

To: All holders of a Gas Transporter licence
Cadent Gas Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales and West Utilities Limited

Gas Act 1986
Section 23(2)

Notice of statutory consultation on a proposal to modify the standard special conditions and special conditions of the Gas Transporter licences held by the licensees listed above

1. The Gas and Electricity Markets Authority ('the Authority') proposes to modify the standard special conditions and special conditions of the Gas Transporter licence held by each of the licensees listed above ('the licensees') granted or treated as granted under section 7 of the Gas Act 1986 by:
 - a. Modifying Standard Condition A3 – 'Definitions and Interpretation' to include Debt Relief Scheme Payment terms;
 - b. Adding a new Standard Special Condition, A58, 'Debt Relief Scheme Payment', to set out an obligation on electricity distribution networks to pay Debt Relief Scheme Payments to suppliers; and
 - c. Modifying Special Condition 6.1 'Pass-through items (PT_i)' to expand pass-through term to include Debt Relief Scheme Payments.
2. We are proposing this modification to support the implementation of the Debt Relief Scheme (DRS). A detailed description of the background, reasons and effects of the proposed licence modification, are set out in Ofgem's Statutory Consultation on the Debt Relief Scheme and supporting documents.

3. The effect of these proposed modifications is to place an obligation on gas transporters to pay Debt Relief Scheme Payments to suppliers, and to be able to recover the costs via use of system charges.
4. The schedule to this notice contains the proposed modifications to the standard special conditions and the special conditions of the Gas Transporter licence.
5. More details on the proposed modifications referred to in this Notice are contained within the Statutory Consultation document published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.
6. Any representations with respect to the proposed licence modifications must be made on or before **18 December 2025** to: The Pricing Strategy Team, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to DebtConsultations@ofgem.gov.uk.
7. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
8. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.



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Amy O'Mahoney
Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

6 November 2025

The Office of Gas and Electricity Markets
10 South Colonnade, Canary Wharf, London, E14 4PU Tel 020 7901 7000
www.ofgem.gov.uk

Schedule

The text of the proposed modifications is set out below with text to be inserted double underlined.

Standard Special Licence Conditions

Condition A3. Definitions and Interpretation

DRSP Claimant	means a gas supplier and/or any DRSP Permitted Assignee entitled to receive the benefit of a Debt Relief Scheme Payment.
DRSP Permitted Assignee	means a person to whom a gas supplier, with the Authority's consent, has assigned or otherwise disposed of all or any of its rights to a Debt Relief Scheme Payment
Debt Relief Scheme Payment	means a sum of money payable to a DRSP Claimant to compensate for any additional costs that it has incurred as a result of complying with a direction from the Authority to provide debt relief in accordance with standard condition 24B (Debt Relief Scheme) of the Gas Supply Licence.
Valid DRSP Claim	means a claim for which the DRSP Claimant has received the Authority's consent under Standard Condition 24B (Debt Relief Scheme) of the Gas Supply Licence

Condition 58. Debt Relief Scheme Payment

Introduction

58.1 This condition sets out the circumstances in which the licensee must pay a DRSP Claimant a Debt Relief Scheme Payment.

Part A: Requirement to make a Debt Relief Scheme Payment

58.3 Where the licensee receives a Valid DRSP Claim on or before 30 November 2028, the licensee must make a Debt Relief Scheme Payment in accordance with the Valid DRSP Claim.

58.4 Where the licensee makes a Debt Relief Scheme Payment to a DRSP Permitted Assignee such payment discharges any requirement to pay the amount of such payment to a DRSP Claimant.

58.5 The licensee is only required to pay a Valid DRSP Claim in respect of any Regulatory Year if the Valid DRSP Claim is submitted to the licensee by 30 November of the preceding year.

Special Condition

Part A: Formula for calculating the allowed pass-through term (PT_t)

6.1.3 The PT_t term is derived in accordance with the following formula:

$PT_t = RB_t + LF_t + PD_t + EDE_t + TPWI_t + TG_t + MP_t + CDSP_t + SL_t + EC_t + BD_t + \underline{DRSP_t}$
where:

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$DRSP_t$ means the payments made by the licensee in respect of Debt Relief Scheme Payments under Standard Special Condition 58