

RIIO-3 proposed changes to Standards and Standard Special Conditions

Standard Special Condition A3: Definitions and Interpretation (GD/GT)

1. Unless the context otherwise requires, words and expressions used in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) of this licence shall bear the same meaning as set out in this paragraph, to the extent that they apply to the licensee:

“the Act”

means the Gas Act 1986;

“affiliate”

- (a) in relation to an undertaking within the meaning of section 1161 of the Companies Act 2006 (“the principal undertaking”), a parent or subsidiary undertaking of the principal undertaking or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning of section 1162 of that Act;
- (b) in relation to any person (including such an undertaking), a connected person of that person within the meaning of section 286 of the Taxation of Chargeable Gains Act 1992;

“amount” in relation to gas, means the energy content thereof expressed in kilowatt hours;

“Accurate Quotation” means a correct charge in accordance with the licensee’s published Gas Connection charging statement.

“ appropriate auditors” means:

(a) in the case of a licensee that is a company within the meaning of section 1 of the Companies Act 2006, a person appointed as auditor under Chapter 2 of Part 16 of that Act ;

(b) in the case of any other licensee that is required by the law of a country or territory within the European Economic Area to appoint an auditor under provisions analogous to those of Chapter 2 of Part 16 of the Companies Act 2006, a person so appointed; and

(c) in any other case, a person who is eligible for appointment as a company auditor under Part 42 of the Companies Act 2006.

“the Authority” means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000;

“balancing” in relation to a pipe-line system to which this licence relates and in relation to each day, means the taking of such measures as may be available to the licensee, in particular measures affecting the relationship between

deliveries of gas to and offtakes of gas from such pipe-line system on the day in question, to maintain pressures within such pipe-line system at levels which will not, in its reasonable opinion, prejudice the interests of safety or efficiency on that day or on subsequent days;

“balancing management”

means the balancing of the total system through the management of inputs and offtakes of gas to and from the total system. For the avoidance of doubt such management includes but is not necessarily limited to:

- (i) the acquisition or disposal of gas to replace gas lost from the system in respect of NTS shrinkage;
- (ii) the licensee's functions as top-up manager; and
- (iii) the procurement of gas storage capacity for the purposes of meeting operating margins requirements (having the meaning given to that term in the network code);

“capacity rights”

means rights allocated in accordance with the network code to input up to a given volume of gas to the pipe-line system to which this licence relates or offtake up to a given volume of gas from the pipe-line system to which this licence relates;

“charging methodology”	for the purposes of Standard Special Condition A5 (Obligations as Regard Charging Methodology) and Standard Special Condition A12 (Joint Office Governance Arrangements) only, has the meaning given in Standard Special Condition A5 (Obligations as Regard Charging Methodology);
“Citizens Advice”	means the National Association of Citizens Advice Bureaux;
“Citizens Advice Scotland”	means the Scottish Association of Citizens Advice Bureaux;
“compliance officer”	for the purposes of Standard Special Condition A34 (Appointment of Compliance Officer) only, has the meaning given in that condition;
“constraint management”	means the management of capacity rights;
“constraint management services”	means services in relation to the management of capacity rights;
“Consumer Scotland”	Means the body corporate established by the Consumer Scotland Act 2020;
“Controlled Gas Escape or Other Controlled Gas Emergency”	means a gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions advised by the telephone service, advises the operator

	that the escape of gas or other emergency appears to have ceased.
“the court”	means, in relation to England and Wales, the High Court and, in relation to Scotland, the Court of Session;
“cross-default obligation”	for the purposes of Standard Special Condition A39 (Indebtedness) only, has the meaning given in that condition;
“customer”	means domestic and non-domestic customers and prospective customers of licensed gas suppliers, gas shippers, gas suppliers, Independent Gas Connection Providers, licensed gas transporters or any other person requesting Gas Connection services specified under paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards).
“Customer Objective”	means the Fair treatment of each Domestic Customer, including each Domestic Customer in a Vulnerable Situation by the Licensee and any Representative.
Data Assurance Guidance (DAG)	means the document issued by the Authority from time to time pursuant to a direction under Condition A55.

“de minimis business”

for the purposes of Standard Special Condition A30 (Regulatory Accounts) and Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing) only, has the meaning given in Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing);

“derivative”

shall have the meaning given to it in the Glossary to the Handbook of Rules and Guidance issued by the Financial Services Authority pursuant to the Financial Services and Markets Act 2000 as at 1 April 2002;

“designated registrar of pipes”

means the person designated by the Authority to fulfil that role pursuant to Standard Special Condition A49 (Designated Registrar of Pipes);

“the Directive”

means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC as it has effect immediately before IP completion day as read with the modifications set out in the Act.

“Disconnection”	means an isolation of a service pipe, pipes or gas assets and, where required, mains feeding multiple properties.
“Diversion”	means work to relocate existing assets, mains and/or associated services.
“disposal”	for the purposes of Standard Special Condition A27 (Disposal of Assets) only, has the meaning given in that condition;
“distribution network”	means a gas distribution network as defined with reference to the aggregate of its constituent local distribution zones (as defined in the Uniform Network Code (“LDZs”)) in accordance with the table set out below:

Distribution Network	LDZ
East of England	East Midlands, Eastern
London	North Thames
North West	North West
West Midlands	West Midlands
Northern	Northern, North East
Scotland	Scotland
Southern	South East, Southern
Wales and West	Wales North, Wales South, South West

“DN operator”	means the holder of a licence granted or treated as granted under section 7 of the Gas Act 1986 in relation to one or
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	more distribution networks who is obliged to comply with one or more conditions in Standard Special Conditions Part D;
“domestic customer”	means a person supplied or requiring to be supplied with gas at Domestic Premises (but excluding such a person in so far as he is supplied or requires to be supplied at premises other than Domestic Premises);
“domestic premises”	means premises at which a gas supply is taken wholly or mainly for domestic purposes;
“Electricity System Operator Licence”	means a licence granted or treated as granted under section 6(1)(da) of the Electricity Act 1989;
“Emergency Service Provider”	shall have the same meaning as in the Gas Safety (Management) Regulations 1996.
“ECP Guidance”	means the document issued by the Authority in accordance with Standard Special Condition A57 (Exit Capacity Planning).
“Fair”	The licensee or any representative would not be regarded as treating a Domestic Customer fairly if their actions or omissions give rise to a likelihood of detriment to the Domestic Customer, unless the detriment would

	be reasonable in all the relevant circumstances.
“Fair Treatment Guidance”	means the document of that name published on the Authority’s Website.
“Financial Resilience report”	means the report prepared by the licensee pursuant to Part C of Standard Special Condition A38: Credit Rating of the Licensee and related obligations.
“financial year”	means, subject to Standard Special Condition A30 (Regulatory Accounts) (where applicable), a period of 12 months beginning on 1 st April of each year and ending on 31 st March of the following calendar year;
“Flow Rate”	means the rate at which energy is or may be delivered to the pipe-line system to which this licence relates expressed in GW.
“formula year”	means a period of twelve months commencing on 1 April at 05:00 hours;
“gas”	in relation to storage, includes gas in a liquid state and “storage”, in relation to gas in either a gaseous or liquid state, means storage in, or in a facility which is connected (directly or indirectly) to, the pipe-line system to which this licence relates and cognate expressions shall be construed accordingly;

“Gas Connection”

means the Gas Connection of a service (or any part thereof) under sections 9(1)(b) and 10(2) of the Act for:

- (a) the establishment of a new Gas Connection; or
- (b) the alteration of an existing Gas Connection to premises on the transportation system;

where a service means a pipe (if any) installed or to be installed between any main and any emergency control valve at the relevant premises.

“Gas Entry Agreement”

means an agreement made between the licensee and another person for connection to the pipe-line system to which this licence relates at a gas entry point for the purpose of introducing gas into that pipe-line system and/or the delivery of gas onto that pipe-line system.

Gas Entry Point

means a point at which gas may be introduced into the pipe-line system to which this licence relates, but does not include any point at which such pipe-line system is connected to the pipe-line system of either the NTS operator or another DN operator.

“gas shipper”

shall have the meaning given to it in section 7A(11) of the Act;

“Gas System Planner Licence”	means a licence granted or treated as granted under section 7AA of the Gas Act 1986;
“holding company”	means a holding company within the meaning of section 1159 of the Companies Act 2006;
“Housekeeping Modification Working Group”	means a working group established for the purposes of considering proposed Housekeeping Modifications under Standard Special Condition A56 (Housekeeping licence modifications).
“Housekeeping Modification”	<p>means minor changes such as:</p> <ul style="list-style-type: none">(a) renumbering of paragraphs, capitalising defined terms and deleting transitional provisions that have expired;(b) corrections of evident mistakes including typographical errors, incorrect cross-references and formatting errors;(c) updates to:<ul style="list-style-type: none">version numbers of other documents mentioned in the licence;the titles of re-enacted legislation;names of bodies that have been renamed.
“indebtedness”	for the purposes of Standard Special Condition A39 (Indebtedness) only, has the meaning given in that condition;
“Independent Gas Connection Provider”	means any person that provides consultancy and/or engineering

	services in relation to Gas Connections on behalf of customers, gas shippers, gas suppliers and gas transporters.
“Independent System”	means a pipe-line system in Great Britain to which this licence relates which includes relevant mains and which is not connected (directly or indirectly) by pipes to the main pipeline system of a relevant gas transporter;
Independent System Operator and Planner ISOP	means the person for the time being designated as the Independent System Operator and Planner under section 162 of the Energy Act 2023 who holds an Electricity System Operator Licence and Gas System Planner Licence;
“information”	shall include any documents, accounts, estimates, returns, records or reports and data in written, verbal or electronic form and information in any form or medium whatsoever (whether or not prepared specifically at the request of the Authority or Citizens Advice or Citizens Advice Scotland or Consumer Scotland) or of any description specified by the Authority;
“information covenantor”	for the purposes of Standard Special Condition A26 (Provision of Information to the Authority) only, has the meaning given in that condition;

“Instrument Credit Rating”

means:

- (a) a “Long-Term Issue Credit Rating” by Standard & Poor’s Ratings Group or any of its subsidiaries;
- (b) a “Long-Term Corporate Obligation Rating” by Moody’s Investors Services Inc. or any of its subsidiaries;
- (c) a rating on the “Structured, Project & Public Finance Obligations Long Term Ratings Scale” by Fitch Ratings Ltd or any of its subsidiaries;
- (d) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (a), (b), or (c) and issued by:
 - (i) any of the credit rating agencies as referred to in sub-paragraphs (a), (b), or (c); or
 - (ii) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.

“investment”

for the purposes of Standard Special Conditions A36 (Restriction on Activity and Financial Ring Fencing) and A39 (Indebtedness) only, has the meaning given in Standard Special

Condition A36 (Restriction on Activity
and Financial Ring Fencing);

“Investment Grade”

- (a) means in relation to any Issuer Credit Rating or Instrument Credit Rating unless otherwise directed: one of the following:
 - (i) a rating of not less than BBB- by Standard & Poor’s Ratings Group or any of its subsidiaries;
 - (ii) a rating of not less than Baa3 by Moody’s Investors Service Inc. or any of its subsidiaries;
 - (iii) a rating of not less than BBB- by Fitch Ratings Ltd or any of its subsidiaries;
 - (iv) in relation to Issuer Credit Ratings only, a rating of not less than BBB (low) by DBRS Ratings Limited or any of its affiliates; or
 - (v) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (i), (ii), (iii) and (iv) issued by:
 - (aa) any of the credit rating agencies referred to in sub-paragraphs (i), (ii), (iii) or (iv);
 - or
 - (bb) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United

Kingdom and the United States
of America; or

- (b) such higher rating as may be specified by those agencies from time to time as the lowest investment grade credit rating.

“IP completion day”

has the same meaning as that given in section 39(1) of the European Union (Withdrawal) Act 2020;

“Issuer Credit Rating”

means:

- (a) an issuer credit rating by Standard & Poor’s Ratings Group or any of its subsidiaries;
- (b) an issuer credit rating by Moody’s Investors Service Inc. or any of its subsidiaries;
- (c) an issuer credit rating by Fitch Ratings Ltd or any of its subsidiaries;
- (d) an issuer credit rating by DBRS Ratings Limited or any of its affiliates; or
- (e) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (a), (b), (c) or (d) and issued by:
 - (i) any of the credit rating agencies as referred to in sub-paragraphs (a), (b), (c) or (d); or
 - (ii) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.

“Land Enquiry”

means:

- (a) a request by a customer for an indication of the availability of gas, an estimate of pressure that is or may become available, an estimate of the cost of the relevant Gas Connection; and
- (b) where appropriate, the approval of a design for the provision of a new Gas Connection, alteration of an existing Gas Connection, or a Disconnection.

“last resort supplier”

for the purposes of Standard Special Condition A50 (System Development Obligations) only, has the meaning given in that condition;

“legally binding decisions of the European Commission and/or the Agency”

means any relevant legally binding decisions of the European Commission and/or the Agency, but a binding decision does not include a decision that is not, or so much of a decision as is not, Retained EU Law;

“licensee”

means the holder of this licence in its capacity as:-

- (a) NTS operator; or
- (b) DN operator

and, for the avoidance of doubt, nothing in this definition shall prevent a single legal entity being both an NTS operator and a DN operator. This definition will apply other than in relation to the following conditions: Standard Special

	Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Special Condition A38 (Credit Rating of the Licensee) and Standard Special Condition A39 (Indebtedness) to the extent that the provisions have effect in this licence;
“main administration service”	for the purposes of Standard Special Condition A49 (Designated Registrar of Pipes) only, has the meaning given in that condition;
“Maximum Flow Rate”	means the highest rate at which energy is or may be delivered to the pipe-line system to which this licence relates expressed in GW.
“metering activities”	means tariff capped metering activities and non-tariff capped metering activities;
"metering business"	means the activities of the licensee in connection with the provision of metering services;
"metering equipment"	means the whole or part of the Supply Meter Installation as defined in Section M, paragraph 1.2 of Transco plc's Network Code as at 1 April 1997 as defined within Amended Standard Condition 9 (Network Code) of

	Transco plc's gas transporter licence on that date;
"metering services"	means the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of metering equipment;
"meter reading business"	means the activities of the licensee in connection with the provision of meter reading services;
"meter reading services"	means the retrieval and verification of meter reading data from gas meters, the inspection of the meter from which data is retrieved and the delivery of such data to any relevant person for the purpose of data processing, other than in relation to meter readings that the licensee obtains on its own behalf for the purpose of securing the efficient and economical physical operation of the pipe-line system;
"Negative Rating Action"	means a rating agency placing a rating on Negative Watch or a rating agency downgrading a rating to a lower rating.
"Negative Watch"	means the mechanism or mechanisms used by the relevant credit rating agency to identify an issuer that is at risk of a credit rating downgrade in the short or long term, including but not

limited to negative designations of S&P CreditWatch, S&P Outlook, Fitch Rating Watch, Fitch Outlook, Moody's Watchlist, or Moody's Rating Outlook, as defined on the relevant rating agencies' websites from time to time.

“network code”

means the document prepared by or on behalf of the licensee pursuant to paragraph 3 of Standard Special Condition A11 (Network Code and Uniform Network Code), (as that document is modified from time to time pursuant to that condition) and where the context requires, references to network code shall include the uniform network code to the extent that it is incorporated by reference;

“network code modification procedures”

for the purposes of Standard Special Condition A11 (Network Code and Uniform Network Code) and Standard Special Condition A12 (Joint Office Governance Arrangements), has the meaning given in Standard Special Condition A11 (Network Code and Uniform Network Code);

“network emergency co-ordinator”

for the purposes of Standard Special Condition A8 (Emergency Services and Enquiry Services Obligations) only, has the meaning given in that condition;

“non-domestic customer”	means a customer of a gas supplier who is not a domestic customer;
“Non-Standard Quotation”	means a quotation other than a standard quotation (but excluding a self-quote).
“non-tariff capped metering activities”	means all metering activities (including for the avoidance of doubt meter reading) provided by the licensee other than tariff-capped metering activities;
“NTS”	means the national transmission system as defined in the network code;
“NTS exit capacity”	shall have the meaning given to the terms “NTS Exit Capacity” and “NTS Offtake Capacity” in the network code;
“NTS exit flat capacity”	shall have the meaning given to the term “NTS Offtake (Flat) Capacity” in the network code;
“NTS exit flow flexibility”	shall have the meaning given to the term “NTS Offtake (Flexibility) Capacity” in the network code;
“NTS operator”	means the holder of a licence granted or treated as granted under section 7 of the Gas Act 1986 in relation to the NTS who is obliged to comply with one or more conditions in Standard Special Conditions Part B;
“NTS shrinkage”	means the sum of NTS own use gas and NTS unaccounted for gas (both

	having the meanings given to those terms in the network code);
“owned”	in relation to a gas meter or other property, includes leased and cognate expressions shall be construed accordingly;
“participating interest”	has the meaning given in regulations made under Part 15 of the Companies Act 2006;
“permitted purpose”	<p>means the purpose of all or any of the following:</p> <ul style="list-style-type: none">(a) the transportation business;(b) the metering business;(c) the meter reading business;(d) any other business or activity within the limits of paragraph 4 of Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing); and/or <p>without prejudice to the generality of paragraphs (a) to (d), any payment or transaction lawfully made or undertaken by the licensee for a purpose within sub-paragraphs 1(b)(i) to (vii) of Standard Special Condition A39 (Indebtedness);</p>
“Potential Mitigating Actions”	means actions designed to improve the Issuer Credit Rating, Significant Instrument Credit Rating and/or

financial resilience, including but not limited to:

- (a) dividend restraint;
- (b) equity injection or other additional sources of finance;
- (c) profiling of investment within the Price Control Period;
- (d) cost reduction;
- (e) profiling of financial liabilities within the Price Control Period; and
- (f) if relevant, negotiations with lenders regarding covenants and possible exemptions

“Price Control Period”

means the period of five years beginning on 1 April 2026 and ending on 31 March 2031.

“primary sub-deduct premises”

means premises to which gas is conveyed by a gas transporter before being conveyed to secondary sub-deduct premises;

“Priority Services Codes”

means the codes belonging to the Priority Services Codes category, as defined in the ‘Market Domain Data’ document, which is comprised within the ‘Supply Point Administration Agreement’ industry code (or any successor) that relates to transferring data about Vulnerable Customers.

“Published Rating Report”

means a rating action announcement, credit opinion report, rating report, research update or transaction update which:

	<p>(a) specifically relates to the licensee; and</p> <p>(b) is published by any rating agency that is paid by the licensee (or a company in the licensee's group) to provide either an Issuer Credit Rating or a Significant Instrument Credit Rating.</p>
<p>“quantity” and “volume”</p>	<p>in relation to gas are synonymous;</p>
<p>“the Regulation”</p>	<p>means Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009 on conditions for access to the national gas transmission networks and repealing Regulation 2005/1775/EC, as amended by Commission Decision 2010/685/EU of 10 November 2010.;</p>
<p>“regulatory accounts”</p>	<p>for the purposes of Standard Special Condition A30 (Regulatory Accounts) only, has the meaning given in that condition;</p>
<p>“Regulatory Period”</p>	<p>means each period of 12 months starting on 1 April.</p>
<p>“Regulatory Year”</p>	<p>means a period of twelve months commencing on 1 April at 05:00 and ending on the following 1 April immediately before 05:00. The first such Regulatory Year (t=1) commences on 1 April 2026 at 05:00 hours.</p>

“related undertaking”	in relation to any person, means any undertaking (within the meaning of section 1161 of the Companies Act 2006) in which such person has a participating interest;
“relevant customer”	for the purposes of Standard Special Condition A8 (Emergency Services and Enquiry Service Obligations) only, has the meaning given in that condition;
“relevant gas transporter”	means a gas transporter who is a DN operator or an NTS operator;
“relevant methodology objective”	for the purposes of Standard Special Condition A5 (Obligations as Regard Charging Methodology) only, has the meaning given in that condition;
“relevant objectives”	for the purposes of Standard Special Condition A11 (Network Code and Uniform Network Code) only, has the meaning given in that condition;
“relevant period”	for the purposes of Standard Special Condition A50 (System Development Obligations) only, has the meaning given in that condition;
“relevant shipper”	means, in relation to any premises, a gas shipper which has made arrangements with the licensee in pursuance of which gas is conveyed to those premises, and, in relation to any

secondary sub-deduct premises, such arrangements shall be deemed to have been made where, in pursuance of arrangements made by a gas shipper, gas is taken out of the pipe-line system to which this licence relates at the relevant primary sub-deduct premises with a view to its conveyance to those secondary sub-deduct premises. This definition will apply other than in relation to the following conditions: (to the extent that the provisions have effect in this licence), Standard Special Condition A11 (Network Code and Uniform Network Code) and Standard Special Condition A33 (Restriction on Use of Certain Information and Independence of the Transportation Business);

“relevant supplier”

means in relation to any premises, a gas supplier which supplies to those premises gas which is conveyed thereto (or, where the premises are secondary sub-deduct premises) by the licensee. This definition will apply other than in relation to the following condition: Standard Special Condition A33 (Restriction on Use of Certain Information and Independence of the Transportation Business);

“relevant year”	for the purposes of Standard Special Condition A48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition;
“Representative”	in relation to the licensee, means any person directly or indirectly authorised to represent the licensee in its dealings with Domestic Customers.
“retail price index”	<p>means the general index of retail prices published by the Office for National Statistics each month in respect of all items or:-</p> <p>(a) if the index for any month in any year shall not have been published on or before the last day of the third month after such month, such index for such month or months as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances; or</p> <p>if there is a material change in the basis of the index, such other index as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances;</p>
“Retained EU Law”	has the same meaning as that given by section 6(7) of the European Union (Withdrawal) Act 2018.
“risk criteria”	(b) for the purposes of Standard Special Condition A50 (System

<p>“routing guidelines”</p>	<p>Development Obligations) only, has the meaning given in that condition; for the purposes of Standard Special Condition A50 (System Development Obligations) only, has the meaning given in that condition;</p>
<p>“secondary sub-deduct premises”</p>	<p>means premises to which gas is conveyed in pursuance of an exemption from section 5(1)(a) of the Act granted under section 6A thereof, for supply by a gas supplier;</p>
<p>“specified amount”</p>	<p>for the purposes of Standard Special Condition A48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition;</p>
<p>“Self-Quote”</p>	<p>means a quotation produced by the customer for the provision of a new or alteration of an existing Gas Connection in accordance with any conditions published by the licensee to enable the customer to calculate the cost of the relevant works.</p>
<p>Significant Instrument Credit Rating</p>	<p>means an Instrument Credit Rating relating to debt issued by the licensee or a funding vehicle of the licensee which represents more than 10% of the licensee’s total debt.</p>
<p>Specified Information</p>	<p>means as a minimum:</p> <ul style="list-style-type: none"> (a) the number of requests which the licensee has received for each of the services referred to in

- paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards);
- (b) the number of requests for each of the services referred to in paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards) in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(a)-(f) of Standard Special Condition D10 (Quality of Service Standards);
 - (c) the number of requests for each of the services referred to in paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards) in respect of which the licensee has not provided the requested service within the timescales set out in paragraph 2(a)-(f) of Standard Special Condition D10 (Quality of Service Standards);
 - (d) the amount (if any) paid for the purposes of refunding customers for failure to provide an accurate quotation;
 - (e) the amount of compensation (if any) paid by the licensee for the purpose of compensating customers entitled to compensation under regulations made under section 33AA of the Act;
 - (f) the number of times any payment caps specified under regulations made under section 33AA of the Act have been reached;
 - (g) the results of any audit carried out under paragraph 7 of Standard Special Condition D10 (Quality of Service Standards).above;

- (h) the number of Gas Connection, Disconnection and Diversion requests under paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards) that the licensee has identified as falling within the categories set out in paragraph 8 of Standard Special Condition D10 (Quality of Service Standards);
- (i) the number of calls received under paragraph 1(b) of Standard Special Condition D10 (Quality of Service Standards) and the number of calls in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(g)(i) and 2 (g)(ii) of Standard Special Condition D10 (Quality of Service Standards);
- (j) the number of reports received under paragraph 1(c) of Standard Special Condition D10 (Quality of Service Standards) that the licensee has identified as falling within the category set out in paragraph 2(h)(i)(a) or 2(h)(i)(b) of Standard Special Condition D10 (Quality of Service Standards) and the number of reports in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(h)(i)(a) and 2(h)(i)(b) of Standard Special Condition D10 (Quality of Service Standards) respectively.

“Standard Quotation”

means a standard quotation (excluding a self-quote) that does not require a site visit.

“Standards of Conduct”	means the standards set out in paragraph 4 of Standard Special Condition D21.
“statutory accounts”	means the accounts that the licensee prepares under the Companies Act 2006;
“subsidiary”	means a subsidiary within the meaning of section 1159 of the Companies Act 2006;
“Substantial Completion”	means that the Gas Connection and the emergency control valve to the premises has been installed and commissioned.
“supply of transportation services”	<p>means the undertaking and performance for gain or reward of engagements –</p> <p>(a) in connection with the conveyance of gas through the transportation system;</p> <p>(b) for the prevention of the escape of gas which has been taken off the transportation system; and</p> <p>(c) relating to the acquisition of capacity rights, gas or gas derivatives for the purpose of:</p> <p>(i) the balancing of the transportation system through the acquisition or disposal of gas to replace</p>

gas lost from the transportation system;
and

(ii) constraint management;

not being the provision of metering services or the provision of meter reading services. This definition will apply other than in relation to the following conditions: Standard Special Condition A5 (Obligations as Regard Charging Methodology), and Special Condition 1C (NTS definition of supply of transportation services), applicable to the NTS operator, to the extent that these provisions have effect in this licence.

“supply point information service”

for the purposes of Standard Special Condition A31 (Supply Point Information Service) only, has the meaning given in that condition;

“tariff capped metering activities”

in respect of a DN operator, shall have the meaning given to that term in Special Condition 4D (Restriction of prices in respect of tariff capped metering activities) applicable to the DN operator.

“top-up manager”

shall have the meaning given to that term in the network code;

“total system”

means the pipe-line system to which this licence relates, together with any

“trading business”	other pipe-line system operated by the licensee and the pipe-line systems of all other relevant gas transporters as further described in the network code; for the purposes of Standard Special Condition A33 (Restriction on Use of Certain Information and Independence of the Transportation Business) only, has the meaning given in that condition;
“Transco plc”	means the company (registered in England and Wales under company registration number 2006000) which had that name on 1 October 2001 whether or not it previously had a different name and whether that name is subsequently changed;
“transportation arrangements”	means arrangements (including subduct arrangements defined in paragraph 2 of this condition) whereby gas shippers and relevant gas transporters (insofar as their licences permit) may, from time to time and in different cases and circumstances, have gas introduced into, conveyed by means of and taken out of the pipe-line system to which this licence relates and arrangements falling within the preceding provisions of this definition shall be transportation arrangements

notwithstanding that they may involve the utilisation of:

- (a) facilities for the storage of gas in so far as the licensee uses them in connection with its independent systems, including such facilities so used for the purpose of conveying gas to such a system; or
- (b) storage facilities used by the licensee solely for the diurnal storage of gas which has been introduced into its pipe-line system,

but excepting arrangements relating to services supplied pursuant to Standard Special Condition D18 (Provision of Metering and Meter Reading Services). This definition will apply other than in relation to the following conditions (to the extent that the provisions have effect in this licence): Standard Special Condition A4 (Charging – General), Standard Special Condition A5 (Obligations as Regard Charging Methodology), Standard Special Condition A7 (Requirement to Enter into Transportation Arrangements in conformity with the Network Code),

Standard Special Condition A11 (Network Code and Uniform Network Code), and Special Condition 7A (Long Term Development Statement) applicable to the NTS operator;

“transportation asset” for the purposes of Standard Special Condition A27 (Disposal of Assets) only, has the meaning given in that condition;

“transportation business” means the activities of the licensee connected with the development, administration, maintenance, and operation of the transportation system and with the supply of transportation services but excluding the metering business and the meter reading business. This definition will apply other than in relation to the following conditions (to the extent that the provisions have effect in this licence): Standard Special Condition A5 (Obligations as Regard Charging Methodology), Standard Special Condition A6 (Conduct of Transportation Business), Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A33 (Restriction on Use of Certain Information and Independence of the Transportation

Business), Standard Special Condition A35 (Prohibition of Cross Subsidies), Special Condition 11B (Allocation of revenues and costs for calculations under the price control in respect of the NTS transportation owner activity and NTS system operation activity) applicable to the licensee NTS operator and Special Condition 4B (Allocation of revenues and costs for calculations under the price control in respect of the Distribution Network) applicable to the DN operator;

“transportation system”

means the facilities to which this licence relates which are used by the licensee for the conveyance of gas within Great Britain;

“ultimate controller”

means:-

(a) a holding company of the licensee which is not itself a subsidiary of another company;

(b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the licensee or any holding company of the licensee by virtue of:

(i) rights under contractual arrangements to which he is a party or of which he is a beneficiary; or

(ii) rights of ownership (including rights attached to or deriving from securities or rights under

a trust) which are held by him or of which he is a beneficiary, but excluding any director or employee of a corporate body in his capacity as such; and

(c) for the purposes of subparagraph (b), a person is connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in that paragraph;

“uniform network code”

means the document prepared by the licensee together with other relevant gas transporters pursuant to Standard Special Condition A11 (Network Code and Uniform Network Code) (as from time to time modified pursuant to that condition); and

“working day”

means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971.

Vulnerable Situation

means a situation resulting from a combination of the personal circumstances and characteristics of a Domestic Customer with aspects of the market so that that the Domestic Customer in question is:

- (a) significantly less able than a typical Domestic Customer to protect or represent their interests; or
 - (b) significantly more likely to suffer detriment or more substantial detriment than a typical Domestic Customer.
- 1A. Any reference in this condition to the provisions of the Companies Act 2006 shall before 6 April 2008 be construed as a reference to the corresponding provisions of the Companies Act 1985 or the Companies Act 1989 where applicable in force on 31 March 2008.
- 2. In the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same have effect in this licence) except where the context otherwise requires -
 - (a) any reference to “**the relevant primary sub-deduct premises**”, in relation to any secondary sub-deduct premises, is a reference to the primary sub-deduct premises to which gas was conveyed before its conveyance to those secondary sub-deduct premises;
 - (b) any reference to “**sub-deduct arrangements**”, in relation to any secondary sub-deduct premises, is a reference to arrangements which a gas shipper makes with the licensee in pursuance of which gas is taken out of the pipe-line system to which this licence relates at the relevant primary sub-deduct premises with a view to its conveyance to those secondary sub-deduct premises; and/or
 - (c) any reference to “customer” shall, notwithstanding paragraph 3 include a person who is supplied with gas at secondary sub-deduct premises.

3. Any words or expressions used in the Utilities Act 2000 or Part I of the Act shall, unless contrary intention appears, have the same meanings when used in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same have effect in this licence).
4. Except where the context otherwise requires, any reference to a numbered Standard Special Condition (with or without a letter), Special Condition applicable to the licensee (with or without a letter) or Schedule is a reference to the Standard Special Condition (with or without a letter), Special Condition applicable to the licensee (with or without a letter) or Schedule bearing that number in this licence, and any reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the Standard Special Condition, Special Condition applicable to the licensee or Schedule in which the reference occurs, and any reference to a numbered part is a reference to the part bearing that number in this licence.
5. The conditions in this Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same have effect in this licence) shall have effect as if, in relation to a licence holder who is a natural person, for the words “it”, “its” and “which” there were substituted the words “she”, “her”, “hers” and “whom”, and cognate expressions shall be construed accordingly.
6. Except where the context otherwise requires, a reference in a Standard Special Condition or Special Condition applicable to the licensee to a paragraph is a reference to a paragraph

of that condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.

7. Any reference in the conditions contained in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same have effect in this licence) to -

- (a) a provision thereof;
- (b) a provision of the standard conditions of gas transporters' licences;
- (c) a provision of the standard conditions of gas shippers' licences, or
- (d) a provision of the standard conditions of gas suppliers' licences,

shall, if these conditions or the standard conditions in question come to be modified, be construed, so far as the context permits, as a reference to the corresponding provision of these or the other standard conditions in question as modified.

8. In construing the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same have effect in this licence), the heading or title of any Standard Special Condition or Special Condition applicable to the licensee or paragraph shall be disregarded.
9. Any reference in a Standard Special Condition or Special Condition which has effect in this licence to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence and as incorporated in each other licence under section 7 of the Act (whenever granted) which incorporates it.
10. Where any obligation of the licence is required to be performed by a specified date or time, or within a specified period, and where the licensee has failed so to perform, such obligation shall continue to be binding and enforceable after the specified date or time,

or after the expiry of the specified period (but without prejudice to all the rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or time, or within that period).

11. Where a condition in this licence refers to the consent or approval of the Authority, such consent or approval may be made subject to such conditions as the Authority may specify.
12. Anything required by or under the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same has effect in this licence) to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case:
 - (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first-class post as soon as is reasonably practicable, and
 - (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument.
13. The definitions referred to in this condition may include some definitions which are not used or not used exclusively in Standard Special Conditions or Special Conditions applicable to the licensee which are incorporated in all gas transporter licences. Where -
 - (a) any definition is not used in the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same has effect in this licence), a definition shall, for the purposes of this licence, be treated -

- (i) as part of the Standard Special Condition or Special Condition applicable to the licensee in which it is used; and
 - (ii) as not having effect in the licence until in relation to Standard Special Conditions, such time as the Standard Special Condition in which the definition is used has effect within the licence as a result of any direction issued pursuant to Standard Special Condition A1 (Application/Disapplication of standard conditions in Section A (Interpretation, Application and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to both NTS and DN licensees), Standard Special Condition B1 (Application/Disapplication of standard conditions in Section A (Interpretation, Application and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to NTS licensees) or Standard Special Condition D1 (Application/Disapplication of standard conditions in Section A (Interpretation, Application and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to DN licensees) or, in relation to Special Conditions when such condition has been inserted into the licence with the consent of the licensee;
- (b) any definition which is used in the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same has effect in this licence) is also used in one or more other Parts -
 - (i) that definition shall only be modifiable in accordance with the modification process applicable to each of the Standard Special Conditions or Special Conditions applicable to the licensee in which it is used; and
 - (ii) if any such Standard Special Condition or Special Condition applicable to the licensee is modified so as to omit that definition, then the

reference to that definition in this condition shall automatically cease to have effect.

14. Without prejudice to sections 11 and 23(1) of the Interpretation Act 1978 -
 - (a) the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) (to the extent that the same have effect in this licence) shall be interpreted and construed in like manner as an Act of Parliament passed after the commencement of the Interpretation Act 1978, and
 - (b) words or expressions used in the conditions in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) to the extent that the same have effect in this licence which are also used in Part I of the Act or in the standard conditions of gas transporters licences shall, unless the contrary intention appears, have the same meaning when used in these conditions.
15. For the avoidance of doubt, if, pursuant to a direction issued pursuant to Standard Special Condition A1 (Application/Disapplication of standard conditions in Section A (Interpretation and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to both NTS and DN licensees), Standard Special Condition B1 (Application/Disapplication of standard conditions in Section A (Interpretation and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to NTS licensees) or Standard Special Condition D1 (Application/Disapplication of standard conditions in Section A (Interpretation and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to DN licensees), any standard condition ceases to have effect, any references to such standard condition in any condition in this licence (including for the avoidance of doubt any other standard condition) shall be construed, so far as the context permits, as a reference to the corresponding provision of the Standard Special Conditions or Special Conditions applicable to the licensee which have been made effective pursuant to such direction in place of such standard condition.
16. Where a single legal entity holds more than one licence granted or treated as granted under section 7 of the Gas Act 1986, the provisions of these Standard Special Conditions apply separately in relation to the relevant licence; except Standard Special

Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources) and Standard Special Condition A39 (Indebtedness) which apply to the single legal entity that holds the licences.

Standard Special Condition A28. Gas Network Innovation Strategy (GD/GT)

Introduction

1. The purpose of this condition is to impose an obligation on the licensee to work with other network licensees to develop a Gas Network Innovation Strategy. This obligation is intended to ensure that Relevant Network Licensees take a joined up approach to innovation, which results in coordinated action on priority areas that offer significant potential benefit, shared learning and the avoidance of unnecessary duplication.
2. This condition does not prevent the licensee from undertaking Innovation Projects that are not specifically outlined within the Gas Network Innovation Strategy.

Part A: Requirement to create and maintain a Gas Network Innovation Strategy

3. The licensee must develop and maintain a Gas Network Innovation Strategy and must use reasonable endeavours to cooperate with all other Relevant Network Licensees in the development of the Gas Network Innovation Strategy.
4. The licensee must use reasonable endeavours to work with all other Relevant Network Licensees to ensure the Gas Network Innovation Strategy is reviewed every two years and where necessary, based on the majority view of Relevant Network Licensees, it is also updated.

Part B: Gas Network Innovation Strategy

5. The Gas Network Innovation Strategy must:

- (a) set out the procedures for updating it (which must include the requirement to consult with Interested Parties in accordance with Part C below and the biennial review referred to in paragraph 4);
 - (b) be kept up to date in accordance with the procedures referred to in paragraph 5(a); and
 - (c) be readily accessible to the public from the licensee's website.
6. The Gas Network Innovation Strategy must include:
- (a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the gas network over different time periods that could be addressed through innovative projects;
 - (b) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in order to address the challenges referred to in paragraph 6(a) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the Gas Network Innovation Strategy will help to address those challenges;
 - (c) a description of the challenges which the Relevant Network Licensees consider are pertinent to the gas network over different time periods and which are not currently being addressed through projects or plans, including but not limited to projects or plans made by the Relevant Network Licensees and Interested Parties;
 - (d) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in relation to the challenges identified in paragraph 6(c) of this condition, with particular regard to how future Innovation Projects, which Relevant Network Licensees will seek to initiate over the period of the Gas Network Innovation Strategy, will help to address those challenges.

Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to any challenge identified in paragraph 6(c), a reason should be provided as part of this description;

- (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort;
- (f) a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and
- (g) any directions related to the Gas Network Innovation Strategy issued by the Authority.

Part C: Consultation

7. The licensee must, in cooperation with Relevant Network Licensees, have regard to whole system considerations and use reasonable endeavours to consult with Interested Parties and with stakeholders in other sectors prior to publication, or revision, of the Gas Network Innovation Strategy. This includes stakeholders in the following sectors:
 - (a) electricity;
 - (b) gas;
 - (c) heat;
 - (d) refuse;
 - (e) telecoms;
 - (f) transport; and
 - (g) water and wastewater.
8. The licensee must include in the Gas Network Innovation Strategy:

- (a) a description of those Interested Parties and stakeholders referred to in paragraph 7, with whom it has consulted; and
- (b) its analysis of any representations relevant to the requirements set out in paragraph 6, received in response to the consultation.

Part D: Interpretation

9. For the purposes of this condition:

Gas Network Innovation Strategy means a document, or suite of documents, published by Relevant Network Licensees that complies, or that together comply with the requirements of this condition.

Innovation Project

means a project funded by the:

- (a) RIIO-2 Network Innovation Allowance;
- (b) RIIO-3 Network Innovation Allowance;; or
- (c) SIF.

Interested Parties

include, but are not limited to, the Engineering and Physical Sciences Research Council, the Department for Energy Security and Net Zero, Innovate UK and their successor bodies, holders of a gas transporter licence that are not National Gas Transmission plc or a RIIO Gas Distribution Licensee, and the ISOP.

Relevant Network Licensee

means the holder of a gas transporter licence with condition A28 in effect in its licence or the ISOP.

RIIO Gas Distribution Licensee	means Cadent Gas Ltd, Northern Gas Networks Ltd, Scotland Gas Networks plc, Southern Gas Networks plc, and Wales & West Utilities Ltd.
RIIO-2 Network Innovation Allowance	means the network innovation allowance established by Special Condition 5.2 (The Network Innovation Allowance) of the gas transporter licence held by National Gas Transmission plc as in force on 31 March 2026 and now governed by Special Condition 5.3 (Carry-over Network Innovation Allowance) of this licence; and Special Condition 5.2 (The Network Innovation Allowance) of the gas transporter licences held by the RIIO Gas Distribution Licensees as in force on 31 March 2026 and now governed by Special Condition 5.3 (Carry-over Network Innovation Allowance) of those licences.
RIIO-3 Network Innovation Allowance	means the network innovation allowance established by Special Condition 5.2 (RIIO-3 Network Innovation Allowance) of the gas transporter licences held by National Gas Transmission plc and the RIIO Gas Distribution Licensees.
Strategic Innovation Fund (SIF)	means the strategic innovation fund established by Special Condition 5.7 (The strategic innovation fund) of the gas

transporter licence held by National Gas Transmission plc and Special Condition 9.12 (The strategic innovation fund) of the gas transporter licences held by RIIO Gas Distribution Licensees.

Standard Condition B16: Electricity Network Innovation Strategy (ET)

Introduction

1. The purpose of this condition is to oblige on the licensee to work with other network licensees to develop an Electricity Network Innovation Strategy. This obligation is intended to ensure that Relevant Network Licensees take a joined up approach to innovation, which results in coordinated action on priority areas that offer significant potential benefit, shared learning and the avoidance of unnecessary duplication.
2. This condition does not prevent the licensee from undertaking Innovation Projects that are not specifically outlined within the Electricity Network Innovation Strategy.

Part A: Requirement to create and maintain an Electricity Network Innovation Strategy

3. The licensee must develop and maintain an Electricity Network Innovation Strategy and must use reasonable endeavours to cooperate with all other Relevant Network Licensees in the development of an Electricity Network Innovation Strategy.
4. The licensee must use reasonable endeavours to work with all other Relevant Network Licensees to ensure that the Electricity Network Innovation Strategy is reviewed every two years and where necessary, based on the majority view of Relevant Network Licensees, is also updated.

Part B: Electricity Network Innovation Strategy

5. The Electricity Network Innovation Strategy must:
 - (a) set out the procedures for updating it (which must include the requirement to consult with Interested Parties in accordance with Part C below and the biennial review referred to in paragraph 4);
 - (b) be kept up to date in accordance with the procedures referred to in paragraph 5; and
 - (c) be readily accessible to the public from the licensee's website.

6. The Electricity Network Innovation Strategy must include:
 - (a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the electricity network over different time periods which could be addressed through innovative projects;
 - (b) a description of the challenges which are not currently being addressed through innovative projects or plans, including but not limited to projects or plans made by the Relevant Network Licensees and Interested Parties;
 - (c) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in order to address the challenges referred to in paragraph 6(a) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the strategy will help to address those challenges;
 - (d) a description of the innovative projects and plans the Relevant Network Licensees intend to pursue in relation to the gaps identified in paragraph 6(b)

of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the Electricity Network Innovation Strategy will help to address those gaps. Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to a gap identified in paragraph 6(b), a reason should be provided as part of this description;

- (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort;
- (f) a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and
- (g) any directions related to the Electricity Network Innovation Strategy issued by the Authority.

Part C: Consultation

7. The licensee must in cooperation with Relevant Network Licensees, have regard to whole system considerations and use reasonable endeavours to consult with Interested Parties and with stakeholders in other sectors prior to publication, or revision, of the Electricity Network Innovation Strategy. This includes stakeholders in the following sectors:
 - (a) electricity;
 - (b) gas;
 - (c) heat
 - (d) refuse
 - (e) telecoms;
 - (f) transport; and
 - (g) water and wastewater.

8. The licensee must include in the Electricity Network Innovation Strategy:
- (a) a description of those Interested Parties and stakeholders referred to in paragraph 7, with whom it has consulted; and
 - (b) its analysis and of any representations relevant to the requirements set out in paragraph 6, received in response to the.

Part D: Interpretation

9. For the purposes of this condition:

Electricity Network Innovation Strategy means a document, or suite of documents published by Relevant Network Licensees that complies, or that together comply, with the requirements of this condition.

Innovation Project means a project funded by the:

- (c) RIIO-2 Network Innovation Allowance;
- (d) RIIO-3 Network Innovation Allowance;

or

- (e) SIF.

Interested Parties include, but are not limited to, the Engineering and Physical Sciences Research Council, the Department of Business, Energy and Industrial Strategy, Innovate UK and their successor bodies and holders of a Transmission Licence or a Distribution Licence that are not RIIO

	Electricity Distribution Licensees, RIIO Electricity Transmission Licensees and the ISOP.
Relevant Network Licensee	means the holder of an Electricity Transmission Licence with condition B16 in effect in its licence, or an Electricity Distribution Licence with condition 48A in effect in its licence, or the ISOP.
RIIO Electricity Distribution Licensee	means Eastern Power Networks plc, Electricity North West Ltd, London Power Networks plc, Northern Powergrid (Northeast) plc, Northern Powergrid (Yorkshire) plc, Scottish Hydro Electric Power Distribution plc, South Eastern Power Networks plc, Southern Electricity Power Distribution plc, SP Distribution plc, SP Manweb plc, National Grid Electricity Distribution (East Midlands) plc, National Grid Electricity Distribution (South Wales) plc, National Grid Electricity Distribution (South West) plc and National Grid Electricity Distribution (West Midlands) plc.
RIIO Electricity Transmission Licensee	means National Grid Electricity Transmission Plc, Scottish Hydro Electric Transmission Plc, and SP Transmission Plc.

RIIO-2 Network Innovation Allowance

means the network innovation allowance established by Special Condition 5.2 (The Network Innovation Allowance) of the Transmission Licences held by the RIIO Electricity Transmission Licensees and Condition F2 (Innovation Funding) of the Electricity System Operator Licence as in force on 31 March 2026 and now governed by Special Condition 5.3 (Carry-over Network Innovation Allowance) of the Transmission Licences held by the RIIO Electricity Transmission Licensees and Condition F2 (Innovation Funding) of the Electricity System Operator Licence and Charge Restriction Condition 2H (The Network Innovation Allowance) of the Distribution Licences held by the RIIO Electricity Distribution Licensees.

RIIO-3 Network Innovation Allowance

means the network innovation allowance established by Special Condition 5.2 (RIIO-3 network innovation allowance) of Transmission Licences held by the RIIO Electricity Transmission Licensees and condition F2 (Innovation funding) of the Electricity System Operator Licence.

SIF

means strategic innovation fund established by Special Condition 9.19 (The strategic

innovation fund) of the Transmission
Licences held by RIIO Electricity
Transmission Licensees and condition F2
(Innovation funding) of the Electricity
System Operator Licence.

Standard Special Condition B6. Removed

Standard Special Condition B7. Removed

Standard Special Condition B8. Removed

Standard Special Condition B9. Removed

Standard Special Condition B10. Removed

Standard Special Condition B11. Removed

Standard Special Condition B12. Removed

Standard Special Condition D10. Quality of service standards

1. This condition applies to the following activities undertaken by the licensee:
 - (a) connections to the pipe-line system to which this licence relates, in respect of:
 - (i) the provision of quotations for obtaining a new Gas Connection, an alteration of an existing Gas Connection, Diversion or Disconnection services;
 - (ii) responding to Land Enquiries;
 - (iii) providing a date for commencement of works; and

- (iv) substantial completion of works within timescales agreed with the customer;
 - (b) the telephone service which the licensee operates or procures the operation of pursuant to Standard Special Condition A8 (Emergency Services and Enquiry Service Obligations) of the licence (“the emergency telephone service”), and meter point reference number helpline; and
 - (c) attendance at gas emergencies including gas escapes, emissions of carbon monoxide, fumes or other hazardous situations.
2. For each Regulatory Period , the licensee must procure that:
- (a) 90 per cent of Standard Quotations for:
 - (i) obtaining a new Gas Connection or an alteration of an existing Gas Connection up to and including rates of flow of 275 kWh per hour, or a Disconnection where the pressure is less than 2 bar gauge, are issued within four Working Days of receipt of the request unless the Customer requests a deferral; and
 - (b) 90 per cent of Non-Standard Quotations for:
 - (i) obtaining a new Gas Connection or an alteration of an existing Gas Connection up to and including rates of flow of 275kWh per hour, or obtaining other Disconnections where the pressure is less than 2 bar gauge, are issued within 11 Working Days of receipt of the request unless the Customer requests a deferral;
 - (ii) obtaining a new Gas Connection or an alteration of an existing Gas Connection where rates of flow exceed 275kWh per hour, Disconnections where the pressure is greater than or equal to 2 bar gauge, or obtaining a Diversion, are issued within 21 Working Days of receipt of the request unless the Customer requests a deferral;
 - (c) 90 per cent of new Gas Connections or alterations to existing Gas Connections are substantially completed within the timescales agreed with the Customer;
 - (d) 90 per cent of replies to Land Enquiries are issued within five Working Days of receipt of the request unless the Customer requests a deferral;

- (e) in 90 per cent of cases, provide within 17 Working Days dates for commencement and substantial completion of works from the receipt of acceptance of a quotation for obtaining a new Gas Connection or altering an existing Gas Connection up to and including rates of flow of 275 kWh per hour as provided under paragraphs 2 (a)(i) and 2(b)(i), unless the Customer requests a deferral;
- (f) in 90 per cent of cases, provide within 20 Working Days dates for commencement and substantial completion of works from the receipt of acceptance of a quotation for obtaining a new Gas Connection or altering an existing Gas Connection where rates of flow exceed 275kWh per hour as provided under paragraph 2 (b)(ii), unless the Customer requests a deferral;
- (g) when responding to telephone calls:
 - (a) 90 per cent of calls to the:
 - (i) the emergency telephone service; and
 - (ii) the meter point reference number helpline,which are made during the hours that the licensee operates or procures the operation of such lines, will, in aggregate, be answered within 30 seconds; and
 - (b) in the case of the emergency telephone service,
 - i. the calls must be answered by persons adequately trained to process such calls; and
 - ii. in accordance with Standard Special Condition_D21, the emergency telephone service must take all reasonable steps to proactively identify each Domestic Customer in a Vulnerable Situation and, where this information is available, share this information with the licensee in a timely manner;
- (h) where a report of a gas emergency including a gas escape, an emission of carbon monoxide, fumes or other hazardous situation is received through the emergency telephone service, or by any other means:

- (i) in 97 per cent of cases, the licensee shall attend or procure the attendance of an Emergency Service Provider at the site of the incident promptly:
 - (a) in respect of an Uncontrolled Gas Escape or Other Uncontrolled Gas Emergency, within 1 hour of the full emergency details being received by the telephone service, or by any other means; or
 - (b) in respect of a Controlled Gas Escape or Other Controlled Gas Emergency, within 2 hours of the full emergency details being received on the telephone service, or by any other means;
- (ii) the persons attending must have completed sufficient training to be able to competently and appropriately deal with the situations described in paragraphs 2(h)(i)(a) and (b);
- (iii) the licensee must be able to demonstrate that the persons attending are able to competently and appropriately deal with the situations described in paragraphs 2(h)(i)(a) and (b);
- (iv) the licensee must not retrospectively reclassify an uncontrolled gas escape or other uncontrolled gas emergency as a Controlled Gas Escape or Other Controlled Gas Emergency following its initial categorisation as an Uncontrolled Gas Escape or Other Uncontrolled Gas Emergency by the emergency telephone service;
- (v) in accordance with Standard Special Condition D21, where a gas escape is identified as being at premises associated with a Domestic Customer in a Vulnerable Situation, including through information provided by the emergency telephone service or the Priority Services Register, the licensee must take all reasonable steps to account for consumers' vulnerabilities when determining risk to safety and in its response to the gas escape;
- (vi) the licensee must record a detailed identification, as set out in the RIGs, of each individual gas escape event where it has exceeded the target times in paragraph 2(h)(i)(a) and (b), and provide this to the Authority in a timely manner on request; and
- (vii) the licensee must provide the Authority with an annual summary, as set out in the RIGs, of the key delivery challenges related to emergency

response during the previous year, including emerging trends, and actions taken to mitigate the issues identified in future.

3. The licensee must from time to time submit to the Authority for its agreement an accuracy review scheme through which Customers can require the licensee to review the accuracy of quotations for obtaining a new Gas Connection or altering an existing Gas Connection and, in the event that the licensee provides an inaccurate quotation, the licensee shall adjust any charge made to the customer to the amount due under an Accurate Quotation.
4. In relation to requests received by the licensee relating to activities referred to in sub-paragraph 1(a), where a request is received after 5pm on any day it shall be deemed for the purposes of this condition as having been received on the next Working Day.
5. For the purpose of sub-paragraph 2(g) where the licensee operates or procures the operation of these telephone services in conjunction with other gas transporters, performance shall be measured by aggregating all calls relating to those services.
6. The licensee must, once in each formula year, provide Specified Information to the Authority.
7. The licensee must, once in each formula year:
 - (a) undertake an audit in respect of the provision by the licensee of services under paragraph 1(a);
 - (b) inform the Authority of the nature and scope of such audit; and
 - (c) when requested by the Authority in writing, review such audit and the manner in which it is being operated with a view to determining whether any modification should be made to such audit or to the manner of its operation.
8. This condition does not apply to requests in relation to:
 - (a) new build domestic developments of at least 5 domestic premises where there is no existing Gas Connection to the pipe-line system to which this licence relates;

- (b) new build non domestic developments of at least 5 non-domestic premises where there is no existing Gas Connection to the pipe-line system to which this licence relates;
 - (c) premises to which gas will be conveyed at a pressure of more than 7 bar gauge;
 - (d) works classed as complex Gas Connections, Disconnections or Diversions in a statement issued from time to time by the licensee and agreed with the Authority after such consultation as the Authority directs;
 - (e) works classed as excluded Gas Connections, Disconnections or Diversions in a statement issued from time to time by the licensee and agreed with the Authority; or
 - (f) requests where the Customer has failed to provide to the licensee such information as the licensee requires from the Customer in order to provide a quotation.
9. The licensee must prepare and from time to time revise a statement describing the performance standards required under paragraph 2(g) and 2(h) of this condition and the level of performance achieved in respect of those standards in a form and having a content which the licensee could reasonably expect would be within the understanding of customers to whom the statement relates and must:
- (a) give a copy of the statement and of any revision of the statement to the Authority and to Citizens Advice and Consumer Scotland, before sending it to the gas suppliers referred to in sub-paragraph (b);
 - (b) at least once in any period of 12 months dispatch to each gas supplier which supplies gas to customers connected to the pipe-line system to which this licence relates for onward transmission to the gas supplier's customers a copy of the statement (in the form current at the time it is provided);
 - (c) make a copy of the statement (in its current form) available for inspection by any person at any offices fixed as appropriate by the licensee for the purposes of section 46(3) of the Act or, if none, at any premises of or occupied by the licensee open to the public in the normal course of the licensee's business during the normal opening hours of the premises;

- (d) send a copy of the statement (in its current form) to any person who asks for one, and
 - (e) publish a copy of the statement on the licensee's website.
- 10. The statement prepared under paragraph 9 must be published in the form of a single document that also includes the statement referred to in paragraph 2 of regulation 15 of the Gas (Standards of Performance) Regulations 2005 (as amended).
- 11. Where the licensee is a DN operator that operates more than one Distribution Network (as defined in Special Condition 1.1 (Interpretation and definitions), the obligations of this condition shall apply in respect of each Distribution Network.

“accurate quotation” means a correct charge in accordance with the licensee's published gas connection charging statement;

“gas connection” means the gas connection of a service (or any part thereof) under sections 9(1)(b) and 10(2) of the Act for the establishment of a new gas connection or alteration of an existing gas connection to premises on the transportation system where a service means a pipe (if any) installed or to be installed between any main and any emergency control valve at the relevant premises;

“controlled gas escape or other controlled gas emergency” means a gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions advised by the telephone service, advises the operator that the escape of gas or other emergency appears to have ceased;

“customer” means domestic and non-domestic customers and prospective customers of licensed gas suppliers, gas shippers, gas suppliers, independent gas connection providers, licensed gas

	transporters or any other person requesting gas connection services specified under paragraph 1(a);
“domestic customer”	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).
“emergency service provider”	shall have the same meaning as in the Gas Safety (Management) Regulations 1996;
“independent gas connection provider”	means any person that provides consultancy and/or engineering services in relation to gas connections on behalf of customers, gas shippers, gas suppliers and gas transporters;
“land enquiries”	has the same meaning as “Land Enquiry” in Standard Special Condition A3;
“non-standard quotation”	means a quotation other than a standard quotation (but excluding a self-quote);
“self-quote”	means a quotation produced by the customer for the provision of a new or alteration of an existing gas connection in accordance with any conditions published by the licensee to enable the customer to calculate the cost of the relevant works;
“specified information”	means as a minimum: <ul style="list-style-type: none">(a) the number of requests which the licensee has received for each of the services referred to in paragraph 1(a);(b) the number of requests for each of the services referred to in paragraph 1(a) in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(a)-(e);(c) the number of requests for each of the services referred to in paragraph 1(a) in respect of which the licensee has

not provided the requested service within the timescales set out in paragraph 2(a)-(e);

- (d) the amount (if any) paid for the purposes of refunding customers for failure to provide an accurate quotation;
- (e) the amount of compensation (if any) paid by the licensee for the purpose of compensating customers entitled to compensation under regulations made under section 33AA of the Act;
- (f) the number of times any payment caps specified under regulations made under section 33AA of the Act have been reached;
- (g) the results of any audit carried out under paragraph 7 above;
- (h) the number of gas connection requests under paragraph 1(a) that the licensee has identified as falling within the categories set out in paragraph 8;
- (i) the number of calls received under paragraph 1(b) and the number of calls in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(f)(i) and 2 (f)(ii);
- (j) the number of reports received under paragraph 1(c) that the licensee has identified as falling within the category set out in paragraph 2(g)(i) or 2(g)(ii) and the number of reports in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(g)(i) and 2(g)(ii) respectively;

“standard quotation” means a standard quotation (excluding a self-quote) that does not require a site visit; and

“substantial completion”

means that the gas connection and the emergency control valve to the premises has been installed and commissioned.

“uncontrolled gas escape or other uncontrolled gas emergency”

means any gas escape which is not considered a controlled gas escape or other controlled gas emergency.

“vulnerable situations”

has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).

Standard Special Condition D17. Removed

Standard Special Condition D18. Removed

Standard Special Condition A37: Availability of Resources (GT/GD)

1. The licensee shall at all times act in a manner calculated to secure that it has available to itself such resources, including (without limitation) management and financial resources, personnel, fixed and moveable assets, rights, licences, consents, and facilities, on such terms and with all such rights, as shall ensure that it is at all times able:
 - (a) to properly and efficiently carry on the transportation business of the licensee;
and
 - (b) to comply in all respects with its obligations under this licence and such obligations under the Act as apply to those activities authorised by this licence including, without limitation, its duty to develop and maintain an efficient, co-ordinated and economical system of gas transportation.

Certificates for the Authority in relation to financial resources

2. The licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee's board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:
 - (a) **Certificate 1F**

“After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and having taken into account in particular (but without limitation) any dividend or other distribution that might reasonably be expected to be declared or paid by the licensee, the licensee's directors have a reasonable expectation that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

or
 - (b) **Certificate 2F**

“After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and subject to what is explained below, having taken into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid by the licensee, the licensee’s directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate. However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee’s ability to carry on the transportation business [*followed by a description of the factors concerned*].”

or

(c) Certificate 3F

“In the opinion of the licensee’s directors, the licensee will not have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

3. The licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee’s board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:

(a) Certificate 1F-Extended

“After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and having taken into account in particular (but without limitation) any dividend or other distribution that might reasonably be expected to be declared or paid by the licensee, the licensee’s directors have a reasonable expectation that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the

transportation business for the longer of: (i) a period of 36 months from the date of this certificate or (ii) the remainder of the Price Control Period.”

or

(b) Certificate 2F-Extended

“After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and subject to what is explained below, having taken into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid by the licensee, the licensee’s directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for the longer of: (i) a period of 36 months from the date of this certificate or (ii) the remainder of the Price Control Period. However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee’s ability to carry on the transportation business *[followed by a description of the factors concerned]*.”

or

(c) Certificate 3F-Extended

“In the opinion of the licensee’s directors, the licensee will not have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for the longer of: (i) a period of 36 months from the date of this certificate or (ii) the remainder of the Price Control Period.”

Statement of factors and report by auditors in relation to financial resources certificate

4. The licensee must ensure that the certificate given to the Authority under paragraph 2 is accompanied by:

- (a) a statement of the main factors that the licensee's directors have taken into account in giving that certificate including reference to:
 - (i) the main financial resources and financial facilities available to the licensee;
 - (ii) the most recent cash flow statement prepared for the licensee;and
 - (b) a report prepared by its auditors and addressed to the Authority which states whether or not the auditors are aware of any inconsistencies between, on the one hand, that certificate and the statement submitted with it under sub-paragraph (a), and, on the other hand, any information that they obtained during their audit work under Standard Special Condition A30 (Regulatory Accounts) on the licensee's regulatory accounts.
5. The licensee must ensure that the certificate given to the Authority under paragraph 3 is accompanied by a statement of the main factors that the licensee's directors have taken into account in giving that certificate including reference to:
- (a) results of any stress tests that the licensee deemed to be appropriate;
 - (b) financial projections of key financial metrics;
 - (c) assumptions made in relation to the availability of financial markets for any financing or refinancing requirements, including assumptions around equity injections;
- and
- (d) credit facilities, including drawn and undrawn, and compliance with covenants.

Certificates for the Authority in relation to operational resources

6. With effect from 1 August 2013, the licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee's board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:

(a) Certificate 1R

“After making enquiries the licensee's directors have a reasonable expectation that the licensee will have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents and facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

or

(b) Certificate 2R

“After making enquiries, and subject to what is explained below, the licensee's directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents and facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.

However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee's ability to carry on the transportation business [followed by a description of the factors concerned].”

or

(c) Certificate 3R

“In the opinion of the licensee’s directors, the licensee will not have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents, and facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

Statement of factors in relation to operational resources certificate

7. The licensee must ensure that the certificate given to the Authority under paragraph 6 is accompanied by a statement of the main factors that the licensee’s directors have taken into account in giving that certificate.

Certificate for the Authority in relation to compliance with certain Standard Special Licence Conditions

8. With effect from 1 August 2013, the licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee’s board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:

- (a) Certificate 1C

“After making enquiries the licensee’s directors consider that, at the time of their approval of this certificate, the licensee is in compliance in all material respects with all of the obligations imposed on it by Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Condition 45 (Undertaking from Ultimate Controller), Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and Standard Special Condition A39 (Indebtedness).”

or

(b) Certificate 2C

“In the opinion of the licensee’s directors, the licensee is not at the time of their approval of this certificate in compliance in all material respects with all of the obligations imposed on it by Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Condition 45 (Undertaking from Ultimate Controller), Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and Standard Special Condition A39 (Indebtedness).”

Obligation to report any adverse circumstances

9. The licensee must inform the Authority in writing immediately if:
- (a) the directors of the licensee become aware of any circumstance that causes them no longer to have the reasonable expectations expressed in the most recent certificate given under paragraph 2(a), 2(b), 6(a) or 6(b); or
 - (b) the directors of the licensee consider that any adverse circumstances that caused them to give the Authority a certificate in the form of Certificate 3F under paragraph 2(c) or Certificate 3R under paragraph 6(c) have materially worsened.

Certificates for the Authority in relation to dividends

10. Subject to paragraph 13, the directors of the licensee must not declare or recommend a dividend, and the licensee must not make any other form of distribution within the meaning of sections 829, 830, 849 and 850 of the Companies Act 2006, or redeem or repurchase any share capital of the licensee, unless before declaring, recommending, or making the distribution, redemption, or repurchase (as the case may be) the licensee has given the Authority a certificate that complies in all respects with the three requirements set out in paragraphs 11 and 12 below.

11. The first requirement is that the certificate must be in the following form:
- “After making enquiries, the directors of the licensee are satisfied:
- (a) that, at the time of their approval of this certificate, the licensee is in compliance in all material respects with all of the obligations imposed on it by Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Condition 45 (Undertaking from Ultimate Controller), Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and Standard Special Condition A39 (Indebtedness); and
 - (b) that the making of a distribution, redemption, or repurchase of [value] on [date] will not, either alone or when taken together with other circumstances reasonably foreseeable at the date of this certificate, cause the licensee to be in breach to a material extent of any of those obligations in the future.”
12. The second and third requirements are that the certificate:
- (a) must have been approved by a resolution of the licensee’s board of directors passed not more than 14 days before the date on which the declaration, recommendation, or payment is to be made; and
 - (b) must be signed by a director of the licensee.
13. The licensee need not give the Authority a certificate of the type referred to in paragraph 10 in circumstances where:
- (a) during the three months preceding the declaration or recommendation of a dividend, the making of any other form of distribution or the redemption or repurchase of share capital, it has given the Authority a certificate in the form of Certificate 1C under the requirement set out in paragraph 8 of this condition; and
 - (b) that certificate includes an appropriate addendum using the form of the wording given at paragraph 11(b) of this condition.

14. Where the certificate given under paragraph 10, or relied upon under paragraph 13, relates to the declaration or recommendation of a dividend, the licensee is under no obligation to issue a further certificate before paying that dividend so long as such payment is made within six months of the date on which the certificate was given.

Requirement to maintain an intervention plan

15. The licensee must prepare by 1 April 2014, or within 12 months of this condition coming into effect in respect of the licensee, whichever is the later, and thereafter, maintain an intervention plan fulfilling the criteria described in the definition of intervention plan in paragraph 17 below.
16. The requirement for the information described in any of sub-paragraphs (a) to (k) in the definition of intervention plan in paragraph 17 below to be included in the intervention plan will be satisfied if the plan provides details of other documents or records (including electronic records) where that information can be readily obtained and those documents or records are either maintained by the licensee itself or are available to the licensee at all times under a legal or contractual right.

Interpretation

17. In this condition:

“associate” means:

- (a) an affiliate or related undertaking of the licensee;
- (b) an ultimate controller of the licensee;
- (c) a participating owner of the licensee; or
- (d) a common control company.

“common control company” means any company, any of whose ultimate controllers (applying the definition set out in Standard Special Condition A3 (Definitions and Interpretation) but substituting that company for the licensee) is also an ultimate controller of the licensee.

“**intervention plan**” means a document or set of documents (which may be in a suitably secure electronic format) containing information that would be sufficient to allow an energy administrator (within the meaning of Chapter 3 of Part 3 of the Energy Act 2004) readily to obtain information on:

- (a) the financial assets, resources, and facilities of the licensee;
- (b) the non-financial assets, rights, and resources of the licensee including information on key management and operational personnel and information technology systems;
- (c) the liabilities of the licensee, including contingent and contractual liabilities, with counterparty and maturity information;
- (d) the tax affairs of the licensee;
- (e) the personnel of the licensee and any pension schemes sponsored or administered by the licensee;
- (f) any mortgages, charges, or other forms of security over the licensee’s assets;
- (g) the systems and processes by which the licensee carries on the transportation business with information on any significant contractual arrangements, including those that impose obligations on the licensee;
- (h) any arrangements under which the licensee has relinquished operational control over transportation assets (as that term is defined in Standard Special Condition A27 (Disposal of Assets and restrictions on charges over Receivables)) to an associate of the licensee;
- (i) any contractual rights to receive cash or other financial assets from any associate of the licensee;
- (j) any contractual obligations to deliver cash or other financial assets to any associate of the licensee; and
- (k) the licensee’s arrangements and procedures for ensuring compliance with legislative requirements and with its obligations under this licence, including price control reporting requirements.

“participating owner” - For the purposes of the definition of associate above, a person is subject to a participating interest by another person (a participating owner) if:

- (a) that other person holds a participating interest in the person; or
- (b) the person is subject to a participating interest by a person who is himself subject to a participating interest by that other person.

“participating interest” has the meaning given in section 421A of the Financial Services and Markets Act 2000.

18. NOT USED.

Standard Condition B7: Availability of Resources (ET)

1. The licensee shall at all times act in a manner calculated to secure that it has available to it such resources, including (without limitation) management and financial resources, personnel, fixed and moveable assets, rights, licences, consents, and facilities, on such terms and with all such rights, as shall ensure that it is at all times able:
 - (a) to properly and efficiently carry on the transmission business; and
 - (b) to comply in all respects with its obligations under this licence and such obligations under the Act as apply to the transmission business including, without limitation, its duty to develop and maintain an efficient, co-ordinated and economical system of electricity transmission.

Certificates for the Authority in relation to financial resources

2. The licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee’s board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:
 - (a) **Certificate 1F**

“After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and having taken into account in particular (but without limitation) any dividend or other distribution that might reasonably be expected to be declared or paid by the licensee, the licensee’s directors have a reasonable expectation that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transmission business for a period of 12 months from the date of this certificate.”

or

(b) Certificate 2F

“After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and subject to what is explained below, having taken into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid by the licensee, the licensee’s directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transmission business for a period of 12 months from the date of this certificate. However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee’s ability to carry on the transmission business [*followed by a description of the factors concerned*].”

or

(c) Certificate 3F

“In the opinion of the licensee’s directors, the licensee will not have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transmission business for a period of 12 months from the date of this certificate.”

3. The licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee's board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:

(a) **Certificate 1F-Extended**

"After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and having taken into account in particular (but without limitation) any dividend or other distribution that might reasonably be expected to be declared or paid by the licensee, the licensee's directors have a reasonable expectation that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transmission business for the longer of: (i) a period of 36 months from the date of this certificate or (ii) the remainder of the Price Control Period."

or

(b) **Certificate 2F-Extended**

"After making enquiries, including reviewing the results of stress tests that the licensee considered to be appropriate, and subject to what is explained below, having taken into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid by the licensee, the licensee's directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transmission business for the longer of: (i) a period of 36 months from the date of this certificate or (ii) the remainder of the Price Control Period. However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee's ability to carry on the transmission business [*followed by a description of the factors concerned*]."

or

(c) **Certificate 3F-Extended**

“In the opinion of the licensee’s directors, the licensee will not have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transmission business for the longer of: (i) a period of 36 months from the date of this certificate or (ii) the remainder of the Price Control Period.”

Statement of factors and report by auditors in relation to financial resources certificate

4. The licensee must ensure that the certificate given to the Authority under paragraph 2 is accompanied by:
 - (a) a statement of the main factors that the licensee’s directors have taken into account in giving that certificate including reference to:
 - (i) the main financial resources and financial facilities available to the licensee;
 - (ii) the most recent cash flow statement prepared for the licensee;
 - and
 - (b) a report prepared by its auditors and addressed to the Authority which states whether or not the auditors are aware of any inconsistencies between, on the one hand, that certificate and the statement submitted with it under sub-paragraph (a) and, on the other hand, any information that they obtained during their audit work under standard condition B1 (Regulatory Accounts) on the licensee’s regulatory accounts.
5. The licensee must ensure that the certificate given to the Authority under paragraph 3 is accompanied by a statement of the main factors that the licensee’s directors have taken into account in giving that certificate including reference to:
 - (a) results of any stress tests that the licensee deemed to be appropriate;
 - (b) financial projections of key financial metrics;
 - (c) assumptions made in relation to the availability of financial markets for any financing or refinancing requirements, including assumptions around equity injections;and

- (d) credit facilities, including drawn and undrawn, and compliance with covenants.

Certificates for the Authority in relation to operational resources

- 6. With effect from 1 August 2013, the licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee's board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:

- (a) **Certificate 1R**

"After making enquiries the licensee's directors have a reasonable expectation that the licensee will have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents, and facilities available to itself to enable the licensee to carry on the transmission business for a period of 12 months from the date of this certificate."

or

- (b) **Certificate 2R**

"After making enquiries, and subject to what is explained below, the licensee's directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents, and facilities available to itself to enable the licensee to carry on the transmission business for a period of 12 months from the date of this certificate.

However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee's ability to carry on the transmission business [*followed by a description of the factors concerned*]."

or

(c) **Certificate 3R**

“In the opinion of the licensee’s directors, the licensee will not have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents, and facilities available to itself to enable the licensee to carry on the transmission business for a period of 12 months from the date of this certificate.”

Statement of factors in relation to operational resources certificate

7. The licensee must ensure that the certificate given to the Authority under paragraph 6 is accompanied by a statement of the main factors that the licensee’s directors have taken into account in giving that certificate.

Certificate for the Authority in relation to compliance with certain standard licence conditions

8. With effect from 1 August 2013, the licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee’s board of directors and signed by a director of the licensee pursuant to that resolution and which is in one of the following forms:

(a) **Certificate 1C**

“After making enquiries the licensee’s directors consider that, at the time of their approval of this certificate, the licensee is in compliance in all material respects with all of the obligations imposed on it by standard condition B4 (Provision of information to the Authority), standard condition B6 (Restriction on Activity and Financial Ring Fencing), standard condition B7 (Availability of Resources), standard condition B8 (Undertaking from ultimate controller), standard condition B10 (Credit Rating) and standard condition B9 (Indebtedness).”

or

(b) Certificate 2C

“In the opinion of the licensee’s directors, the licensee is not at the time of their approval of this certificate in compliance in all material respects with all of the obligations imposed on it by standard condition B4 (Provision of information to the Authority), standard condition B6 (Restriction on Activity and Financial Ring Fencing), standard condition B7 (Availability of Resources), standard condition B8 (Undertaking from ultimate controller), standard condition B10 (Credit Rating) and standard condition B9 (Indebtedness).”

Obligation to report any adverse circumstances

9. The licensee must inform the Authority in writing immediately if:
 - (a) the directors of the licensee become aware of any circumstance that causes them no longer to have the reasonable expectations expressed in the most recent certificate given under paragraph 2(a), 2(b), 6(a) or 6(b); or
 - (b) the directors of the licensee consider that any adverse circumstances that caused them to give the Authority a certificate in the form of Certificate 3F under paragraph 2(c) or Certificate 3R under paragraph 6(c) have materially worsened.

Certificates for the Authority in relation to dividends

10. Subject to paragraph 13, the directors of the licensee must not declare or recommend a dividend, and the licensee must not make any other form of distribution within the meaning of sections 829, 830, 849 and 850 of the Companies Act 2006, or redeem or repurchase any share capital of the licensee, unless before declaring, recommending, or making the distribution, redemption, or repurchase (as the case may be) the licensee has given the Authority a certificate that complies in all respects with the three requirements set out in paragraphs 11 and 12 below.
11. The first requirement is that the certificate must be in the following form:

“After making enquiries, the directors of the licensee are satisfied:

- (a) that, at the time of their approval of this certificate, the licensee is in compliance in all material respects with all the obligations imposed on it by standard condition B4 (Provision of information to the Authority), standard condition B6 (Restriction on Activity and Financial Ring Fencing), standard condition B7 (Availability of Resources), standard condition B8 (Undertaking from ultimate controller), standard condition B10 (Credit Rating) and standard condition B9 (Indebtedness);

and

- (b) that the making of a distribution, redemption, or repurchase of [value] on [date] will not, either alone or when taken together with other circumstances reasonably foreseeable at the date of this certificate, cause the licensee to be in breach to a material extent of any of those obligations in the future.”

12. The second and third requirements are that the certificate:

- (a) must have been approved by a resolution of the licensee’s board of directors passed not more than 14 days before the date on which the declaration, recommendation, or payment is to be made; and
- (b) must be signed by a director of the licensee.

13. The licensee need not give the Authority a certificate of the type referred to in paragraph 10 in circumstances where:

- (a) during the three months preceding the declaration or recommendation of a dividend, the making of any other form of distribution or the redemption or repurchase of share capital, it has given the Authority a certificate in the form of Certificate 1C under the requirement set out in paragraph 8 of this condition; and
- (b) that certificate includes an appropriate addendum using the wording given at paragraph 11(b) of this condition.

14. Where the certificate given under paragraph 10, or relied upon under paragraph 13, relates to the declaration or recommendation of a dividend, the licensee is under no obligation to issue a further certificate before paying that dividend so long as such payment is made within six months of the date on which the certificate was given.

Requirement to maintain an Intervention Plan

15. The licensee must prepare by 1 April 2014, or within 12 months of this condition coming into effect in respect of the licensee, whichever is the later, and thereafter, maintain an intervention plan fulfilling the criteria described in the definition of intervention plan in paragraph 17 below.
16. The requirement for the information described in any of sub-paragraphs (a) to (k) in the definition of intervention plan in paragraph 17 below to be included in the intervention plan will be satisfied if the plan provides details of other documents or records (including electronic records) where that information can be readily obtained and those documents or records are either maintained by the licensee itself or are available to the licensee at all times under a legal or contractual right.

Interpretation

17. In this condition:

“associate” means:

- (a) an affiliate or related undertaking of the licensee;
- (b) an ultimate controller of the licensee;
- (c) a participating owner of the licensee; or
- (d) a common control company.

“common control company” means any company, any of whose ultimate controllers (applying the definition set out in Standard Condition A1 (Definitions for the standard

conditions) but substituting that company for the licensee) is also an ultimate controller of the licensee.

“intervention plan” means a document or set of documents (which may be in a suitably secure electronic format) containing information that would be sufficient to allow an energy administrator (within the meaning of Chapter 3 of Part 3 of the Energy Act 2004) readily to obtain information on:

- (a) the financial assets, resources, and facilities of the licensee;
- (b) the non-financial assets, rights, and resources of the licensee including information on key management and operational personnel and information technology systems;
- (c) the liabilities of the licensee, including contingent and contractual liabilities, with counterparty and maturity information;
- (d) the tax affairs of the licensee;
- (e) the personnel of the licensee and any pension schemes sponsored or administered by the licensee;
- (f) any mortgages, charges, or other forms of security over the licensee’s assets;
- (g) the systems and processes by which the licensee carries on the transmission business with information on any significant contractual arrangements, including those that impose obligations on the licensee;
- (h) any arrangements under which the licensee has relinquished operational control over relevant assets (as that term is defined in Standard Condition B3 (Disposal of relevant assets and restriction on charges over receivables)) to an associate of the licensee;
- (i) any contractual rights to receive cash or other financial assets from any associate of the licensee;

- (j) any contractual obligations to deliver cash or other financial assets to any associate of the licensee; and
- (k) the licensee's arrangements and procedures for ensuring compliance with legislative requirements and with its obligations under this licence, including price control reporting requirements.

“participating owner” - For the purposes of the definition of associate above, a person is subject to a participating interest by another person (a “participating owner”) if:

- (a) that other person holds a participating interest in the person; or
- (b) the person is subject to a participating interest by a person who is himself subject to a participating interest by that other person.

“participating interest” has the meaning given in section 421A of the Financial Services and Markets Act 2000.

Standard Special Condition A39: Indebtedness (GD/GT)

1. In addition to the requirements of Standard Special Condition A27 (Disposal of Assets and restrictions on charges over Receivables), the licensee shall not without the prior written consent of the Authority (following the disclosure by the licensee of all material facts):
 - (a) create or continue or permit to remain in effect any mortgage, charge, pledge, lien or other form of security or encumbrance whatsoever, undertake any indebtedness to any other person or enter into any guarantee or any obligation otherwise than:
 - (i) on an arm's length basis;
 - (ii) on normal commercial terms;
 - (iii) for a permitted purpose; and
 - (iv) (if the transaction is within the ambit of Standard Special Condition A27 (Disposal of Assets and restrictions on charges over Receivables)) in accordance with that condition;
 - (b) transfer, lease, license or lend any sum or sums, asset, right or benefit to any associate of the licensee otherwise than by way of:
 - (i) a dividend or other distribution out of distributable reserves;
 - (ii) repayment of capital;
 - (iii) payment properly due for any goods, services or assets provided on an arm's length basis and on normal commercial terms;
 - (iv) a transfer, lease, licence or loan of any sum or sums, asset, right or benefit on an arm's length basis, on normal commercial terms and made in compliance with the payment condition referred to in paragraph 2;
 - (v) repayment of or payment of interest on a loan not prohibited by sub-paragraph (a);

- (vi) payments for group corporation tax relief calculated on a basis not exceeding the value of the benefit received; or
- (vii) an acquisition of shares or other investments in conformity with paragraph 2 of Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing) made on an arm's length basis and on normal commercial terms,

provided, however, that the provisions of paragraph 3 below shall prevail in any of the circumstances described or referred to therein;

- (c) enter into an agreement or incur a commitment incorporating a cross-default obligation or continue or permit to remain in effect any agreement or commitment incorporating a cross-default obligation,

provided, however, that the provisions of sub-paragraph (c) shall not prevent the licensee from giving any guarantee permitted by and compliant with the requirements of sub-paragraph (a).

2. The payment condition referred to in paragraph 1(b)(iv) is that the consideration due in respect of the transaction in question is paid in full when the transaction is entered into unless either:
 - (a) the counter-party to the transaction has and maintains until payment is made in full an Investment Grade Issuer Credit Rating; or
 - (b) the obligations of the counter-party to the transaction are fully and unconditionally guaranteed throughout the period during which any part of the consideration remains outstanding by a guarantor which has and maintains an Investment Grade Issuer Credit Rating.
3. Except with the prior consent of the Authority, the licensee shall not enter into or complete any transaction of a type referred to or described in paragraph 1(b) save in accordance with paragraph 10, if any of the circumstances set out in paragraphs 4 to 9 applies.
4. The circumstance described by this paragraph is that the licensee does not hold an Investment Grade Issuer Credit Rating.

5. The circumstance described by this paragraph is that the licensee holds more than one Issuer Credit Rating and one or more of the ratings so held is not Investment Grade.
6. The circumstance described by this paragraph is that any Issuer Credit Rating held by the licensee is BBB- by Standard & Poor's Ratings Group or Fitch Ratings Ltd or Baa3 by Moody's Investors Service, Inc. or BBB (low) by DBRS Ratings Ltd or any of its affiliates (or such higher Issuer Credit Rating as may be specified by any of these credit rating agencies from time to time as the lowest Investment Grade Issuer Credit Rating), or is an equivalent rating from another agency that has been notified to the licensee by the Authority as of comparable standing for the purposes of Standard Special Condition A38 (Credit Rating of the Licensee and related obligations) and:
 - (a) is on review for possible downgrade; or
 - (b) is on Credit Watch or Rating Watch with a negative designation;
or, where neither (a) nor (b) applies:
 - (c) the rating outlook of the licensee as specified by any credit rating agency referred to in this paragraph 6 which at the relevant time has assigned the lower or lowest Investment Grade Issuer Credit Rating held by the licensee has been changed from stable or positive to negative.
7. The circumstance described by this paragraph is that the licensee has:
 - (a) given the Authority a certificate in the form of Certificate 3F under the requirement set out in paragraph 2 of Standard Special Condition A37 (Availability of Resources) and has not subsequently given the Authority a certificate in the form of Certificate 1F or Certificate 2F as set out in the same condition; or
 - (b) given the Authority a certificate in the form of Certificate 3R under the requirement set out in paragraph 4 of Standard Special Condition A37 (Availability of Resources) and:
 - (i) the opinion expressed in the certificate arises in whole or in part from circumstances affecting an associate of the licensee, and

- (ii) the licensee has not subsequently given the Authority a certificate in the form of Certificate 1R or Certificate 2R as set out in the same condition;

or

- (c) informed the Authority of any circumstance of the type set out in paragraph 9 of Standard Special Condition A37 (Availability of Resources) and:
 - (i) the circumstances giving rise to the licensee's report relate to the licensee's financial resources and the licensee has not subsequently given the Authority a certificate in the form of Certificate 1F or 2F as set out in the same condition; or
 - (ii) the circumstances giving rise to the licensee's report relate to the licensee's operational resources and:
 - (aa) relate in whole or in part to circumstances affecting an associate of the licensee; and
 - (bb) the licensee has not subsequently given the Authority a certificate in the form of Certificate 1R or 2R as set out in the same condition.

8. The circumstance described by this paragraph is that the licensee has, after 1 April 2013, materially breached any formal covenant contained in any loan agreement, commercial paper, bond issue or committed facility that it has entered into with a counterparty, unless one of the following applies:

- (a) the licensee has remedied the breach to the satisfaction of the counterparty concerned;
- (b) the licensee has renegotiated the covenant or arrangement to the satisfaction of the counterparty concerned;

and in either case (a) or (b) the remedy or renegotiation has been notified in writing to the Authority;

or

(c) in response to a written request from the licensee, either the Authority has confirmed in writing, before the breach occurs, that the breach in question shall not trigger the provisions of paragraphs 3 and 10, or the Authority has not provided a substantive response to such a written request within seven days of receiving it.

9. The circumstance described by this paragraph is that the licensee has an Actual Regulatory Gearing ratio of 75% or higher or, based on reasonable projections, will exceed this ratio at the end of the current Regulatory Year.
10. Where under the provisions of paragraph 3, the licensee is prohibited from entering into or completing any transaction of a type referred to or described in paragraph 1(b), the licensee (following disclosure of all material facts) may not without the prior written consent of the Authority transfer, lease, license or lend any sum or sums, asset, right or benefit to any associate of the licensee as described or referred to in paragraph 1(b), otherwise than by way of:
- (a) payment properly due for any goods, services or assets in relation to commitments entered into prior to the date on which the prohibiting circumstances arose, and which are provided on an arm's length basis and on normal commercial terms;
 - (b) a transfer, lease, licence or loan of any sum or sums, asset, right or benefit on an arm's length basis, on normal commercial terms and where the value of the consideration due in respect of the transaction in question is payable wholly in cash and is paid in full when the transaction is entered into;
 - (c) repayment of, or payment of interest on, a loan not prohibited by paragraph 1(a) and which was contracted prior to the date on which the prohibiting circumstances arose, provided that such payment is not made earlier than the original due date for payment in accordance with its terms; and
 - (d) payments for group corporation tax relief calculated on a basis not exceeding the value of the benefit received, provided that the payments are not made before the

date on which the amounts of tax thereby relieved would otherwise have been due.

11. In this condition:

“Actual Regulatory Gearing” means the ratio of Net Debt to regulatory asset value, as reported at the closing of the previous Regulatory Year and calculated in accordance with the Regulatory Instructions and Guidance published by the Authority under Standard Special Condition A40.

“associate” means:

- a) an affiliate or related undertaking of the licensee;
- b) an ultimate controller of the licensee;
- c) a participating owner of the licensee; or
- d) a common control company.

“common control company” means any company, any of whose ultimate controllers (applying the definition set out in Standard Special Condition A3 (Definitions and Interpretation) but substituting that company for the licensee) is also an ultimate controller of the licensee.

“cross-default obligation” means a term of any agreement or arrangement whereby the licensee’s liability to pay or repay any debt or other sum arises or is increased or accelerated or is capable of arising, of increasing or of being accelerated by reason of a default (howsoever such default may be

described or defined) by any person other than the licensee, unless:

- (i) that liability can arise only as the result of a default by a subsidiary of the licensee;
- (ii) the licensee holds a majority of the voting rights in that subsidiary and has the right to appoint or remove a majority of its board of directors; and
- (iii) that subsidiary carries on business only for a purpose within sub-paragraphs (a), (b), (c) or (d) of the definition of permitted purpose set out in Standard Special Condition A3 (Definitions and interpretation).

“indebtedness”

means all liabilities now or hereafter due, owing or incurred, whether actual or contingent, whether solely or jointly with any other person and whether as principal or surety, together with any interest accruing thereon and all costs, charges, penalties and expenses incurred in connection therewith.

“participating owner”

For the purposes of the definition of associate above, a person is subject to a participating interest by another person (a **“participating owner”**) if:

- a) that other person holds a participating interest in the person;
or
- b) the person is subject to a participating interest by a person who

is himself subject to a participating interest by that other person.

“participating interest”

has the meaning given in section 421A of the Financial Services and Markets Act 2000.

“Net Debt”

means the value of the licensee’s net debt as reported at the closing of the previous Regulatory Year and defined by the Regulatory Instructions and Guidance published by the Authority under Standard Special Condition A40.

Standard Condition B9: Indebtedness (ET)

1. In addition to the requirements of standard condition B3 (Disposal of relevant assets and restrictions on charges over receivables), the licensee shall not without the prior written consent of the Authority (following the disclosure by the licensee of all material facts):
 - (a) create or continue or permit to remain in effect any mortgage, charge, pledge, lien or other form of security or encumbrance whatsoever, undertake any indebtedness to any other person or enter into any guarantee or any obligation otherwise than:
 - (i) on an arm’s length basis;
 - (ii) on normal commercial terms;
 - (iii) for a permitted purpose; and

- (iv) (if the transaction is within the ambit of standard condition B3 (Disposal of relevant assets and restrictions on charges over receivables) in accordance with that condition);
- (b) transfer, lease, license or lend any sum or sums, asset, right or benefit to any associate of the licensee otherwise than by way of:
 - (i) a dividend or other distribution out of distributable reserves;
 - (ii) repayment of capital;
 - (iii) payment properly due for any goods, services or assets provided on an arm's length basis and on normal commercial terms;
 - (iv) a transfer, lease, licence or loan of any sum or sums, asset, right or benefit on an arm's length basis, on normal commercial terms and made in compliance with the payment condition referred to in paragraph 2;
 - (v) repayment of or payment of interest on a loan not prohibited by sub-paragraph (a);
 - (vi) payments for group corporation tax relief or for the surrender thereof calculated on a basis not exceeding the value of the benefit received; or
 - (vii) an acquisition of shares or other investments in conformity with paragraph 2 of standard condition B6 (Restriction on Activity and Financial Ring Fencing) made on an arm's length basis and on normal commercial terms, provided however, that the provisions of paragraph 3 below shall prevail in any of the circumstances described or referred to therein;
- (c) enter into an agreement or incur a commitment incorporating a cross-default obligation; or
- (d) continue or permit to remain in effect any agreement or commitment incorporating a cross-default obligation, provided however that the provisions

of sub-paragraphs 1(c) and (d) shall not prevent the licensee from giving any guarantee permitted by and compliant with the requirements of sub-paragraph (a).

2. The payment condition referred to in paragraph 1(b)(iv) is that the consideration due in respect of the transaction in question is paid in full when the transaction is entered into unless either:
 - (a) the counter-party to the transaction has and maintains until payment is made in full an Investment Grade Issuer Credit Rating; or
 - (b) the obligations of the counter-party to the transaction are fully and unconditionally guaranteed throughout the period during which any part of the consideration remains outstanding by a guarantor which has and maintains an Investment Grade Issuer Credit Rating.
3. Except with the prior consent of the Authority, the licensee shall not enter into or complete any transaction of a type referred to or described in paragraph 1(b) save in accordance with paragraph 10, if any of the circumstances set out in paragraphs 4 to 9 applies.
4. The circumstance described by this paragraph is that the licensee does not hold an Investment Grade Issuer Credit Rating.
5. The circumstance described by this paragraph is that the licensee holds more than one Issuer Credit Rating and one or more of the ratings so held is not Investment Grade.
6. The circumstance described by this paragraph is that any Issuer Credit Rating held by the licensee is BBB- by Standard & Poor's Ratings Group or Fitch Ratings Ltd or Baa3 by Moody's Investors Service, Inc. or BBB (low) by DBRS Ratings Ltd or any of its affiliates, (or such higher issuer credit rating as may be specified by any of these credit rating agencies from time to time as the lowest investment grade issuer credit rating), or is an equivalent rating from another agency that has been notified to the

licensee by the Authority as of comparable standing for the purposes of standard condition B10 (Credit Rating) and:

- (a) is on review for possible downgrade; or
- (b) is on Credit Watch or Rating Watch with a negative designation;

or, where neither (a) nor (b) applies:

- (c) the rating outlook of the licensee as specified by any credit rating agency referred to in this paragraph 6 that at the relevant time has assigned the lower or lowest Investment Grade Issuer Credit Rating held by the licensee has been changed from stable or positive to negative.

7. The circumstance described by this paragraph is that the licensee has:

- (a) given the Authority a certificate in the form of Certificate 3F under the requirement set out in paragraph 2 of standard condition B7 (Availability of Resources) and has not subsequently given the Authority a certificate in the form of Certificate 1F or Certificate 2F as set out in the same condition; or
- (b) given the Authority a certificate in the form of Certificate 3R under the requirement set out in paragraph 4 of standard condition B7 (Availability of Resources) and:
 - (i) the opinion expressed in the certificate arises in whole or in part from circumstances affecting an associate of the licensee, and
 - (ii) the licensee has not subsequently given the Authority a certificate in the form of Certificate 1R or Certificate 2R as set out in the same condition;

or

- (c) informed the Authority of any circumstance of the type referred to at paragraph 9 of standard condition B7 (Availability of Resources) and:

- (i) the circumstances giving rise to the licensee's report relate to the licensee's financial resources and the licensee has not subsequently given the Authority a certificate in the form of Certificate 1F or 2F as set out in the same condition; or
 - (ii) the circumstances giving rise to the licensee's report relate to the licensee's operational resources and:
 - (aa) relate in whole or in part to circumstances affecting an associate of the licensee; and
 - (bb) the licensee has not subsequently given the Authority a certificate in the form of Certificate 1R or 2R as set out in the same condition.
- 8. The circumstance described by this paragraph is that the licensee has, after 1 April 2013, materially breached any formal covenant contained in any loan agreement, commercial paper, bond issue or committed facility that it has entered into with a counterparty, unless one of the following applies:
 - (a) the licensee has remedied the breach to the satisfaction of the counterparty concerned;
 - (b) the licensee has renegotiated the covenant or arrangement to the satisfaction of the counterparty concerned;and in either case (a) or (b) the remedy or renegotiation has been notified in writing to the Authority;
- or
- (c) in response to a written request from the licensee, either the Authority has confirmed in writing, before the breach occurs, that the breach in question shall not trigger the provisions of paragraphs 3 or 10, or the Authority has not provided a substantive response to such a written request within seven days of receiving it.

9. The circumstance described by this paragraph is that the licensee has an Actual Regulatory Gearing ratio of 75% or higher or, based on reasonable projections, will exceed this ratio at the end of the current Regulatory Year.
10. Where, under the provisions of paragraph 3, the licensee is prohibited from entering into or completing any transaction of a type referred to or described in paragraph 1(b), the licensee (following disclosure of all material facts) may not without the prior written consent of the Authority transfer, lease, license or lend any sum or sums, asset, right or benefit (as described or referred to in paragraph 1(b)) to any associate of the licensee, otherwise than by way of:
 - (a) payment properly due for any goods, services or assets in relation to commitments entered into prior to the date on which the prohibiting circumstances arose, and which are provided on an arm's length basis and on normal commercial terms;
 - (b) a transfer, lease, licence or loan of any sum or sums, asset, right or benefit on an arm's length basis, on normal commercial terms and where the value of the consideration due in respect of the transaction in question is payable wholly in cash and is paid in full when the transaction is entered into;
 - (c) repayment of, or payment of interest on, a loan not prohibited by paragraph 1(a) and which was contracted prior to the date on which the prohibiting circumstances arose, provided that such payment is not made earlier than the original due date for payment in accordance with its terms; and
 - (d) payments for group corporation tax relief or the surrender thereof calculated on a basis not exceeding the value of the benefit received, provided that the payments are not made before the date on which the amounts of tax thereby relieved would otherwise have been due.
11. In this condition:

“Actual Regulatory Gearing” means the ratio of Net Debt to regulatory asset value, as reported at the closing of the previous Regulatory Year and calculated in accordance

with the Regulatory Instructions and Guidance published by the Authority under Standard Condition B15.

“associate” means:

- (a) an affiliate or related undertaking of the licensee;
- (b) an ultimate controller of the licensee;
- (c) a participating owner of the licensee; or
- (d) a common control company.

“common control company” means any company, any of whose ultimate controllers (applying the definition set out in Standard Condition A1 (Definitions for the standard conditions) but substituting that company for the licensee) is also an ultimate controller of the licensee.

“participating owner” - For the purposes of the definition of associate above, a person is subject to a participating interest by another person (a “participating owner”) if:

- (a) that other person holds a participating interest in the person; or
- (b) the person is subject to a participating interest by a person who is himself subject to a participating interest by that other person.

“Net Debt” means the value of the licensee’s net debt as reported at the closing of the previous Regulatory Year and defined by the Regulatory Instructions and Guidance published by the Authority under Standard Condition B15.

“participating interest” has the meaning given in section 421A of the Financial Services and Markets Act 2000.

Standard Special Condition A38: Credit Rating of the Licensee and related obligations (GD/GT)

Introduction

1. The purpose of this condition is to place obligations on the licensee in respect of credit ratings, Published Rating Reports, Negative Rating Actions and Financial Resilience Reports.

PART A: Obligation to maintain an Investment Grade Issuer Credit Rating

2. The licensee must maintain more than one Investment Grade Issuer Credit Rating at all times.

PART B: Obligation to provide Published Rating Reports

3. Where a Negative Rating Action occurs in respect of the licensee or any of the licensee's credit ratings is withdrawn, it must within a period of ten working days beginning with the date of the relevant Published Rating Report:
 - (a) notify the Authority; and
 - (b) if permitted by the relevant rating agency, provide the Authority with a copy of the Published Rating Report, or where the Published Rating Report relates to the wider group provide such parts as are relevant to the licensee.

PART C: Obligation to provide Financial Resilience Reports

4. The licensee must provide the Authority with a Financial Resilience Report within 60 days of 1 April 2026 or the date of a Negative Rating Action relating to the licensee (whichever is later), if:
 - (a) any of the licensee's ratings held for an Issuer Credit Rating or highest rating held for a Significant Instrument Credit Rating is one notch higher than the lowest Investment Grade and that Issuer Credit Rating or Significant Instrument Credit Rating is on Negative Watch;
 - (b) any of the licensee's Issuer Credit Ratings or Significant Instrument Credit Ratings is at the lowest Investment Grade or lower, or
 - (c) The licensee has a debt covenant linked to a specific Issuer Credit Rating or Significant Instrument Credit Rating that would, if breached by the licensee, trigger an event of default under the relevant debt documents and that rating is either:
 - i. one notch above the minimum covenant requirement and is on Negative Watch; or
 - ii. lower than one notch above the minimum rating specified within the covenant requirement.
5. The Financial Resilience Report must include:
 - (a) an assessment of the licensee's current and forecast financial standing, including an assessment of resilience to downside scenarios relating to:
 - (i) operational performance; and/or
 - (ii) macro-economic events,

- in each case as applicable;
 - (b) financial projections for the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period, whichever is longer; and
 - (c) details of Potential Mitigating Actions the licensee could take to improve its financial resilience and an indication of whether such actions are planned.
6. The financial projections required by paragraph 5(b) must include:
- (a) a forecast balance sheet;
 - (b) income statements;
 - (c) cashflow statements;
 - (d) key financial metric projections; and
 - (e) results of any stress tests that the licensee considers to be appropriate.

Standard Condition B10: Credit rating of the licensee and related obligations (ET)

Introduction

1. The purpose of this condition is to place obligations on the licensee in respect of credit ratings, Published Rating Reports, Negative Rating Actions and Financial Resilience Reports.

Part A: Obligation to maintain an Investment Grade Issuer Credit Rating

2. The licensee must maintain more than one Investment Grade Issuer Credit Rating at all times.

Part B: Obligation to provide Published Rating Reports

3. Where a Negative Rating Action occurs in respect of the licensee or any of the licensee's credit ratings is withdrawn, it must within a period of ten working days beginning with the date of the relevant Published Rating Report:
 - a) notify the Authority; and
 - b) if permitted by the relevant rating agency, provide the Authority with a copy of the Published Rating Report, or where the Published Rating Report relates to the wider group provide such parts as are relevant to the licensee.

Part C: Obligation to provide Financial Resilience Reports

4. The licensee must provide the Authority with a Financial Resilience Report within 60 days of 1 April 2026 or the date of a Negative Rating Action relating to the licensee (whichever is later), if:
 - a) any of the licensee's ratings held for an Issuer Credit Rating or highest rating held for a Significant Instrument Credit Rating is one notch higher than the lowest Investment Grade and that Issuer Credit Rating or Significant Instrument Credit Rating is on Negative Watch;
 - b) any of the licensee's Issuer Credit Ratings or Significant Instrument Credit Ratings is at the lowest Investment Grade or lower; or
 - c) the licensee has a debt covenant linked to a specific Issuer Credit Rating or Significant Instrument Credit Rating that would, if breached by the licensee, trigger an event of default under the relevant debt documents and that rating is either;
 - (i) one notch above the minimum covenant requirement and is on Negative Watch; or
 - (ii) lower than one notch above the minimum rating specified within the covenant requirement.
5. The Financial Resilience Report must include:
 - a) an assessment of the licensee's current and forecast financial standing, including an assessment of resilience to downside scenarios relating to:
 - (i) operational performance; and/or
 - (ii) macro-economic events,

- in each case as applicable;
 - b) financial projections for the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period, whichever is longer; and
 - c) details of Potential Mitigating Actions the licensee could take to improve its financial resilience and an indication of whether such actions are planned.
6. The financial projections required by paragraph 5(b) of this condition must include:
- a) a forecast balance sheet;
 - b) income statements;
 - c) cashflow statements;
 - d) key financial metric projections; and
 - e) results of any stress tests that the licensee considers to be appropriate.

Standard Condition 1: Definitions and Interpretation (GD/GT)

1. In these standard conditions, unless the context otherwise requires -

“the Act”	means the Gas Act 1986;
“affiliate”	in relation to any person means any holding company of such person, any subsidiary of such person or any subsidiary of a holding company of such person in each case within the meaning of section 1159 of the Companies Act 2006;
“amount”	in relation to gas, means the energy content thereof expressed in kilowatt hours;
“appropriate period”	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Transportation Business) only, has the meaning given in that condition;
“area office”	for the purposes of standard condition 4B (Connection Charges etc) only, has the meaning given in that condition;
“auditors”	means the licensee’s auditors for the time being holding office in accordance with the requirements of the Companies Act 2006;
“the Authority”	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000;

“balancing”	in relation to a pipe-line system of the licensee and in relation to each day, means the taking of such measures as may be available to the licensee, in particular, measures affecting the relationship between deliveries of gas to and offtakes of gas from the pipe-line system on the day in question, to maintain pressures within the pipe-line system at levels which will not, in its reasonable opinion, prejudice the interests of safety or efficiency on that day or on subsequent days;
“charging methodology”	for the purposes of standard condition 4A (Obligations as Regard Charging Methodology) only, has the meaning given in that condition;
“chronically sick person”	means any person who, by reason of chronic sickness, has special needs in connection with gas supplied to him, its use or the use of gas appliances or other gas fittings;
“Citizens Advice”	means the National Association of Citizens Advice Bureaux;
“Citizens Advice Scotland”	means the Scottish Association of Citizens Advice Bureaux;
“code modification rules”	for the purposes of standard condition 9 (Network Code) only, has the meaning given in that condition;
“code relevant objectives”	for the purposes of standard condition 9 (Network Code) only, has the meaning given in that condition;

“Consumer Scotland”	means the body corporate established by the Consumer Scotland Act 2020;
“competition in relation to the storage of gas”	means, as respects a particular category of storage facility, effective competition in or to the storage service offered by the facility, taking account of the provision by other persons of goods or services of equivalent purpose or effect to such storage (including where appropriate supplies of peak gas and the interruption of supplies to customers in accordance with their terms of supply);
“Compliance Officer”	for the purposes of Section C only, has the meaning given in standard condition 40 (Appointment of Compliance Officer);
“the court”	means, in relation to England and Wales, the High Court and, in relation to Scotland, the Court of Session;
“covenantor”	for the purposes of standard condition 45 (Undertaking from Ultimate Controller) only, has the meaning given in that condition;
“cross-default obligation”	for the purposes of standard condition 47 (Indebtedness) only, has the meaning given in that condition;
“customer”	means any person supplied or requiring to be supplied with gas at any premises by a gas supplier;

“de-minimis business”	for the purposes of standard condition 43 (Restriction on Activity and Financial Ring-fencing) only, has the meaning given in that condition;
“designated area”	for the purposes of standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges) only, has the meaning given in that condition;
“Designated Registrar of Pipes”	means the person designated by the Authority to fulfil that role pursuant to standard condition 33 (Designated Registrar of Pipes);
“Directive”	means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC; as it has effect immediately before IP completion day as read with the modifications set out in the Act.
“disabled person”	means any person who, by reason of any disability, has special needs in connection with gas supplied to him, its use or the use of gas appliances or other gas fittings and includes any person who is in receipt of a social security benefit by reason of any disability;
“disposal”	has the meaning given in standard condition 29 (Disposal of Assets);
“domestic customer”	means a person supplied or requiring to be supplied with gas at domestic

	premises (but excluding such a person in so far as he is supplied or requires to be supplied at premises other than domestic premises);
“domestic premises”	means from 1 January 2002 or, where the Authority directs for the purposes of this condition generally, in relation to premises specified or described in the direction, such later date specified in the direction, premises at which a supply is taken wholly or mainly for domestic purposes;
“effective date”	for the purposes of Section B only, has the meaning given in standard condition 4B (Connection Charges etc);
“estimated costs”	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;
“financial year”	means, a period of 12 months beginning on 1 st April of each year and ending on 31 st March of the following calendar year;
“first supplier”	for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;

“gas”	in relation to storage, includes gas in a liquid state and “storage”, in relation to gas in either a gaseous or liquid state, means storage in, or in a facility which is connected (directly or indirectly) to, a pipe-line system operated by the licensee and cognate expressions shall be construed accordingly;
“high pressure pipe-line”	means any pipe-line which has a design operating pressure exceeding 7 bar gauge;
“holding company”	means a holding company within the meaning of section 1159 of the Companies Act 2006;
“indebtedness”	for the purposes of standard condition 47 (Indebtedness) only, has the meaning given in that condition;
“independent system”	means a pipe-line system of the licensee in Great Britain which includes relevant mains and which is not connected (directly or indirectly) by pipes to the main pipe-line system of the licensee, acting as a gas transporter;
“industry framework document”	for the purposes of standard condition 13 (Change Co-ordination for the Utilities Act 2000) only, has the meaning given in that condition;
“information”	shall include any documents, accounts, estimates, returns, records or reports and data in written, verbal or electronic form

	and information in any form or medium whatsoever (whether or not prepared specifically at the request of the Authority or Citizens Advice or Citizens Advice Scotland or Consumer Scotland) or of any description specified by the Authority;
“information covenantor”	for the purposes of standard condition 24 (Provision of Information to the Authority) only, has the meaning given in that condition;
“investment”	for the purposes of Section C only, has the meaning given in standard condition 43 (Restriction on Activity and Financial Ring-fencing);
“investment grade issuer credit rating”	for the purposes of Section C only, has the meaning given in standard condition 46 (Credit Rating of Licensee);
“IP completion day”	has the same meaning as that given in section 39(1) of the European Union (Withdrawal) Act 2020.
“last resort supplier”	for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;
“legally binding decisions of the European Commission and/or the Agency”	means any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators, but a binding decision does not include a decision that is not, or so much of a decision as is not, Retained EU law.

“licensee’s pipe-line system”	means a gas pipe-line system operated by the licensee (acting as a gas transporter) and cognate expressions shall be construed accordingly;
“Main Administration Service”	for the purposes of standard condition 33 (Designated Registrar of Pipes) only, has the meaning given in that condition;
“Network Code”	has the meaning given in standard condition 9 (Network Code);
“network emergency co-ordinator”	for the purposes of standard condition 6 (Emergency Services and Enquiry Services Obligations) only, has the meaning given in that condition;
“non-domestic customer”	means a customer of a gas supplier who is not a domestic customer;
“old arrangements”	for the purposes of standard condition 28 (Termination of Shipping Arrangements) only, has the meaning given in that condition;
“owned”	in relation to a gas meter or other property, includes leased and cognate expressions shall be construed accordingly;
“participating interest”	has the has the meaning given in regulations made under Part 15 of the Companies Act 2006;
“permitted purpose”	for the purposes of Section C only, has the meaning given in standard condition 32 (Interpretation of Section C);

“person concerned”	for the purposes of standard condition 4B (Connection Charges etc) only, has the meaning given in that condition;
“premises concerned”	for the purposes of standard condition 4B (Connection Charges etc) only, has the meaning given in that condition;
“primary sub-deduct premises”	means premises to which gas is conveyed by a gas transporter before being conveyed to secondary sub-deduct premises;
“quantity” and “volume”	in relation to gas, are synonymous;
“Regulation”	means Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009 on conditions for access to the national gas transmission networks and repealing Regulation 2005/1775/EC, as amended by Commission Decision 2010/685/EU of 10 November 2010 amending Chapter 3 of Annex I to Regulation 2009/715/EC of the European Parliament and of the Council on conditions for access to the natural gas transmission networks;
“related undertaking”	in relation to any person means any undertaking in which such person has a participating interest;
“relevant customer”	for the purposes of standard condition 6 (Emergency Services and Enquiry Service Obligations) only, has the meaning given in that condition;

“relevant methodology objective”	for the purposes of standard condition 4A (Obligations as Regards Charging Methodology) only, has the meaning given in that condition;
“relevant objectives”	for the purposes of standard condition 4B (Connection Charging Methodology) only, has the meaning give in that condition
“relevant period”	for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;
“relevant proportion”	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;
“relevant shipper”	means, in relation to any premises, a gas shipper which has made arrangements with the licensee in pursuance of which gas is conveyed to those premises and, in relation to any secondary sub-deduct premises, such arrangements shall be deemed to have been made where, in pursuance of arrangements made by a gas shipper, gas is taken out of the pipe-line system of the licensee at the relevant primary sub-deduct premises with a view to its conveyance to those secondary sub-deduct premises;
“relevant supplier”	means, in relation to any premises, a gas supplier which supplies to those premises gas which is conveyed thereto

	(or, where the premises are secondary sub-deduct premises) by the licensee;
“relevant year”	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition;
“Retail Price Index”	means the general index of retail prices published by the Office for National Statistics each month in respect of all items or: (a) if the index for any month in any year shall not have been published on or before the last day of the third month after such month, such index for such month or months as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances; or (b) if there is a material change in the basis of the index, such other index as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances.
“Retained EU law”	

	has the same meaning as that given by section 6(7) of the European Union (Withdrawal) Act 2018;
“risk criteria”	for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;
“routing guidelines”	for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;
“secondary sub-deduct premises”	means premises to which gas is conveyed in pursuance of an exemption from section 5(1)(a) of the Act granted under section 6A thereof, for supply by a gas supplier;
“Secretary of State’s costs”	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
“Smart Metering System”	has the meaning given to it in standard condition 1 of the Standard Conditions of Gas Supply Licences;
“specified amount”	for the purposes of standard condition 7 (Provision of Information Relating to Gas Illegally Taken) only, has the meaning given in that condition; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims)

	only, has the meaning given in that condition;
“statutory accounts”	means the accounts that the licensee prepares under the Companies Act 2006;
“storage arrangements”	means arrangements whereby gas shippers may, from time to time and in different cases and circumstances, have gas stored in facilities (other than facilities used solely for diurnal storage or afforded by, or connected to, an independent system or facilities for the conveyance of gas which the licensee uses exclusively for the conveyance of gas to such a system) which both are operated by the person who holds this licence and were operated by that person at a time during the period of 12 months ending with 1 March 1996;
“storage asset”	for the purposes of standard condition 29 (Disposal of Assets) only, has the meaning given in that condition;
“subsidiary”	means a subsidiary within the meaning of section 1159 of the Companies Act 2006;
“supplemental charge”	for the purposes of Section B only, has the meaning given in standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges);

“supplier concerned”	has the meaning given in standard condition 7 (Provision of Information Relating to Gas Illegally Taken);
“supplier’s charges”	for the purposes of standard condition 7 (Provision of Information Relating to Gas Illegally Taken) only, has the meaning given in that condition;
“Supply Point Information Service”	for the purposes of standard condition 31 (Supply Point Information Service) only, has the meaning given in that condition;
“trading business”	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Transportation Business) only, has the meaning given in that condition;
“Transco plc”	means the company (registered in England and Wales under company registration no. 02006000) which had that name on 1 October 2001 whether or not it previously had a different name and that name is subsequently changed;
“transportation arrangements”	means arrangements (including subduct arrangements defined in paragraph 2) whereby gas shippers may, from time to time and in different cases and circumstances, have gas introduced into, conveyed by means of and taken out of the licensee’s pipe-line system and arrangements falling within the preceding provisions of this definition shall be transportation

arrangements notwithstanding that they may involve the utilisation of -

- (a) facilities for the storage of gas in so far as the licensee uses them in connection with its independent systems, including such facilities so used for the purpose of conveying gas to such a system; or
- (b) storage facilities used by the licensee solely for the diurnal storage of gas which has been introduced into its pipe-line system,

subject, however, to paragraph 9 of standard condition 4 (Charging Gas Shippers – General), paragraphs 2 and 4 of standard condition 4E (Requirement to Enter into Transportation Arrangements in conformity with Network Code), and paragraph 6 of standard condition 25 (Long Term Development Statement);

“transportation asset”

for the purposes of standard condition 29 (Disposal of Assets) only, has the meaning given in that condition;

“transportation business”

means the activities of the licensee connected with the development, administration, maintenance and operation of its pipe-line system subject, however, to paragraph 11 of standard condition 4A (Obligations as Regards Charging Methodology), paragraph 2 of standard condition 4D

	(Conduct of Transportation Business) and paragraph 9 of standard condition 24 (Provision of Information to the Authority);
“transportation services area”	has the meaning given at sub-paragraph 5(b) of standard condition 2 (Application of Section C (Transportation Services Obligations));
“Transportation Services Direction”	for the purposes of standard condition 2 (Application of Section C (Transportation Services Obligations)) only, has the meaning given in that condition;
“unadjusted amount”	for the purposes of standard condition 27 (Adjustment of Amounts by Reference to the Retail Price Index) only, has the meaning given in that condition;
“ultimate controller”	means - <ul style="list-style-type: none">(a) a holding company of the licensee which is not itself a subsidiary of another company; and(b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the licensee or any holding company of the licensee by virtue of:<ul style="list-style-type: none">(i) rights under contractual arrangements to which he is

a party or of which he is a beneficiary; or

- (ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary,

but excluding any director or employee of a corporate body in his capacity as such; and

- (c) for the purposes of sub-paragraph (b), a person is connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in that paragraph.

“undertaking”

has the meaning given by section 1161 of the Companies Act 2006;

“value”

has the meaning given in standard condition 7 (Provision of Information Relating to Gas Illegally Taken);

“year”

for the purposes of standard condition 16 (Pipe-Line System Security Standards) only, means a period of 12 months beginning with 1st October; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition.

- 1A. Any reference in this condition to the provisions of the Companies Act 2006 shall before 6 April 2008 be construed as a reference to the corresponding provisions of the Companies Act 1985 or the Companies Act 1989 where applicable in force on 31 March 2008

2. In these standard conditions, except where the context otherwise requires -
 - (a) any reference to “the relevant primary sub-deduct premises”, in relation to any secondary sub-deduct premises, is a reference to the primary sub-deduct premises to which gas was conveyed before its conveyance to those secondary sub-deduct premises;
 - (b) any reference to “sub-deduct arrangements”, in relation to any secondary sub-deduct premises, is a reference to arrangements which a gas shipper makes with the licensee in pursuance of which gas is taken out of the pipe-line system of the licensee at the relevant primary sub-deduct premises with a view to its conveyance to those secondary sub-deduct premises;
 - (c) any reference to “customer” shall, notwithstanding paragraph 4, include a person who is supplied with gas at secondary sub-deduct premises.
3. Any words or expressions used in the Utilities Act 2000 or Part I of the Act shall, unless contrary intention appears, have the same meanings when used in the standard conditions.
4. Except where the context otherwise requires, any reference to a numbered standard condition (with or without a letter) or Schedule is a reference to the standard condition (with or without a letter) or Schedule bearing that number in this licence, and any reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the standard condition or Schedule in which the reference occurs, and reference to a Section is a reference to that Section in these standard conditions.
5. These standard conditions shall have effect as if, in relation to a licence holder who is a natural person, for the words “it”, “its” and “which” there were substituted the words “she”, “her” “hers”, and “whom”, and cognate expressions shall be construed accordingly.
6. Except where the context otherwise requires, a reference in a standard condition to a paragraph is a reference to a paragraph of that condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.

7. Any reference in these standard conditions to -
 - (a) a provision thereof;
 - (b) a provision of the standard conditions of gas shippers' licences, or
 - (c) a provision of the standard conditions of gas suppliers' licences,shall, if these conditions or the standard conditions in question come to be modified, be construed, so far as the context permits, as a reference to the corresponding provision of these or the other standard conditions in question as modified.
8. In construing these standard conditions, the heading or title of any standard condition or paragraph shall be disregarded.
9. Any reference in a standard condition to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence and as incorporated in each other licence under section 7 of the Act (whenever granted) which incorporates it.
10. Where any obligation of the licence is required to be performed by a specified date or time, or within a specified period, and where the licensee has failed so to perform, such obligation shall continue to be binding and enforceable after the specified date or time, or after the expiry of the specified period (but without prejudice to all the rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or time, or within that period).
11. Anything required by or under these standard conditions to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case:
 - (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first-class post as soon as is reasonably practicable, and
 - (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument.
12. The definitions referred to in this condition may include some definitions which are not used or not used exclusively in Sections A and B (which Sections are incorporated in all transporter licences). Where -

- (a) any definition is not used in Sections A and B, that definition shall, for the purposes of this licence, be treated -
 - (i) as part of the standard condition or conditions (and the Section) in which it is used;
 - (ii) as not having effect in the licence until such time as the standard condition in which the definition is used has effect within the licence in pursuance of standard condition 2 (Application of Section C (Transportation Services Obligations));
- (b) any definition which is used in Sections A and B is also used in one or more other Sections -
 - (i) that definition shall only be modifiable in accordance with the modification process applicable to each of the standard conditions in which it is used; and
 - (ii) if any such standard condition is modified so as to omit that definition, then the reference to that definition in this condition shall automatically cease to have effect.

Standard Condition 4B: Connection Charging Methodology (GD/GT)

1. Where any pipe is supplied and laid by the licensee in discharge of the duty imposed by section 10(2)(a) of the Act, for the purpose of connecting premises (“the premises concerned”) to a relevant main, the licensee may charge the person requiring the connection (“the person concerned”) in respect of the cost of supplying and laying the pipe and in respect of connecting the premises concerned to a relevant main.
2. The licensee shall by 1 April 2008 determine and comply with a connection charging methodology approved by the Authority showing the methods by which, and the principles on which, (consistently with its duties under section 9 of the Act) -
 - (a) where a connection is required in pursuance of subsection (2) of section 10 of the Act, charges in respect of the cost of connecting, supplying and laying a pipe or the expenses of the laying of a main are normally to be determined in different cases or circumstances;
 - (b) where a connection is required in a case not falling within subsection (1)(a) or (b) of the said section 10 and the premises are not likely to be supplied with gas at a rate exceeding that from time to time mentioned in subsection (8) of the said section 10 (subject to section 8A(1) of the Act, 2,196,000 kilowatt hours in any period of 12 months), the charges to be made for the connection, including charges for supplying and laying a pipe are to be determined;
 - (c) where a connection or disconnection is required in the case of any premises likely to be, or which have been, supplied with gas at a rate exceeding that from time to time mentioned in subsection (8) of the said section 10, the charges to be made for the connection or disconnection including, so far as appropriate, charges for supplying or laying a pipe or main and charges in respect of anything done or provided in connection with the connection or disconnection in different cases or circumstances are to be determined;

- (d) without prejudice to sub-paragraph (a), in the circumstances mentioned in subsection (10) of the said section 10 (read with any regulations under subsection (11) thereof), charges under the said subsection (10) are normally to be determined in different cases and circumstances;
 - (e) where a connection is required to a pipe comprised in the pipe-line system to which this licence relates to enable gas to be introduced into, or taken out of that system, charges in respect of the connection are normally to be determined in different cases or circumstances; and
 - (f) where a connection is required for works including, in particular, works to increase the capacity of a high pressure pipe-line and by way of the supply and installation of a pipe-line, charges in respect of the connection are normally to be determined in different cases or circumstances.
- 3. The licensee shall, for the purpose of ensuring that the connection charging methodology continues to achieve the relevant objectives:
 - (a) review the connection charging methodology at least once in every year; and
 - (b) subject to paragraph 5, and where applicable, subject to the network code modification procedures (where applicable) as defined in Standard Special Condition A11 (Network Code and Uniform Network Code), make such modifications (if any) of the connection charging methodology as are necessary for the purpose of better achieving the relevant objectives.
- 4. In paragraph 3 and below, the relevant objectives are that:
 - (a) compliance with the connection charging methodology facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence;
 - (b) compliance with the connection charging methodology facilitates competition in the supply of gas, and does not restrict, distort, or prevent competition in the transportation of gas conveyed through pipes;
 - (c) compliance with the connection charging methodology results in charges which reflect, as far as is reasonably practicable (taking account of

implementation costs), the costs incurred by the licensee in its transportation business and, where the Act enables, to charge a reasonable profit;

- (d) so far as is consistent with sub-paragraphs (a), (b) and (c), the connection charging methodology, as far as is reasonably practicable, properly takes account of developments in the licensee's transportation business;
- (e) compliance with the connection charging methodology ensures that the licensee shall not show any undue preference towards, or undue discrimination against, any person who operates, or proposes to operate, a pipe-line system in relation to the connection of that system to the pipe-line system to which this licence relates; and
- (f) the connection charging methodology is compliant with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

5. The licensee shall not make a modification to the connection charging methodology unless it has furnished the Authority with a report setting out:

- (a) the terms proposed for modification;
- (b) how the proposed modification would better achieve the relevant objectives; and
- (c) a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect, being not earlier than the date on which the period referred to below will expire,

provided that where the licensee has complied with the requirements above, it will not make any modification to the connection charging methodology where the Authority has within 30 working days (or within four months if the Authority intends to undertake an impact assessment) of the report being furnished to it under sub-paragraph (b) given a direction to the licensee that the modification shall not be made. The time frames in this paragraph are paused for the duration of any Interruption Period(s) as defined in paragraph 7B which relate to the proposed modification.

6. The licensee shall give the Authority prior notice of its intention to furnish the Authority with a report referred to in paragraph 5, together with a summary of the proposed modification to the connection charging methodology. The licensee shall use reasonable endeavours to provide at least 28 days' prior notice to the Authority of its intention to furnish the report.
7. The Authority may request such further information from the licensee as the Authority considers reasonably necessary to complete its assessment of any report provided in accordance with paragraph 5. Where such a request is made by the Authority, the Authority may stop the clock on the timeframes set out in paragraph 5 until such time that the licensee has provided, to the Authority's reasonable satisfaction, the information requested (an "Interruption Period").
8. The licensee shall, before making any modification in accordance with paragraph 3:
 - (a) revise the connection charging methodology so that it sets out the changed methods and principles and specifies the date from which it is to have effect; and
 - (b) furnish the Authority with a copy of the revised connection charging methodology.
9. The licensee shall -
 - (a) publish the connection charging methodology under paragraph 2 or 8 in such manner as will secure adequate publicity for it and, in the case of a connection charging methodology furnished under paragraph 8, shall so publish it before the effective date thereof;
 - (b) publish with any such connection charging methodology so published a statement that any complaint in respect of a charge to which the connection charging methodology relates, if not resolved between the licensee and the complainant, may be referred to the Authority by letter addressed to the Authority at an address specified in the statement; and

- (c) send a copy of any such connection charging methodology and statement so published to any person who asks for one.
- 10. The licensee shall prepare and furnish the Authority with a statement, or revision or amendment of a statement, which:
 - (a) sets out the basis on which charges will be made for the provision of connections to the pipe-line system to which this licence relates;
 - (b) where appropriate and practicable, is in such form and with such details and examples as are necessary to illustrate to any person requiring a connection how charges are applied for different categories of connection; and
 - (c) is in accordance with connection charging methodology.
- 11. The licensee shall not show any undue preference towards, or undue discrimination against, any person who operates, or proposes to operate, a pipe-line system in relation to the connection of that system to the licensee's pipe-line system.
- 12. The licensee shall:
 - (a) publish the statement under paragraph 10 in such manner as will secure adequate publicity for it; and
 - (b) send a copy of any statement under paragraph 10 to any person who asks for one.
- 13. The licensee shall establish, and keep up to date, a register (or separate registers for different areas) of pipes which have vested in it and become its property by virtue of section 10(6) of the Act and fall within section 10(13)(b) but have not been declared relevant mains under section 10(13) thereof; and an entry in the register in respect of a particular pipe-
 - (a) shall contain sufficient particulars to enable the pipe to be identified;

- (b) shall be made within 28 days of the pipe vesting in, and becoming the property of, the licensee; but
 - (c) shall be deleted, as soon as is reasonably practicable, if the pipe in question is subsequently declared a relevant main under the said section 10(13).
- 14. The licensee shall make arrangements for a copy of the said register (or of the information contained therein) to be available for inspection, electronically, where possible at reasonable times, if it has area offices, at those offices or, if it has not, at its principal office; and, for the purposes hereof, “area office” means one which is fixed for an area for the purposes of section 46(3) of the Act.
- 15. In this condition, any reference to the making of a charge -
 - (a) in relation to the supplying or laying of a pipe in pursuance of section 10(2)(a) of the Act, is a reference to requiring that the person requiring the connection defrays the whole or a part of the cost thereof;
 - (b) in relation to the laying of a main used for the purpose of making a connection and in the circumstances mentioned in section 10(7) of the Act, is a reference to requiring, in pursuance of regulations under that provision, that the person requiring the connection pays an amount in respect of the expenses of the laying of the main; and
 - (c) in the circumstances mentioned in subsection (10) of section 10 of the Act (read with any regulations under subsection (11) thereof), is a reference to requiring the person requiring a connection to be made or maintained in pursuance of subsection (2) or (3) of the said section 10 to make such payments as are mentioned in the said subsection (10),and cognate expressions shall be construed accordingly.