into the existing 9" LP CI pipeline. A further 6m of 250m LP PE pipeline will be laid to connect onto the 12" ST pipeline tying it back into the LP network at the 9" CI pipeline.</u></li> </ul>
<u>WWU</u>	<u>Loss of development claim</u>	<p><u>£295,124 allowance</u></p> <ul style="list-style-type: none"> <li>• <u>Loss of Development claim £279,171</u></li> <li>• <u>WWU's legal costs £15,953</u></li> </ul>

**Diversions and Loss of Development Claims Price Control Deliverable**  
**allowances by Regulatory Year (£m)**

<u>GDN</u>	<u>Output</u>	<u>Delivery date</u>	<u>2021 /22</u>	<u>2022 /23</u>	<u>2023 /24</u>	<u>2024 /25</u>	<u>2025 /26</u>	<u>Total</u>
<u>WWU</u>	<u>Named diversions projects</u>	<u>31/03/26</u>	<u>0.01</u>	<u>0.42</u>	<u>1.39</u>	<u>0.79</u>	<u>3.02</u>	<u>5.62</u>
<u>WWU</u>	<u>Loss of Development Claim</u>	<u>31/03/26</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.30</u>	<u>0.30</u>

**Schedule 4: Common modifications to Special Condition 3.22 in the licence held by Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales and West Utilities Limited.**

(New text is double underscored and text removed is struck through)

**Special Condition 3.22 ~~New Large Load Connections Re-opener~~ (NLLR<sub>t</sub>)**

**Introduction**

~~3.22.1—The purpose of this condition is to calculate the term NLLR<sub>t</sub> (the New Large Load Connections Re-opener term). This contributes to the calculation of the Totex Allowance.~~

~~3.22.2—The effect of this condition is to establish a Re-opener triggered by either the licensee or the Authority where connection of New Large Load Connections will trigger specific reinforcement expenditure that cannot be recovered through the Connection Charge~~

~~3.22.3—This condition also explains the process the Authority will follow when directing any changes as a result of the Re-opener.~~

**Part A: What is the scope of this Re-opener?**

~~3.22.4—The licensee may apply to the Authority for a direction to adjust the value of the NLLR<sub>t</sub> term for any Regulatory Year during the Price Control Period where the connection of New Large Load Connections will trigger specific reinforcement expenditure that cannot be recovered through the Connection Charge.~~

**Part B: When to make an application**

~~3.22.5—The licensee may only apply to the Authority for an adjustment under paragraph 3.22.4 Between 25 January 2024 and 31 January 2024, and during such later periods as the Authority may direct.~~

**Part C: How to make an application**

~~3.22.6—An application under paragraph 3.22.4 must be made in writing to the Authority and:~~

- ~~(a) specify the name and connection specifications of the New Large Load Connections to which the application relates;~~
- ~~(b) set out the adjustments to the value of the NLLR<sub>t</sub> term that the licensee is requesting, and the Regulatory Years to which that adjustment relates;~~
- ~~(c) explain the basis of the calculation for the proposed adjustments to the NLLR<sub>t</sub> term including the Economic Test; and~~
- ~~(d) include such detailed supporting evidence, including any commitments that those seeking the New Large Load Connections may have provided, engineering justification statements and analysis of potential alternatives to specific reinforcement, as is reasonable in the circumstances.~~

~~3.22.7—An application under paragraph 3.22.4 must:~~

- ~~(a) take account of any allowed expenditure, which can be avoided as a result of the change;~~
- ~~(b) relate to costs that exceed the Materiality Threshold; and~~
- ~~(c) be confined to costs incurred or expected to be incurred on or after 1 April 2021.~~

**~~Part D: What process will the Authority follow in making a direction?~~**

~~3.22.8 Before making a direction under paragraph 3.22.4, the Authority will publish on the Authority's Website:~~

- ~~(a) the text of the proposed direction;~~
- ~~(b) the reasons for the proposed direction; and~~
- ~~(c) a period during which representations may be made on the proposed direction, which will not be less than 28 days.~~

~~3.22.9 The direction will set out any adjustments to the value of the NLLR<sub>t</sub> term and the Regulatory Years to which that adjustment relates.~~

## **Special Condition 3.22 New Large Load Connections Re-opener and Price Control Deliverable (NLLRt)**

### **Introduction**

3.22.1 The purpose of this condition is to calculate the term  $NLLR_t$  (the New Large Load Connections Re-opener term). This contributes to the calculation of the Totex Allowance.

3.22.2 The effect of this condition is to:

- (a) specify any Price Control Deliverable relating to New Large Load Connections;
- (b) establish a Re-opener triggered by either the licensee or the Authority where connection of New Large Load Connections will trigger specific reinforcement expenditure that cannot be recovered through the Connection Charge
- (c) provide an assessment of the Price Control Deliverable specified in this condition.

3.22.3 This condition also explains the process the Authority will follow when making any changes under this condition.

### **Part A: Formula for calculating the new large load connections Re-opener term (NLLRt)**

3.22.4 The value of  $NLLR_t$  is derived in accordance with the following formula:

$$NLLR_t = NLLRO_t - NLLRRO_t$$

Where:

$NLLRO_t$  means the sum of allowances in Appendix 1; and

$NLLRRO_t$  has the value zero unless otherwise directed by the Authority in accordance with Part D.

### **Part B: What is the licensee funded to deliver**

3.22.5 Appendix 1 specifies the outputs that the licensee is funded to deliver, the delivery dates for those outputs and the allowances associated with those outputs.

### **Part C: New Large Load Connections Re-opener**

3.22.6 The licensee may apply to the Authority for a direction to adjust the value of the  $NLLR_t$  term for any Regulatory Year during the Price Control Period where the connection of New Large Load Connections will trigger specific reinforcement expenditure that cannot be recovered through the Connection Charge.

3.22.7 The licensee may only apply to the Authority for an adjustment under paragraph 3.22.6 Between 25 January 2024 and 31 January 2024, and during such later periods as the Authority may direct.

3.22.8 An application under paragraph 3.22.6 must be made in writing to the Authority and:

- (a) specify the name and connection specifications of the New Large Load Connections to which the application relates;
- (b) set out the adjustments to the value of the  $NLLR_t$  term that the licensee is requesting, and the Regulatory Years to which that adjustment relates;
- (c) explain the basis of the calculation for the proposed adjustments to the  $NLLR_t$  term including the Economic Test; and
- (d) include such detailed supporting evidence, including any commitments that those seeking the New Large Load Connections may have provided, engineering justification statements and analysis of potential alternatives to specific reinforcement, as is reasonable in the circumstances.

3.22.9 An application under paragraph 3.22.6 must:

- (a) take account of any allowed expenditure, which can be avoided as a result of the change;
- (b) relate to costs that exceed the Materiality Threshold; and
- (c) be confined to costs incurred or expected to be incurred on or after 1 April 2021.

3.22.10 The following modifications to the licence may be made under this Re-opener:

- (a) modifications to the outputs, delivery dates and allowances in Appendix 1; and
- (b) modifications to the outputs, delivery dates and allowances in the other special conditions of this licence.

3.22.11 Any modifications made under this Re-opener will be made under section 23 of the Act.

#### **Part D: Assessment of the Price Control Deliverable ( $NLLRRO_t$ )**

3.22.12 The Authority will, in accordance with the assessment principles set out in Part A of Special Condition 9.3 (Price Control Deliverable assessment principles and reporting requirements), consider directing a value for  $NLLRRO_t$  where the licensee has not Fully Delivered an output in Appendix 1.

#### **Part E: What process will the Authority follow in making a direction?**

3.22.13 Before making a direction under paragraph 3.22.6 or 3.22.12, the Authority will publish on the Authority's Website:

- (d) the text of the proposed direction;
- (e) the reasons for the proposed direction; and

- (f) a period during which representations may be made on the proposed direction, which will not be less than 28 days.

3.22.14 A direction under paragraph 3.22.6 will set out any adjustments to the value of the NLLRt term and the Regulatory Years to which that adjustment relates.

3.22.15 A direction under paragraph 3.22.12 will set out:

- (a) The delivery status of the output that has not been Fully Delivered
- (b) The value of the NLLRt term and the Regulatory Years to which that adjustment relates; and
- (c) The methodology and data that has been used to decide the delivery status and value of any adjustments to the NLLRt term.

## **Appendix 1**

### **New Large Load Connections Price Control Deliverable Projects**

<u>GDN</u>	<u>Field</u>	<u>Description</u>

### **New Large Load Price Control Deliverable by Regulatory Year (£m)**

<u>GDN</u>	<u>Output</u>	<u>Delivery date</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>

**Schedule 5: Modifications to Special Condition 3.22 held by Cadent Gas Limited.**

**Appendix 1**

**New Large Load Connections Price Control Deliverable Projects**

<u>GDN</u>	<u>Field</u>	<u>Description</u>
<u>EoE</u>	<u>Projects</u>	<p>NSR8521 <b>£1.72m</b></p> <ul style="list-style-type: none"> <li>• <u>a non-contiguous lay of 4.34km of 315mm PE to connect two ends of the medium pressure system</u></li> </ul> <p>NSR3491 <b>£0.38m</b></p> <ul style="list-style-type: none"> <li>• <u>non-contiguous lay of 1624m of 355mm MP PE main</u></li> </ul> <p>NSR6894 <b>£0.40m</b></p> <ul style="list-style-type: none"> <li>• <u>elevate the governor from 1900 to 2 bar</u></li> </ul> <p>NSR7386 <b>£0.04m</b></p> <ul style="list-style-type: none"> <li>• <u>non-contiguous lay of 330m of 125mm MP PE main from existing 125mm PE main to existing 2" MP ST main</u></li> </ul> <p>NSR6840 <b>£0.17m</b></p> <ul style="list-style-type: none"> <li>• <u>non-contiguous lay approx. 475m of 250mm PE from existing 180mm PE main.</u></li> </ul> <p>NSR7300 <b>£1.10m</b></p> <ul style="list-style-type: none"> <li>• <u>Upgrade 22.7m of 180mm MP PE main to 250mm MP PE main. Rebuild district governor to generate a further 5000scm/h to meet project demand</u></li> </ul> <p>NSR7216 <b>£1.08m</b></p> <ul style="list-style-type: none"> <li>• <u>Rebuilt existing governor</u></li> </ul> <p>NSR8509 <b>£0.76m</b></p> <ul style="list-style-type: none"> <li>• <u>a contiguous lay of approx. 900 metres of 250mm MP PE main to connect 125mm with 250mm from the south</u></li> </ul> <p>NSR8413 <b>£0.09m</b></p> <ul style="list-style-type: none"> <li>• <u>a non-contiguous lay of approx. 304m of 180mm PE MP.</u></li> </ul> <p>NSR5870 <b>£0.51m</b></p> <ul style="list-style-type: none"> <li>• <u>non-contiguous lay of 3.5km of 355mm PE medium pressure main starting at existing 400mm DI main to existing 355mmPE main.</u></li> </ul>
<u>NW</u>	<u>Projects</u>	<p>NSR4616 <b>£0.19m</b></p> <ul style="list-style-type: none"> <li>• <u>contiguous mains lay, combined with a minor pressure elevation to be delivered separately. The mains lay element would consist of 550m x 355mm medium pressure main, part of which is parallel with the existing 180mm PE medium pressure main</u></li> </ul> <p>NSR8271 <b>£0.32m</b></p> <ul style="list-style-type: none"> <li>• <u>lay approx. 1200m x 315mm PE MP to link this system with another MP system which has significantly more capacity to accept the load for the proposed Power Generation site.</u></li> </ul> <p>NSR7583 <b>£0.61m</b></p>



		<ul style="list-style-type: none"> <li><u>non-contiguous lay of 1,300m x 400mm medium pressure main.</u> <b>NSR6232 £0.20m</b></li> <li><u>upsized the existing governor's regulators, components and outlet pipework.</u></li> <li><u>requirement for downstream reinforcement due to standard dimension ratio issues (restricting flow) on the inlets to the LP/MP district governors. This additional work is to be delivered under a separate project, NWGR235402</u> <b>NSR6019 £0.08m</b></li> <li><u>non-contiguous lay of 240m x 250mm PE medium pressure main parallel to the existing main</u> <b>NSR7712 £2.34m</b></li> <li><u>install a larger capacity IP-MP governor upstream with associated inlet and outlet mains of 50m of 250mm steel IP inlet main and 2km of 315mm PE MP outlet main.</u> <b>NSR7980 £0.34m</b></li> <li><u>lay 1110m x 355mm PE MP parallel to existing mains on the downstream MP network due to flow restrictions downstream. There is also a requirement to upsize the existing governor, this additional work is to be delivered under a separate project NWGR235359 as above.</u> <b>NSR8035 £0.64m</b></li> <li><u>lay of 1560m of non-contiguous 355mm PE main to reinforce the network.</u></li> </ul>
<u>EoE</u>	<u>Forecast costs</u>	<b>£2.12m</b> for projects expected to materialise in the later years of RII0-GD2 based on historic experience. These forecast costs must be spent on projects occurring in years 4 and 5 and must demonstrate efficient costs that are in consumer's best interest.
<u>NW</u>	<u>Forecast costs</u>	<b>£1.39m</b> for projects expected to materialise in the later years of RII0-GD2 based on historic experience. These forecast costs must be spent on projects occurring in years 4 and 5 and must demonstrate efficient costs that are in consumer's best interest.

#### **New Large Load Price Control Deliverable by Regulatory Year (£m)**

<u>GDN</u>	<u>Output</u>	<u>Delivery date</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
			<u>/22</u>	<u>/23</u>	<u>/24</u>	<u>/25</u>	<u>/26</u>	
<u>EoE</u>	<u>Forecast costs</u>	<b>31/03/26</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<b>1.06</b>	<b>1.06</b>	<b>2.12</b>
<u>EoE</u>	<u>NSR8521</u>	<b>31/03/26</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<b>1.72</b>	<u>0.00</u>	<b>1.72</b>
<u>EoE</u>	<u>NSR3491</u>	<b>31/03/26</b>	<b>0.35</b>	<u>0.03</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<b>0.38</b>
<u>EoE</u>	<u>NSR6894</u>	<b>31/03/26</b>	<b>0.40</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<b>0.40</b>
<u>EoE</u>	<u>NSR7386</u>	<b>31/03/26</b>	<u>0.00</u>	<b>0.04</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<b>0.04</b>

EoE	NSR6840	31/03/26	0.17	0.00	0.00	0.00	0.00	0.17
EoE	NSR7300	31/03/26	0.00	0.00	0.00	1.10	0.00	1.10
EoE	NSR7216	31/03/26	0.00	0.00	0.00	1.08	0.00	1.08
EoE	NSR8509	31/03/26	0.00	0.00	0.00	0.76	0.00	0.76
EoE	NSR8413	31/03/26	0.00	0.00	0.00	0.09	0.00	0.09
EoE	NSR5870	31/03/26	0.51	0.00	0.00	0.00	0.00	0.51
NW	Forecast costs	31/03/26	0.00	0.00	0.00	0.69	0.69	1.38
NW	NSR4616	31/03/26	0.19	0.00	0.00	0.00	0.00	0.19
NW	NSR8271	31/03/26	0.00	0.00	0.00	0.32	0.00	0.32
NW	NSR7583	31/03/26	0.01	0.60	0.01	0.00	0.00	0.61
NW	NSR6232	31/03/26	0.00	0.00	0.20	0.00	0.00	0.20
NW	NSR6019	31/03/26	0.00	0.08	0.00	0.00	0.00	0.08
NW	NSR7712	31/03/26	0.00	0.44	1.90	0.00	0.00	2.34
NW	NSR7980	31/03/26	0.00	0.00	0.34	0.00	0.00	0.34
NW	NSR8035	31/03/26	0.00	0.00	0.64	0.00	0.00	0.64

**Schedule 6: Modifications to Special Condition 3.22 Wales and West Utilities Limited.**

**Appendix 1**

**New Large Load Connections Price Control Deliverable Projects**

WWU	Projects 1-4, 6-10, 13	<p><u>Project 1: Reinforce MP system with 2.8km x 315mm diameter MP PE main in public carriageway to an existing 180mm diameter MP PE80 main to support the load. £441k</u></p> <p><u>Project 2: staged approach.</u></p> <ul style="list-style-type: none"> <li>• <u>Stage 1: reinforce existing 250mm diameter MP PE80 main with 925m of 315mm diameter MP PE80 parallel main. Location of reinforcement is east of Lopen village. Route follows Lopen lane before turning south to follow a local farmway towards a connection point back in near to Hewins timber yard.</u></li> <li>• <u>Stage 2: existing 250mm diameter medium pressure PE80 main reinforced with 557m of 250mm diameter MP PE80 parallel main. Reinforcement location is directly south of Merriot village. Route follows existing MP pipeline from Merriot Road just north of Broadshard village. Route will parallel existing main and be laid in road or verge. Lane closure required to conduct works.</u></li> <li>• <u>Stage 3: reinforce existing 250mm/180mm diameter MP PE80 main with 2,130m of 250mm diameter MP PE80 parallel main. Route follows Ashlands Road to avoid Crewkerne town centre, then turns towards Crewkerne Industrial estate and on to Blacknell Lane.</u></li> </ul> <p><u>Project 3: Rebuild HP inlet and MP streams of the King Weston PRS. Upsizing inlet streams and interstage from 3" to 4" to reduce pipework velocities, upsize outlet header to 8" and install a new 12" turbine meter on the MP outlet of the PRS</u></p> <p><u>Project 4: staged approach</u></p> <ul style="list-style-type: none"> <li>• <u>Stage 1: Llay industrial estate MP network, install 0.1km of 315mm MDPE MP reinforcement to proposed connection point</u></li> <li>• <u>Stage 2a: lay 2.7km of 315mm HDPE IP (7-bar) pipework in public highway to a new IP (7-bar) – IP (4-bar) PRS location</u></li> <li>• <u>Stage 2b: from IP (4-bar) outlet of new PRS, lay 1.1km of 315mm MDPE (4-bar) IP pipework and then a connection into existing IP (4-bar) system at north-eastern edge of Gresford</u></li> </ul>
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		<ul style="list-style-type: none"> <li>• <u>Stage 3: relocate existing Gresford IP (7-bar) – IP (4-bar) PRS to new location in Gresford recreation ground</u></li> </ul> <u>Easements with landowners for reinforcements across 3<sup>rd</sup> party land. Land transfer to relocate new PRS also agreed.</u> <u>Project 6: upsize outlet pipework at Seabank from 300mm NB to 450mm NB to remove capacity restrictions at station and monitor pressures and velocities on the inlet.</u> <u>Project 7: swap heat exchanger and boiler package with system that will have capacity to cope with extra demand.</u> <u>Project 8: reinforce existing PRS by providing dedicated IP-MP governor skid within compound. New installation will not replace existing streams but operate in conjunction with existing PRS, would be configured to provide a new feed to the MP system impact by new load. No requirements to modify existing governor, outlet or valve assemblies.</u> <u>Project 9: provide temporary SCOFF alongside existing PRS compound to bypass existing site. Decommission existing PRS and remove. Install new PRS within existing PRS footprint and feed into HP system.</u> <u>Project 10: replace existing meter, regulators and outlet pipework of PRS. Lay 5.8km of IP pipeline reinforcement parallel to existing IP system.</u> <u>Project 13: lay ~7.2km 7bar IP pipeline.</u>
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#### **New Large Load Price Control Deliverable by Regulatory Year (£m)**

<u>GDN</u>	<u>Output</u>	<u>Delivery date</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>
<u>WWU</u>	<u>Project 1</u>	<u>31/10/22</u>	<u>0.22</u>	<u>0.22</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.44</u>
<u>WWU</u>	<u>Project 2</u>	<u>31/12/23</u>	<u>0.26</u>	<u>0.27</u>	<u>0.27</u>	<u>0.00</u>	<u>0.00</u>	<u>0.80</u>
<u>WWU</u>	<u>Project 3</u>	<u>30/11/23</u>	<u>0.08</u>	<u>0.09</u>	<u>0.09</u>	<u>0.00</u>	<u>0.00</u>	<u>0.26</u>
<u>WWU</u>	<u>Project 4</u>	<u>31/04/25</u>	<u>0.52</u>	<u>0.52</u>	<u>0.52</u>	<u>0.00</u>	<u>0.00</u>	<u>1.56</u>
<u>WWU</u>	<u>Project 6</u>	<u>31/04/25</u>	<u>0.00</u>	<u>0.00</u>	<u>0.25</u>	<u>0.25</u>	<u>0.00</u>	<u>0.50</u>
<u>WWU</u>	<u>Project 7</u>	<u>31/04/25</u>	<u>0.00</u>	<u>0.00</u>	<u>0.11</u>	<u>0.11</u>	<u>0.11</u>	<u>0.33</u>
<u>WWU</u>	<u>Project 8</u>	<u>31/04/25</u>	<u>0.00</u>	<u>0.14</u>	<u>0.14</u>	<u>0.14</u>	<u>0.14</u>	<u>0.56</u>
<u>WWU</u>	<u>Project 9</u>	<u>31/01/26</u>	<u>0.00</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>1.00</u>
<u>WWU</u>	<u>Project 10</u>	<u>31/03/26</u>	<u>0.00</u>	<u>0.00</u>	<u>0.44</u>	<u>0.44</u>	<u>0.45</u>	<u>1.33</u>
<u>WWU</u>	<u>Project 13</u>	<u>31/03/26</u>	<u>0.00</u>	<u>0.00</u>	<u>0.47</u>	<u>0.47</u>	<u>0.47</u>	<u>1.41</u>

## **Schedule 7: Relevant Licence Holders<sup>5</sup>**

Cadent Gas Limited

Northern Gas Networks Limited

Scotland Gas Networks plc

Southern Gas Networks plc

Wales and West Utilities Limited

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<sup>5</sup> [List of all gas licensees including suppliers | Ofgem](#)