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Last Mile Gas Limited (LMGL) Statutory consultation on modifications to Independent Gas Transporter licence conditions for the Relative Price Control

Dear Matthew and Gas Distribution Policy Team, Ofgem

Thank you for the opportunity to respond to the above Consultation.¹ This response is provided by Last Mile Gas Limited (“**LMGL**”) - an Independent Gas Transporter (IGT) across mainland Great Britain.

IGTs connect around 80% of new homes to their gas networks and, due to the transitional arrangements for the Future Homes Standard, new connections are expected to continue until around 2030. IGTs will therefore be continuing to invest in new networks as well as providing services to existing user of their networks for decades to come.

We welcome Ofgem’s review of the Relative Price Control (RPC) and support its evidence-based decision that a case for revising the RPC floor and/or ceiling has been sufficiently established and its decision to implement Option 2b - Adjust RPC according to RIIO changes (keeping the floor and ceiling) with a phased uplift to align IGT with GDN charges.²

In this Statutory Consultation Ofgem are consulting on proposed modifications to the gas transporter licences held by IGTs to give effect to their decision on the IGT RPC:

- Update Special Condition 1: Charging of Gas Shippers – Relative Price Control
- Introduce a new Special Condition 2: IGT Regulatory Instructions and Guidance (IGT RIGs).

We have provided our feedback on both.

¹[Statutory consultation on modifications to Independent Gas Transporter licence conditions for the Relative Price Control | Ofgem](#)

² [Policy Decision on the Independent Gas Transporters Relative Price Control review](#)

Update Special Condition 1: Charging of Gas Shippers – Relative Price Control

We fully support Ofgem's proposed licence drafting for Special Condition 1. We believe that the legal text reflects the policy intent of Ofgem's decision.

Introduce a new Special Condition 2: IGT Regulatory Instructions and Guidance (IGT RIGs).

We note that the IGT RIGs themselves will be issued by direction and are not being issued through this statutory consultation.

We support the IGT RIGs as drafted, noting that they may be supported by Guidance, which we would welcome.

We also fully support the approach to reporting as set out within the Decision document.³

Conclusion

We fully support Ofgem's decision and look forward to continuing to work collaboratively with Ofgem throughout the RPC implementation.

Sincerely,

Gavin Baillie
Head of Regulatory Affairs

³ [Policy Decision on the Independent Gas Transporters Relative Price Control review](#)