Statutory Consultation: Energy Networks Ring Fence Review

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Energy Networks Ring Fence Review: Statutory Consultation

Thank you for the opportunity to respond to the above statutory consultation[1]. SGN is grateful for Ofgem's continued engagement on Financial Resilience through the Ring Fence Working Groups, the previous Call for Input[2] ("CfI") in November 2024 and policy consultation[3] in November 2025 ("Policy Consultation").

Our response comprises this letter setting out our feedback on the Statutory Consultation, alongside an Appendix describing the required amendments to the Licence Drafting, which we consider would better deliver Ofgem's stated policy intent.

SGN Feedback on Ring Fence Review

As stated in our response to the CfI and Policy Consultation, SGN agree with the original purpose of the ring fence arrangements, namely to *"ensure that network companies remain robust and capable of delivering essential services to consumers throughout the energy transition, while operating within increasingly complex corporate group structures"*.

However, SGN remains of the view that Ofgem have not identified where the current ring fence arrangements are considered inadequate. Secondly, Ofgem has not supported the review objective of "*managing the risk of a licensee getting into financial distress and… [protecting]…the regulated asset base and therefore consumers"* with sectoral evidence:

- to demonstrate why such a risk is not mitigated by the existing ring fence arrangements, or;
- that the risk of licensees getting into financial distress has increased.
- assessing the impact on consumers – that the benefits of changes recommended will be in long term consumer interest compared to the additional burden and constraints on companies

In summary, there is a lack of a clear problem statement, no clear assessment as to how the proposed changes will support greater risk mitigation or impact assessment on stakeholders (i.e. consumers and investors).

[1] Energy Networks Ring-fence Review - Statutory Consultation

[2] Energy Networks ring fence review

[3] Energy Networks Ring-fence Review consultation | Ofgem

As such, the case for change specifically in relation to energy distribution (gas and electricity) has not been articulated. Meanwhile, the equivalence of parallels with other asset-based companies, such as those in the water sector, and any risks that were derived from those parallels would need to be validated to justify a conclusion that a policy response to address them in the gas sector represents proportionate regulation. That analysis and validation has not been undertaken.

Our view therefore remains that the current ring fence licence conditions and policy intent already provide robust protection and therefore we do not see the justification for any greater intervention. This proposed and unjustified additional intervention risks:

- Creating unnecessary constraints (e.g. legitimate dividends could be blocked by inappropriate triggers);
- Increasing burdens on Companies which are not proportionate and;
- Distorting existing governance arrangements that have been established according to relevant legislation and accepted industry practice in the field of corporate governance.

We do recognise Ofgem's engagement process after the Policy Consultation, and where changes have been made as a result, we welcome those changes. However, overall, the adaptations do not adequately address our concerns and much of our, and other stakeholders', feedback has not received a clear response to explain why their outstanding areas of concern have been rejected.

Specific comments on individual Ring-Fenced Licence conditions are set out below, and proposed drafting changes are included in the table accompanying this submission.

SSC A42 Requirement for sufficiently independent directors ('SIDs')

SGN's view is that the existing policy behind the presence of SIDs is appropriate. The existing licence conditions deliver that policy intent, and SGN has implemented that policy intent within its governance documents and tailored it to the corporate structure of SGN. We believe additional formalisation, inclusion of checklists and no materiality thresholds created through changes proposed in this review will merely create administrative burden, resulting in unnecessary changes to our corporate governance arrangements and increasing risk that immaterial breaches with material consequences occur with minimal impact on financial resilience.

Expanding on this, many of the enhanced requirements in relation to SIDs are already reflected within SGN and we have been operating in this manner for some time. Whilst we have 'voluntarily' implemented such arrangements as a matter of best practice, these have been put in place in an efficient manner which is appropriate to our organisation and the needs of the Board Directors. We continue to have reservations regarding their formalisation in terms of the administrative burden for licensees, absence of materiality tests leading to potentially severe consequences (i.e. restriction on distributions to shareholders) arising from minor governance failures), and dual governance alongside SIDs' duties under the Companies Act. SGN's proactive implementation of such measures reflects a preferred modus operandi which may not be universal across Licensees and as such companies must remain empowered to best define their own corporate governance requirements. Formalising requirements will restrict this discretion and could result in mandatory arrangements which do not necessarily best fit the specific organisation.

A non-exhaustive list of pragmatic solutions include:

- The obligation on SIDs to undertake certain actions must be included in the licence condition to which that relevant action relates and describe the nature of the action to be taken. Meanwhile, the SID condition itself (SSC A42) must provide a point of reference for the location of those

distributed duties by providing cross-references to the underlying licence conditions (effectively "indexing" them). This approach will also ensure SSC A42 does not become an uncertain "catch all", presenting networks with undue regulatory risk, as is currently the case. We note these steps are particularly important in the context of long-term management of SID-related obligations by networks, and the non-compliance risk relating to them. We have proposed the necessary adjustments to the proposed text of SSC A42 (9) and (10) in the Appendix to this letter.

- A clear statement in SSC A42 that the purpose of extending the SID signing requirements is to ensure SIDs are part of the Board decision making process on ring fence matters, rather than signing as an expert in a particular field to which the SID attestation relates.
- Application of a materiality threshold, above which SID engagement would be expected, but below which it is acknowledged that the perceived risk to the preservation of ring fence protection is ultimately non-material and outweighed by the administrative burden and risk of inadvertently triggering significant corporate consequences (such as blocking a legitimate dividend) as a result of a non-material governance failure.

We also have particular administrative burden and process concerns in relation to the requirement to submit the annual SID checklist. Our concerns are set out below:

- We have concerns as regards the practicality of its application. For example, the obligation to submit a SID checklist binds every year, not only on the year in which the SID was first appointed. However, we have no guidance as to what would be considered a sufficient change in personal or corporate circumstances that would make a SID deemed to have inappropriate 'skills, knowledge, experience and personal qualities' from year to year. Further, we have no guidance on what the appropriate remedy should be to address such a situation once it has occurred (additional training or replace SID). Therefore, we believe that the checklist (if Ofgem wish to implement it), should only be submitted on the first appointment of the SID.
- Consequently, we are particularly concerned that the SID checklist could be overly prescriptive and duplicative. For example, explicit requirements relating to "skills, knowledge, experience and personal qualities" held by a SID which may drift too far towards Authority intervention.
- Notwithstanding the above, Para 2(b). We have specific concerns that referencing a SID checklist within the statutory licence consultation where only an early draft has been circulated which has outstanding extensive industry feedback). As a result, a change is being proposed to the licence, and we do not have a clear understanding regarding its practical feasibility or delivery.

Our preference is to replicate what we already do in our Annual Report in the RFPR commentary where we essentially do a self-assessment of the SID's knowledge and experience. Any views as to best practice across industry in this self-assessment could be captured by guidance for the RFPR commentary – there is no requirement justifying the inclusion of this as a licence obligation. As with anything in our commentary, Ofgem has the ability to question anything that may need further clarification.

Finally, there are strict requirements under the Companies Act 2006 which should provide Ofgem with assurance around the role of a SID.

SSC A37 - Additional Licence Compliance Obligations for 1C Certificates and Dividend Certificates

A concern by adding four new ring fence licence conditions to the above certificates as set out in SSC A37 (Availability of Resources) is the inadvertent triggering of dividend lock-up as a result of a minor governance breach which has no material consequence to financial resilience- for example late notification of a non-material small inter-company asset disposal.

In addition, the proliferation of the classes of activity under which a minor governance breach could arise presents a cumulative impact to the challenge facing directors when approving the material compliance certificates required under SSC A37. The longer the list of minor non-compliances becomes, the more difficult it becomes to make the "compliance achieved" statement, even if the individual severity of each non-compliance point is no higher than in the past when the list was shorter. This presents an increasing risk burden to directors, and more particularly SIDs, and materially increases the likelihood of a restriction on distribution occurring even though no individual issue on the list of non-compliances is particularly material to financial resilience. The above scenario has arisen as a result of Standard Special Condition A42 (SIDs) now being referenced by the ring fence drafting under the amended SSC A37 licence.

We would suggest that as these existing conditions (SSC A27, A33, A35 and A42) that have been added to the dividend and 1C compliance certificates do not inform financial resilience or financial resources concerns, they are removed and we revert back to the original six ring fence licence conditions. If Ofgem do decide to keep these in the compliance certificate, then as above it is essential a materiality threshold is created to avoid any minor 'technical' breach. This could be in the form of compliance in all material respects for each of these ten conditions and also materiality thresholds around SIDs signing relevant documentation cited in these conditions.

Use and Definition of Credit Rating

We have significant concerns regarding the cumulative impact of the Ring Fence Review and changes made recently under the RIIO-GD3 licence drafting.

Through the GD3 licence drafting, *Standard Special Condition A38 - Credit Rating of the Licensee and related obligations – Part A* was updated as follows *"1. The licensee must maintain more than one Investment Grade Issuer Credit Rating at all times."* Whilst we raised our concerns with this drafting through the GD3 Licence Drafting Working Groups and associated licence consultations, the drafting has remained.

In GD2, the licence required the Licensee to use reasonable endeavours to maintain one rating. An escalation to an absolute requirement in GD3 to hold multiple ratings is particularly inappropriate when Licensees' credit ratings can be influenced by extraneous factors such as government policy decisions.

Furthermore, and as highlighted in our RIIO-3 Draft Determination response, it is critical to ensure the appropriate ratings definitions are referenced. This importance arises from the methodological differences between the credit rating agencies and the intention behind the different ratings. Credit ratings inform expected loss to debt investors, considering both probability of default and loss given default. Consequently, in respect of Fitch, the senior unsecured rating (which is one notch higher than the definition Ofgem use in the Licence) is the appropriate ratings to monitor, rather than the issuer ratings which do not consider Fitch's generic sector uplift, which acknowledges above average debt recovery expectations for regulated networks.

The cumulative effect of the GD3 and Ring Fence Review changes to credit ratings create two scenarios, both of which are sub-optimal:

(i) As previously discussed at length, the use of the Fitch IDR specifically could trigger a dividend lock up and resilience reporting on the basis of a rating one level lower than other agencies; and

(ii) Organisations may therefore become incentivised to hold only the two highest ratings (the licence requirement) and exclude any which increase the risk of a lower rating being applied.

Neither improve financial resilience, and as such we are of the view that the licence drafting is not aligned with the stated objective of the Ring Fence Review. One solution is where a Licensee 'voluntarily' holds more than two ratings, the best two ratings become the licence trigger. Otherwise Ofgem's current policy is incentivising Licensees to remove any credit rating agencies with lower ratings.

Ofgem consent for changes to Reserves - Conflict with Ofgem's Notional Company

Companies can only pay dividends from distributable reserves as governed by the Companies Act. There may be situations where companies may wish to convert non-distributable reserves to distributable to facilitate a dividend payment (whilst complying with the Companies Act). This is very much an 'Actual' company decision and not a 'Notional' Company consideration when assessing price controls.

Therefore, a significant concern regarding proposed changes to A37 (Availability of Resources) is how the requirement for Ofgem to consent to changes in reserves is compatible with Ofgem's 'notional company' – the concept of which is the foundation of the regulatory framework, and against which financeability has always been considered.

Whilst we acknowledge that this change around altering Capital Structures has now been limited to consent for alteration of non-distributable reserves to facilitate a dividend, this proposal remains a significant change to Ofgem's previous policy that actual company financing is within a companies' gift to manage, and as such restricts the rights of a network operator to make changes to its actual company structure. This restriction could be viewed negatively by investors who may see this increased Authority intervention as evidence of increasing regulatory risk. We are proposing that we keep Ofgem informed of such changes in advance without the need for consent. This would allow Ofgem to express any concerns which can be dealt with in a proportionate manner. We are also happy to confirm to Ofgem as part of this engagement that these changes are in compliance with the Companies Act 2006.

Amended Definition of "meter-related services business"

We note the proposed amendment to the above definition to clarify the detailed meaning of the provision of services. However, the definition now references the Network Code and Gas Transporter Licence of Transco Plc – documents which have been superseded by Uniform Network Code and the individual GT licences. The Network Code as of 12 July 2004 is no longer available, and as such Licensees are unable to agree to a definition which we are unable to validate. We would therefore recommend that, if Ofgem consider clarification of this definition necessary, then the desired wording from the original source document is placed into the Licence drafting, with the references to Transco legislation removed.

I trust that the above feedback has been useful and again thank Ofgem for their engagement throughout the ring fence review. Please note that as a point of principle, we believe work by DESNZ on cost recovery frameworks and Ofgem's assessing longer term financeability will inform how to deal with potential financial resilience risks more proactively than the proposed ring fence changes, which in our opinion merely seek to allocate to networks the risk associated with this foreseeable failure of economic regulation, not address the underlying risk itself.

Should you wish to discuss further, please do not hesitate to contact me at David.Handley@SGN.co.uk.

Yours faithfully,

David Handley

Director of Strategy & Regulation

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Issued by: Ofgem

Territorial extent: Great Britain

Response author: SGN

Deadline for responding: 12th August 2026

SGN Appendix

Required Amendments to Licence Drafting

Below we have provided a table which sets out the required amended drafting, alongside an explanation of how the amendment better delivers the policy intent set out by Ofgem.

Licence Reference	Ofgem Statutory Consultation Drafting	Required Amended Drafting	Description of Amendment
SSC A27 Para 11	In respect of a sale, disposal or transfer of a transportation asset to a company or other entity operating within the same group structure as the licensee, the licensee is required to meet the requirement of paragraph 10(c) Standard Special Condition A42: Requirement for sufficiently independent directors.	"*In respect of a sale, disposal or transfer of a transportation asset to a company or other entity operating within the same group structure as the licensee (subject to a materiality threshold of £1m) the licensee … …*"	Insert a materiality threshold by which a SID has to sign a disposal of asset notification to Ofgem
SSC A42 Para 2 a (iv)	in the reasonable opinion of the licensee, be able to meet the duties of a director as specified in the Companies Act 2006	Remove	Meeting directors' duties is already a consequence of the companies act, so this para does not appear to add anything – especially given the requirement on networks to provide a SID checklist on competency etc which addresses the reasonable opinion of network element. If this is to be retained Ofgem needs to explain what it adds – as we presume drafting included as a point to it / an action needed to comply with it.
SSC A42 Para 9 and 10	9. On submissions to the Authority which require approval by a resolution of the board, at least one sufficiently independent is a signatory, alongside at least one other director of the licensee, on behalf of the board in respect of the following submissions: (a) availability of resources certificates, dividend certificate and statement of factors; (b) Financial Resilience Report.	SGN's Preference – Do not introduce these paragraphs. However, if introduced: Firstly – For each of the matters requiring SID signature state the requirement <u>in the relevant underlying licence condition and</u> include a	As a general comment, SGN considers references to SID's signing specific documents should not be introduced. However, if introduced our comments supporting our required drafting amendments are: Firstly – Each SID obligation must appear within the actual licence condition to

Licence Reference	Ofgem Statutory Consultation Drafting	Required Amended Drafting	Description of Amendment
	10. At least one sufficiently independent is a signatory alongside at least one other director of the licensee in respect of the following notifications: (a) issuer credit rating withdrawal; (b) any change in credit rating and / or outlook which would trigger a negative rating action, to a rating of BBB- or one notch above the minimum covenant requirement and is on negative watch (c) proposed asset disposals to another entity operating within the same group structure as the licensee	materiality threshold where relevant. Secondly – SSC A42 (9) and (10) drafting should read as follows: *"9. On submissions … … in respect of the following submissions:* *(a) availability of resources certificates (as specified in SLC A37 paragraphs 2, 3 and 6), and* *(b) dividend certificate (as specified in SLC A37 paragraph 12)."* *"10. At least one sufficiently independent is a signatory alongside at least one other director of the licensee in respect of the following notifications:* *(a) issuer credit rating withdrawal (as specified in SLC A38 paragraph 8);* *(b) any change in credit rating and / or outlook which triggers a Negative Rating Action, to a rating of BBB- (of the Senior Unsecured rating in the case of Fitch Ratings Ltd) or one notch above the minimum covenant requirement and is on negative watch (as specified in SLC A38 paragraph 8)* *(c) proposed asset disposals to another entity operating within the same group structure as the licensee (as specified in SLC A27 paragraph 11)"*	which it relates. Meanwhile, a materiality threshold addresses the risk of minor governance failures leading to the blocking of a legitimate dividend or other disproportionately onerous consequences. See our letter response for our full commentary on these points. Secondly - Implementation must be undertaken in a coordinated manner with cross referencing in SSC A42 to the underlying SSC setting out the duty. In particular SSC A42 must not represent an uncertain catchall around SIDs. Accordingly: A. We note that in our drafting adjustment to para 9: (1) we have added cross references to underlying SLCs (2) "*statement of factors*" has been excluded as there is no SID execution duty in the underlying licence conditions. (3) "Financial Resilience Report" has been excluded as the duty in A38(7) is to "comply with SSC A42 (9)(b)". However A42 9(b) clearly specifies it relates to approvals requiring board resolution and, as SSC A38 Part C does not require approval by board resolution, the inclusion of this element in para 9(b) is inappropriate.

Licence Reference	Ofgem Statutory Consultation Drafting	Required Amended Drafting	Description of Amendment
			B. We note that in our drafting adjustment to para 10: (1) we have added cross references to underlying SLCs (2) reference has been added to the Senior Unsecured rating to avoid unexpected default by networks with a Fitch rating
SSC A42 Para 2(b)	(b) The licensee must, by 31 July each year, submit to the Authority a completed checklist and completed template confirming each sufficiently independent director meets requirements 2 (a)(i), 2 (a)(ii), 2 (a)(iii) and 2 (a)(iv) and state the skills, knowledge, experience and personal qualities each sufficiently independent director holds which are appropriate to perform their duties as an independent non-executive director of the licensee with reasonable care, skill and diligence	The drafting should require that in the RFPR commentary, the licensee must include a section on the SID's skills, knowledge and experience – this can replicate the director biography in the Group's Annual Report if sufficient. Ofgem may consider including guidance in the RFPR RIGs.	Remove reference to a mandatory SID checklist and just reference that the RFPR Commentary should set out the detail required by relevant guidelines
SSC A37 Para 15	Except with the Authority's consent, the licensee shall not make alterations to a capital or reserve category, which are usually non distributable by nature, to facilitate a dividend payment or other distribution. The licensee must provide reasoning and justification for any proposed alteration of the type described in this paragraph to the Authority.	"*Where a Licensee intends to exercise its legal rights to alter a capital or reserve category which is usually non distributable by nature to facilitate a dividend payment or other distribution, the licensee shall provide the Authority with reasonable notice and confirm its intended action is in compliance with the Companies Act 2006*"	Remove reference to Ofgem providing consent for changes to distributable reserves – at the very minimum, Companies should only need to inform Ofgem about the changes and confirm these are in compliance with the Companies Act. If Ofgem insist on retaining the consent, we wish to include the words '*greater than £xx*' after the words '*shall not alterations to a capital or reserve category*'
SSC A37 Para 8 (a), (b), 11 (a)	Standard Special Condition A42 (Requirement	Remove	Remove the additional four licence conditions added to

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	for sufficiently independent directors), A27 (Disposal of Relevant Assets and restrictions on charges, A35 (Prohibition of cross subsidies), and A33 (Restriction on Use of Certain Information and Independence of the Transportation Business;		the 1C and Dividend Certificates
SSC A38 Para 4(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	*"the licensee does not have at least two ratings held for an Issuer Credit Rating or highest rating held for a Significant Instrument Credit Rating that is at least one notch higher than the lowest investment grade and no worse than a Stable Outlook."*	This test should be done on the two best ratings, as this is the minimum required number of ratings the licence requires a licensee to hold.
SSC A38 Para 8	Where a licensee is required to notify the Authority in accordance with paragraph 3(a) of this condition, the licensee is also required to comply with paragraphs 10(a) and/or 10(b) of Standard Special Condition A42: Requirement for sufficiently independent directors.	Where a licensee is required to notify the Authority in accordance with paragraph 3(a) of this condition, the licensee is also required to comply with paragraph 10 of Standard Special Condition A42: Requirement for sufficiently independent directors.	A straightforward reference to SSC A42 para 10 appears most appropriate
SSC A27 Para 11	In respect of a sale, disposal or transfer of a transportation asset to a company or other entity operating within the same group structure as the licensee, the licensee is required to meet the requirement of paragraph 10(c) Standard Special Condition A42: Requirement for sufficiently independent directors.	In respect of a sale, disposal or transfer of a transportation asset to a company or other entity operating within the same group structure as the licensee, the licensee is required to meet the requirement of paragraph 10 Standard Special Condition A42: Requirement for sufficiently independent directors.	As above, a straightforward reference to SSC A42 para 10 appears most appropriate
SSC A39 Para 6	The circumstance described by this paragraph is that the licensee holds more than one Issuer Credit Rating and	The circumstance described by this paragraph is that the licensee does not hold at	This test should be done on the two best ratings, as this is the minimum required number of

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	one or more of the ratings so held is not Investment Grade.	least two investment grade ratings	ratings the licence requires a licensee to hold.
SSC A39 Para 7	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 the Senior Unsecured rating by 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.	*"The circumstance described by this paragraph is that any of the highest two Issuer Credit Rating held by the licensee is* BBB- by Standard & Poor's Ratings Group or the Senior Unsecured rating by 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	(a) This test should be done on the two best ratings, as this is the minimum required number of ratings the licence requires a licensee to hold. (b) The Fitch Rating definition used in the licence for various triggers should explicitly refer to the Senior Unsecured for reasons previously explained to Ofgem This change has the same principle as our proposal for SSC A38 4(a)

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		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.	
SSC A38 6 (a)	a ~~forecast~~ balance sheet;	"*a forecast balance sheet*;"	Removal of 'forecast' from this section has been justified and the word appears appropriate in the context of financial projections
SSC A42 Para 9 and 10	at least one sufficiently independent is a signatory	"*at least one sufficiently independent director is a signatory*"	Needs word 'director' inserting
SSC A42 para 9 (a)	(a) availability of resources certificates, dividend certificate and statement of factors;	Needs an 'and' inserting at the end of this sub para	Minor drafting comment
SSC A42 para 10 (b) & (c)		A42 (10) needs both a ";" and an "and" connector at the end of subpara (b). Sub para (c) simply needs a "." at the end.	Minor drafting comment
SSC A42 para 14	At least one sufficiently independent director must be in attendance … …, the sufficiently independent director must make verbal representations on the licensee's recommendation for remuneration to the committee.	"*At least one sufficiently independent director must be in attendance… … the sufficiently independent director must make verbal representations on the licensee's recommendation for remuneration to the committee reflecting their own assessment of the licensee's remuneration position, not advocacy of a predetermined management recommendation*."	To avoid any suggestion of fettered judgment (s.173).
Definitions: "Meter-related	means the activities of the licensee in connection with ~~the provision of meter-related~~	"*means the activities of the licensee in connection with* [Ofgem to insert actual	As the reference to 2004 Transco Network Code cannot be traced, the cross

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services business"	~~services as~~ provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of the whole or part of the Supply Meter Installation as defined in Section M, paragraph 1.2 of the Network Code of Transco plc, as at 12 July 2004, as defined within Amended Standard Condition 9 (Network Code) of Transco plc's gas transporter licence on that date~~: defined in paragraph 1A of Standard Special Condition D17 (Provision and Return of Meters); and~~	wording sourced from the currently cross-referenced legacy conditions]"; and	reference in the consultation draft should be removed and Ofgem should insert their desired definition directly into the drafting. This aspect of the consultation draft is an example of the antithesis of transparent regulation.