

11 September 2026

Our ref: TC/RPC Stat Con

Gas Distribution Policy Team
Ofgem
10 South Colonnade
London
E14 4PU

By email only to RIIO3@ofgem.gov.uk

Dear Donald

We are pleased to be able to respond to your statutory consultation on amendments to Special Condition 1, and the introduction of Special Condition 2, for independent gas transporters. We have been engaged with Ofgem through the development of this work and we recognise that the policy decision and statutory consultation represents the outcome of a long process of developing appropriate charging arrangements for IGTs.

We believe that, taken in the round, the proposed amendments to SPC1 meet Ofgem's statutory objectives to protect current and future energy consumers and in making their decision to have regard to the ability of licensees to finance the obligations placed on them by the Gas Act and the licence.

Whilst we have argued that the optimal solution would have been to remove the floor and ceiling in their entirety, and that any transition should be considered on an NPV neutral basis, we believe that Ofgem has, in making this decision, given consideration to those arguments in conducting its statutory duties.

Notwithstanding this, it is important that this decision is implemented and that the outcome does not alter the policy decision. It was, and is, imperative that these changes are implemented as soon as possible to avoid the risks to current and future consumers set out in the consultation. We welcome the fact that Ofgem intends for these changes to apply to charges levied by independent gas transporters from January 2027.

We understand the requirement of introducing SPC2 in order to enable Ofgem to introduce RIGs for IGTs and we remain committed to working with Ofgem to ensure that the subsequent reporting requirements are robust, meaningful and demonstrate performance for consumers on IGT networks.

Yours Sincerely

Tom Cadge
Director of Regulatory Affairs