To:

Harlaxton Gas Networks Limited

Leep Gas Networks Limited and

Stark Infra-Gas Limited

(the "Affected Licensees")

Gas Act 1986
Section 23(2)

Notice of decision to modify the Special Conditions of the Gas Transporter licence held by each of the Independent Gas Transporter licensees listed above to insert Special Condition 1 and Special Condition 2 into their licences

1. Each licensee to which this Notice is addressed is the holder of a Gas Transporter licence granted, or treated as granted, under section 7 of the Gas Act 1986 ('the Act').

2. On 5 October 2026, the Gas and Electricity Markets Authority ('the Authority') gave notice[1] under section 23 of the Act of its proposal to modify the Gas Transporter licences held by the IGT licensees listed above (the Affected Licensees).

3. The proposed modifications were intended to regularise the licences of the Affected Licensees by inserting the modified Special Condition 1 (SPC1) and a new Special Condition 2 (SPC2), reflecting the modifications previously consulted on and decided upon by the Authority[2].

4. The statutory consultation notice invited representations on the proposed modifications to the licences, by 2 November 2026.

5. A copy of the statutory consultation notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act. The Authority has not received a direction that the modifications should not be made.

6. We received one response to the statutory consultation and have carefully considered the representations made. The non-confidential response is published alongside this Notice. Our consideration of those representations and the reasons for our decision are set out in *Appendix 4*.

7. We are making the licence changes to the licences of the Affected Licensees because:

    - It is necessary to regularise the position of the Affected Licensees to ensure consistency with the wider IGT market. The licences of other IGT licensees already contain SPC1, and to ensure that the Affected Licensees are subject to the same

[1] Notice of intent: regularising Gas Transporter Licences without SPC1 | Ofgem
[2] Statutory consultation on modifications to Independent Gas Transporter licence conditions for the Relative Price Control | Ofgem

applicable regulatory requirements.

- The Authority considers it necessary, as part of regularising the position of the Affected Licensees, to make the consequential and targeted modifications required to give effect to its IGT Relative Price Control review decision[3].

8. Further to our decision notice on the Statutory Consultation on modifications to IGT licence conditions for the Relative Price Control, we have made one minor administrative change since our statutory consultation to SPC1, which is to remove Appendix 1. The application of SPC1 to an individual IGT is determined by the terms and conditions of that licensee's licence or relevant statutory decisions made by Ofgem, rather than by the list in Appendix 1 and maintaining an up-to-date list of relevant licensees in SPC1 creates an unnecessary administrative burden.

9. The effect of the modifications is to:
   - Regularise the position of the Affected Licensees by applying the latest version of SPC1: Charging of Gas Shippers – Relative Price Control, to update the Relative Price Control framework; and

   - Insert a new SPC2: IGT Regulatory Instructions and Guidance ('IGT RIGs'), which sets out the scope, contents, and common governance arrangements for the IGT RIGs.

10. This document is notice of the reasons for the decision to modify the Gas Transporter licences of the Affected Licensees as required by section 38A of the Act.

Further Information

11. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.6 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules requires that the appellant must send to any relevant licence holders which are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2.

12. This Notice and other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).

13. Under the powers set out in section 23(2) of the Act, the Authority hereby modifies the Special Conditions of the Gas Transporter Licences held by the Affected Licensees.
    The modifications will take effect on **31 December 2026.**



Ash Wise

Senior Policy Lead

Licensing – Market Oversight and Enforcement

Duly authorised on behalf of the Gas and Electricity Markets Authority

5 November 2026

[3] IGT-RPC-decision-v1.3.pdf

Appendix 1- Decision to modify the Special Conditions of the Gas Transporter licence held by Independent Gas Transporters with SPC1

1. Ofgem previously consulted from 14 August 2026 to 12 September 2026 on proposed modifications to IGT licences to update SPC1 (Charging of Gas Shippers – Relative Price Control) and introduce SPC2 (IGT Regulatory Instructions and Guidance).

2. The current consultation should be read alongside that consultation where relevant.

3. A decision was published on by 23 October 2026, to modify the Special Conditions of the Gas Transporter licences held by each of the Independent Gas Transporters who held Special Condition 1.

4. The details of the outcome and the original consultation can be found here: Statutory consultation on modifications to Independent Gas Transporter licence conditions for the Relative Price Control | Ofgem (or by copy and pasting the following text into a web browser: https://www.ofgem.gov.uk/consultation/statutory-consultation-modifications-independent-gas-transporter-licence-conditions-relative-price-control).

Appendix 2- Proposed Modifications to Special Condition 1. Charging of Gas Shippers – Relative Price Control

1. Subject to paragraph 2, where the licensee makes charges in accordance with paragraph 1(a) of standard condition 4 (Charging of Gas Shippers – General) after 31 December 2003 and where:
   a) the licensee provides transportation arrangements to a premises;
   b) the premises are not defined as legacy sites as defined within paragraph 3 of this condition; and
   c) charges, or revenues derived from them, are, in the main, not controlled or limited in pursuance of any condition of this licence other than standard condition 4 (Charging of Gas Shippers – General) or standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges),

   then paragraph 5 of standard condition 4 (Charging of Gas Shippers – General) shall cease to have effect in relation to the premises.

2. For premises subject to paragraph 1 above or paragraph 3(4) of this condition the licensee shall for all such premises, unless the Authority consents otherwise in writing, charge no more than TC_t:

(1) Subject to sub- paragraph (1A)

(a) Where RC_t is less than C_t and greater than F_t, then

$$TC_t = RC_t$$

(b) Where RC_t is greater than or equal to C_t, then

$$TC_t = C_t$$

(c) Where RC_t is less than or equal to F_t, then

$$TC_t = F_t$$

Subject to this condition at Entry-point, then RC_t shall be calculated as follows:

$$RC_t = SSP - CSEP$$

Where t is greater than 1, RC_t shall be calculated as follows:

$$RC_t = RC_{t-1} \text{ X} \left(1 + \frac{wSSP_r}{100}\right)$$

(1A)

Where $_t$ is the year 2027:

(a) Where RC_t is less than C_t and greater than F_t then

$$TC_t = RC_t$$

(b) Where RC_t is greater than or equal to C_t then

$$TC_t = \frac{RC_t + C_t}{2}$$

(c) Where RC_t is less than or equal to F_t, then

$$TC_t = F_t$$

From 1 January 2028, this paragraph (1A) shall cease to apply and, for premises to which paragraph (1A) applied during calendar year 2027, charges shall thereafter be determined in accordance with the remainder of paragraph 2.

(2) The licensee shall adjust charges on 1 January each year in accordance with this condition. Where the Entry-point is in the immediately preceding period of 1 October to 31 December, the licensee shall not adjust charges in accordance with paragraph 2 above but shall modify the charges in accordance with this condition each 1 January thereafter.

(3) To determine the level of charges the licensee shall apply Annual Quantity in relation to domestic premises in accordance with standard Annual Quantity as accepted by the Authority, and for other premises as reasonably estimated and agreed between the licensee and any relevant shipper, unless the Authority directs otherwise for those other premises. In this paragraph 2(3) domestic premises excludes any domestic premises where a surcharge is made pursuant to paragraph 5 of this condition.

(4) At Entry-point and at each Reset-point, C_t and F_t shall be calculated as follows:

$$C_t = RC_t \text{ X } (1 + 0.05)$$
$$F_t = RC_t \text{ X } (1 - 0.05)$$

Where t is greater than 1 and falls in the year 2026 or any earlier year, C_t and F_t shall be calculated as follows:

$$C_t = C_{t-1}\left(1 - \frac{\Delta_r}{100}\right) \text{X } \left(1 + \frac{RPI}{100}\right)$$
$$F_t = F_{t-1}\left(1 - \frac{\Delta_r}{100}\right) \text{X } \left(1 + \frac{RPI}{100}\right)$$

Where $_t$ is the year 2027 or any subsequent year, except at a Reset-point, C_t and F_t shall be calculated as follows:

$$C_t = C_{t-1} \text{ X } \left(1 + \frac{CPIH}{100}\right)$$
$$F_t = F_{t-1} \text{ X } \left(1 + \frac{CPIH}{100}\right)$$

(5) Charges made or which fall to be made to premises under paragraph 1 of this condition shall be determined in accordance with this condition for a period of no less than 10 years from Entry-point.

(6) Where the Authority reviews charges made, or which may be made, under this condition and implements any such review after 2014, the Authority shall, in the course of conducting its review, have regard to previous efficiently incurred capital expenditure made by the licensee in the course of carrying on activities required by or permitted under the Gas Act and the licence.

Definitions:

Annual Quantity: means the annual quantity of gas off-taken, or which may be reasonably likely to be off-taken, by a single supply point or connected system exit point;
C_t: means the charge ceiling as determined in accordance with paragraph 2 (4) of this condition;

CPIH: means the value published in October of each year by the Authority and calculated as the percentage change (whether of a positive or a negative value) in the arithmetic average of the consumer prices index including owner occupiers' housing costs determined in respect of April to September (both inclusive) of the current calendar year and the arithmetic average of the consumer prices Index including owner occupiers' housing costs determined with respect to April to September of the previous calendar year.

CSEP: means the relevant licenced gas transporter's connected system exit point charges calculated at the prevailing charge in accordance with the prevailing methodology statement for Network Region r at Entry-point; excepting charges for metering arrangements, meter reading, CSEP administration charges, NTS entry capacity charges where determined by auction, or other charges determined in writing by the Authority;

Entry-point: means the date at which t=1 and, with the exception of premises subject to paragraph 3 (4) of this condition, shall be determined as either the date of connection of a premises to the licensee's pipe-line system, and where gas has entered the premises' service pipe, or the date the licensee is contractually bound to provide a connection to the person requiring that connection. The licensee shall select the entry-point date within 60 days of the contract to connect, unless the Authority otherwise directs the date of the Entry-point;

F_t: means the charge floor as determined in accordance with paragraph 2 (4) of this condition;

GDN Price Control: means the price control framework established by Ofgem for gas distribution networks under the RIIO (Revenue=Incentives +Innovation +Outputs) regulatory model, and any subsequent models, which sets allowed revenue, outputs, incentives, and associated obligations applicable to gas distribution licensees for a defined control period, included (but not limited to) the arrangements contained in the RIIO-GD3 price control for 1 April 2026 to 31 March 2031 and any subsequent price control period determined by Ofgem for gas distribution networks.

RPI: means the value published in October of each year by the Authority and calculated as the percentage change (whether of a positive or a negative value) in the arithmetic average of the retail price index determined in respect of April to September (both inclusive) of the current calendar year and the arithmetic average of the retail price index determined with respect to April to September of the previous calendar year;

RC_t: means the relative charge for each premises in year 't' as determined in paragraph 2 of this condition.

RC_{t-1}: means the relative charge for each premises in the year preceding year 't' as determined in paragraph 2 of this condition.
Reset-point: means 1 January immediately following the coming into force of the most recent GDN Price Control, except that the first Reset-point shall be 1 January 2028.

SSP: means the relevant licenced gas transporter's single supply point charges for premises calculated at the prevailing charge in accordance with the prevailing methodology statement for Network Region r at the Entry-point; excepting charges for metering arrangements, meter reading, CSEP administration charges, NTS entry capacity charges where determined by auction, or other charges determined in writing by the Authority;
TC_t: means the maximum charge the licensee may charge for each premises subject to paragraph 2 of this condition in year 't';

$wSSP_r$: means the change in the average of the relevant licenced gas transporter's single supply point charge from year t-1 to year t for each Network Region r.

Networks Regions r comprise: r1 Scotland, comprising LDZ exit zones SC; r2 North and Yorkshire, comprising LDZ exit zones NO, NE; r3 North West, comprising LDZ exit zones NW; r4 East England, comprising LDZ exit zones EM, EA; r5 West Midlands, comprising LDZ exist zones WM; r6 Wales and South West, comprising LDZ exit zones WA, SW; r7 North London, comprising LDZ exit zones NT; and r8 South and South East, comprising LDZ exit zones SO, SE.

The values for wSSPr in respect of each region shall be determined and published in October of each year by the Authority; and

Δ_r : means the annual percentage change in respect of the Network Region r in which the premises are located, and has a value according to the schedule below:

Region	**Annual percentage change**
R_1 Scotland	0.42
R_2 North and Yorkshire	1.13
R_3 North West	1.40
R_4 East England	1.64
R_5 West Midlands	1.57
R_6 Wales and South West	0.36
R_7 North London	1.23
R_8 South and South East	1.51

3. In respect of legacy sites the licensee shall, within 60 days of 1 January 2004, calculate and notify to the Authority a date by which all such premises shall be charged according to paragraph 2 above, and the Authority shall then direct a date (the "migration date") as soon as reasonably practicable within six months of the notification.

   (1) In calculating the above date the licensee shall use its best endeavours to take into account the following factors:
      (a) the migration date shall be calculated on a revenue neutral basis and the notification by the licensee shall include, or the licensee shall otherwise provide as required by the Authority, all necessary information for the Authority to determine the reasonableness of such calculation; and
      (b) from the migration date, charges determined pursuant to paragraph 5 of standard condition 4 (Charging of Gas Shippers – General) or paragraph 4 of standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges) shall cease to have effect for legacy sites.

   (2) Where the Authority directs a migration date or conducts a review pursuant to paragraph 2(6) of this condition, the Authority shall, in each case and where necessary, direct a migration date so as to achieve the objective of revenue neutrality.
   (3) From the beginning of the calendar year immediately following the migration date, charges determined pursuant to paragraph 5 of standard condition 4 (Charging of Gas Shippers – General) or paragraph 4 of standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges) shall cease to have effect for legacy sites.
   (4) From the beginning of the calendar year immediately following the migration date, the charges to shippers in respect of legacy sites shall thereafter be made in conformity with paragraph 2 of this condition subject to charges calculated on the basis of an Entry-point of 1 January 2004, and inclusive of all relevant adjustments to charges specified in this condition since 1 January 2004 up to the migration date.

Definitions:

Legacy site(s) means existing or future premises in respect of which

a. the licensee has had a methodology accepted by the Authority pursuant to paragraph 4 of standard condition 4C; or

b. the licensee makes, or shall make, charges to shippers under standard condition 4 and at least one premises that forms part of the same clearly identifiable site or project was connected to the licensee's pipeline system and gas had entered the premises' service pipe before 1 January 2004.

4. The Authority may, on written application by the licensee within 60 days of this condition being implemented, consent to charging arrangements other than those required by paragraphs 1, 2 and 3 of this condition. The Authority's written consent may contain such terms and conditions as the Authority determines necessary.

5. Where charges are made in accordance with paragraph 2, they may include a surcharge subject to the following conditions:
   (a) maximum surcharge of 0.3412 pence per kWh of gas transported adjusted on 1 January of each year by a factor of $\left(1 + \frac{RPI}{100}\right)$ starting from 1 January 2004. RPI has the same meaning as given in paragraph 2 of this condition;
   (b) the surcharge has a maximum duration of 20 years from the entry point (when the surcharge to the relevant shipper first falls due). For the avoidance of doubt, the surcharge period is not restarted in the event that another shipper takes control of the supply of gas to that premises;
   (c) the surcharge may only apply to existing domestic premises which were in existence for not less than 6 months prior to the provision of the gas main extended specifically for connection of those premises, and which have not previously received a supply of natural gas;
   (d) the licensee has, on request to provide a connection by the owner or occupier of the premises, extended a gas main to specifically connect the premises;
   (e) the licensee must notify the Authority of the specified amount and specified duration as soon as reasonably practicable but in any event no later than 28 days prior to any such charge falling due; and
   (f) the Authority may direct the licensee not to make the surcharge within 28 days of the notification in (e) above.

6. The licensee shall furnish the Authority with a statement of charges determined in respect of paragraph 2 in a form approved by the Authority. The licensee shall:
   (a) publish a statement, or revision or amendment of a statement, furnished, or notice given, under paragraph 2 in such manner as will, in its reasonable opinion, secure adequate publicity for it;
   (b) send a copy of any such statement, revision, amendment or notice so published to any person who asks for one; and
   (c) furnish the Authority with specified information in respect of its charges in a specified form as requested from time to time.

7. References in paragraph 2 of this special condition 1 to charges do not include references to:
   (a) charges related to the acquisition or disposal of gas for purposes connected with the balancing of the licensee's pipe-line system;
   (b) to the extent (if any) to which the Authority has accepted that they should, as respects certain matters, be so determined, charges determined by reference to provisions in that behalf set out in the Network Code; or
   (c) charges related to the provision of meters or reading of meters.

Conditions are to continue subject to disapplication

8. The charging arrangements in paragraph 2 and in paragraph 5 of this condition apply so long as this licence continues in force but shall cease to have effect (in whole or in part) if the licensee makes a Disapplication Request to the Authority in accordance with paragraphs 9 to 20 of this condition and:
   (a) the Authority agrees in Writing to the Disapplication Request; or
   (b) the provisions that are the subject of the Disapplication Request are disapplied by a Disapplication Notice given by the licensee in accordance with the provisions of this condition.

Date from which a disapplication may take effect

9. Except where the Authority otherwise consents, a disapplication following the service of a Disapplication Request may not have effect until a date that is no earlier than 18 months after service on the Authority of the Disapplication Request.

Procedure for making a Disapplication Request

10. The licensee may ask the Authority to consent to the disapplication of paragraphs 2 and 5 of this condition (in whole or in part) by serving a Disapplication Request on the Authority.
11. A Disapplication Request must:
    (a) be in Writing and addressed to the Authority;
    (b) specify the paragraphs of this condition (or any part or parts thereof) to which the request relates;
    (c) provide a full statement of the licensee's reasons for making the Disapplication Request;
    (d) contain such other information or analysis as the licensee considers necessary to enable the Authority to fully assess the Disapplication Request; and
    (e) state the date that is proposed by the licensee (which must not be earlier than the appropriate date that is mentioned in paragraph 9) on and after which the specified paragraphs (or any part or parts thereof) would cease to have effect (the "Disapplication Date").
12. A Disapplication Request may be served in respect of a specified geographic area.
13. If, within 28 working days of receipt of a Disapplication Request, the Authority gives notice to the licensee:
    (a) specifying further information or analysis that it reasonably considers is required in order to fully assess the Disapplication Request; and
    (b) requesting the licensee to provide that information or analysis,

the Disapplication Request shall be treated for the purposes of this condition as not delivered to the Authority until that further information or analysis is provided. If in consequence the Disapplication Date set out in the Disapplication Request no longer complies with paragraph 9, the Disapplication Date shall be treated as being the earliest date that would comply with that paragraph.

14. The giving of notice under paragraph 13 shall not preclude the Authority from making such further requests for information or analysis, or for the reformatting of information or analysis already provided, as it may consider it requires to assess the Disapplication Request.
15. The licensee may withdraw a Disapplication Request at any time.

Licensee's right to disapply under a Disapplication Request

16. If the licensee has made a Disapplication Request that complies with the requirements of paragraphs 9 and 11 of this condition, and the circumstances described in paragraphs 17 or 19 of this condition apply, it may subsequently serve a Disapplication Notice on the Authority disapplying some or all the provisions that are subject to the Disapplication Request.

Disapplication without involvement of the Competition and Markets Authority

17. The licensee may serve a Disapplication Notice on the Authority if, by the Disapplication Date specified in the relevant Disapplication Request, the Authority has not responded to the request by publishing a decision under section 23 of the Act to modify this condition in either of the ways described in paragraph 18.
18. The ways referred to in paragraph 17 are:
    (a) modify any of the provisions referred to in the Disapplication Request; or
    (b) modify this condition so as to remove the licensee's right to serve a Disapplication Notice on the Authority in respect of the relevant Disapplication Request.

Disapplication after involvement of the Competition and Markets Authority

19. The licensee may also serve a Disapplication Notice on the Authority if the Authority has published a decision described in paragraph 18 of this condition but:
    (a) the licensee has exercised its right to appeal to the Competition and Markets Authority against that decision of the Authority as provided for by section 23B of the Act;
    (b) the Competition and Markets Authority has quashed the Authority's decision, and has included in its direction to the Authority a provision relating to the right for the licensee to serve a Disapplication Notice on the Authority; and
    (c) no more than 20 working days have elapsed since the date from which the licensee may serve a Disapplication Notice on the Authority under the Competition and Markets Authority's direction.
20. A Disapplication Notice under paragraphs 17 and 19 must also comply with any terms and conditions specified in the Competition and Markets Authority's direction.

Interpretation

21. For the purposes of this condition:
    (a) **Disapplication Notice** means a notice served on the Authority in accordance with paragraphs 17 or 19 of this condition disapplying some or all of the provisions the subject of a Disapplication Request.
    (b) **Disapplication Request** means a request made to the Authority in accordance with paragraph 10 of this condition to disapply some or all of the provisions of paragraphs 2 and 5 of this condition.
    (c) **Writing** includes writing that is sent or received by Electronic Communication.

Appendix 3- Independent Gas Transporters (IGTs) - Special Condition 2: IGT Regulatory Instructions and Guidance ('IGT RIGs')

Introduction

1. This condition sets out the scope, content, and governance arrangements for the IGT Regulatory Instructions and Guidance ('IGT RIGs').

2. The IGT RIGs are the primary mechanism through which the Gas and Electricity Markets Authority ('Authority') directs licensees to collect, maintain, and provide the information required by the Authority to administer and monitor compliance with the special conditions of this licence and, where applicable, relevant published determinations.

Part A: The IGT RIGs

3. The Authority will issue and amend the IGT RIGs by direction.

4. The Authority will maintain a current version of the IGT RIGs on the Authority's website.

5. The IGT RIGs may make provision for:
   a. instructions and guidance on recording and providing specified information;
   b. instructions and guidance on the standards of accuracy and reliability that are applicable to the recording of specified information and the supporting commentary to enable the Authority to assess efficiency and delivery of value to consumers;
   c. requirements as to the form and manner in which, or the frequency in which, specified information must be recorded and provided to the Authority;
   d. provision about how the Authority intends to monitor, assess, and enforce compliance with the IGT RIGs.

6. Before issuing new IGT RIGs or amending the IGT RIGs the Authority will publish on the Authority's website:
   (a) the proposed text of the new or amended IGT RIGs;
   (b) the date on which the Authority intends the new or amended IGT RIGs to come into effect;
   (c) the reasons for the new or amended IGT RIGs; and
   (d) period during which representations may be made on the new or amended IGT RIGs which will not be less than 28 days.

Part B: Compliance with the IGT RIGs

6. The licensee must comply with the IGT RIGs.

8. The licensee must have in place and maintain appropriate systems, processes, and procedures to enable it to:
   (a) estimate, measure, and record specified information; and
   (b) provide specified information to the Authority in accordance with the IGT RIGs.

9. The accounting records and other records kept by the licensee with respect to the specified information must be:
   (a) separately identified and reasonably attributed as between the licensee's business and the business of any affiliate or related undertaking of the licensee; and
   (b) maintained for a period of eight years, or such shorter period as set out in the IGT RIGs, from the date that they are made.

9. The licensee must take all reasonable steps to validate and check that the specified information is complete, reliable and meets the standards prescribed by the IGT RIGs.

11. The licensee must, on or before each submission date as outlined in the IGT RIGs, write to the Authority to confirm that, in its opinion, the specified information in respect of each regulatory reporting year i.e. from April – March meets the standards prescribed by the IGT RIGs.

12. Nothing in this condition requires the licensee to provide any documents or give any information that it could not be compelled to produce or give in evidence in civil proceedings before a court.

Part C: Requirements for new or more detailed information

12. This Part C applies if any new or amended IGT RIGs have the effect of introducing a requirement to provide a new category of specified information; or an existing category of specified information to a greater level of detail, which has not previously been collected by the licensee, whether under the provisions of the IGT RIGs or otherwise.

13. Where this Part C applies, the licensee must provide the relevant category of specified information to the Authority where such data is available. In the absence of this data, the licensee may provide estimates only with the Authority's approval, and only in respect of such regulatory reporting years as are specified by the Authority.

15. The estimates that are mentioned in paragraph 14 of this condition may be derived from such other information available to the licensee as may be appropriate for that purpose.

Part D: Derogations

16. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee.

Appendix 4- Response to Representations

Cadent Gas Limited – Response Summary:

Cadent supported the proposed licence modifications, including the introduction of Standard Special Conditions (SPC) 1 and 2 into the identified Gas Transporter licences.

It particularly welcomed the proposed introduction of SPC2 and the development of an Independent Gas Transporter (IGT) Regulatory Instructions and Guidance (RIGs) framework, noting that the IGT sector now serves more than three million customers and that appropriate regulatory oversight of customer service and network performance is therefore important.

Cadent considered that the proposed framework should improve the consistency, reliability and assurance of information available to Ofgem, supporting more effective oversight of the IGT sector.

It also highlighted the potential for the framework to support greater consistency in customer services and outcomes between Gas Distribution Networks (GDNs) and IGTs, alongside more consistent information on network performance where appropriate.

Cadent emphasised, however, that the detailed reporting requirements developed under the framework should remain proportionate to the nature and scale of the IGT sector, while ensuring that information provided to Ofgem is of sufficient quality and consistency to support effective regulatory oversight.

Overall, Cadent supported the proposals and raised no objections to their implementation, subject to reporting requirements being developed on a proportionate basis.

Ofgem Response to Representations:

We welcome the support for the proposed licence modifications. The response confirms that the proposed modifications to regularise the Affected Licensees' positions, reflect our policy direction.

Whilst Cadent Gas Limited is not named in this particular consultation as an Affected Licensee, we consider the regularisation of the named Affected Licensees to be proportionate and that no further changes to SPC1 or SPC2 are needed before implementation, other than the administrative change to SPC1 set out in paragraph 2.4 of the complementary Decision on modifications to Independent Gas Transporter licence conditions for the Relative Price Control.

The relevant feedback will also be noted by Ofgem as any policy positions develop.
Further details are available in the full outcome and supporting documents for the Statutory consultation on modifications to Independent Gas Transporter licence conditions for the Relative Price Control.