

**Standard Special Condition A[ 1]. Charging Gas Shippers – General**

**NOTE: THE AMENDMENTS TO BE INTRODUCED UNDER THE SECTION 8AA PROCESS SHOWN BELOW AT PARAGRAPH 2:**

**IMPOSE A REASONABLE ENDEAVOURS OBLIGATION ON THE LICENSEE NOT TO MAKE CHANGES TO CHARGES MORE THAN [ONCE] PER YEAR AND TO MAKE SUCH CHANGES ON A SPECIFIED DATE [1 OCTOBER]. *IT IS NGT'S VIEW THAT EITHER SUCH AN OBLIGATION SHOULD NOT APPLY IN RESPECT OF NTS CHARGES OR THAT ANY SUCH OBLIGATION SHOULD ALLOW FOR THE CHANGING OF CHARGES AT LEAST TWICE PER YEAR.*; AND**

**OBLIGE THE LICENSEE TO COMPLY WITH THE PROVISIONS OF THE JOINT GOVERNANCE ARRANGEMENTS RELATING TO THE ADMINISTERING OF THE COORDINATION OF CHARGING CHANGES.**

**1. The licensee shall furnish the Authority with a statement of -**

- (a) the charges to be made in pursuance of transportation arrangements *other than those sold by way of an auction pursuant to which the price payable for such transportation arrangements is determined* with specified descriptions of gas shippers in different specified cases or descriptions of cases;
- (b) *the reserve price, if any, to be applied in any auction in respect of transportation arrangements*; and
- (c) the methods by which, and the principles on which, those charges *or reserve prices* are determined in accordance with the methodology referred to in paragraph 5;

and, without prejudice to paragraph 2, if any change is made in the charges to be so made, *or in the reserve prices to be applied*, or in the methods by which, or the principles on which, those charges *or reserve prices* are to be so determined, the licensee shall, before the change takes effect or, if that is not

reasonably practicable, as soon as is reasonably practicable thereafter, furnish the Authority with a revision of the statement or, if the Authority so accepts, with amendments to the previous statement, which reflect the change.

2. The licensee shall –

- (a) use its reasonable endeavours:
  - (i) not to make any changes to the charges or reserve prices mentioned in paragraph 1 more frequently than [once] in each [financial] [formula] year; and
  - (ii) only to make changes to the charges or reserve prices mentioned in paragraph 1 on [1 October] [and [ ]] in each [financial] [formula] year;
- (b) comply with the Joint Governance Arrangements (as defined in [Standard Special Condition A[ ][C] (Joint Governance Arrangements)]) to the extent that such arrangements relate to the administering of the coordination of any proposals referred to in sub-paragraph (a) made by the licensee with any such proposals made by any other licensed gas transporter in whose licence the condition corresponding to this condition has effect;
- (c) give the Authority notice of any proposals which it is considering to change the charges *or reserve prices* mentioned in paragraph 1, together with a reasonable estimate of the effect of the proposals (if implemented) on those charges *or auctions for which the reserve prices are to be applied*, and shall use all reasonable endeavours to do so at least 150 days before the proposed date of their implementation; and
- (d) where the licensee has decided to implement any proposals to change the charges *or reserve prices* mentioned in paragraph 1, give the Authority notice of this decision and the date on which the proposals will be implemented which shall not, unless the Authority otherwise consents, be less than a month after that on which the notice required by this sub-paragraph was given.

3. The licensee shall -
- (a) publish any statement, or revision or amendment of a statement, furnished, or notice given, under paragraph 1 or 2 in such manner as will, in its reasonable opinion, secure adequate publicity for it; and
  - (b) send a copy of any such statement, revision, amendment or notice so published to any person who asks for one.
4. Except in a case in which the Authority accepts otherwise, the licensee shall only enter into transportation arrangements which *either*
- (a) secure that the charges in pursuance thereof will be in conformity with the statement last published under paragraph 3 either -
    - (i) before it enters into the arrangements; or
    - (ii) before the charges in question from time to time fall to be made,and, for the purposes of this paragraph, the reference to the statement last published under paragraph 3 shall be construed, where that statement is subject to amendments so published before the relevant time, as a reference to that statement as so amended; *or*
  - (a) *are subject to prices set in an auction process which include either –*
    - (i) *a reserve price in conformity with the statement last published under paragraph 3 before the auction took place;*  
*or*
    - (ii) *no reserve price.*
5. Subject to paragraph 6, the licensee shall -
- (a) establish a methodology showing the methods by which, and the principles on which (except in a case in which the Authority accepts otherwise) such charges as are mentioned in paragraph 1(a) *and such*

*reserve prices as are mentioned in paragraph 1(b)* are to be determined; and

- (b) conform to the methodology so established as from time to time modified in accordance with Standard Special Condition A[ ] (Obligations as Regards Charging Methodology).

6. In any case in which the licensee is willing to enter into storage arrangements in respect of such facilities as are mentioned in paragraph 9 –
  - (a) if the charges in pursuance of those arrangements are not governed by the methodology established under paragraph 5, the licensee shall avoid any undue preference or undue discrimination in the terms on which it enters into such arrangements; and
  - (b) if either those charges or any charges made in pursuance of transportation arrangements other than storage arrangements are not governed as aforesaid, the licensee shall ensure so far as is reasonably practicable, that no unjustified cross-subsidy is involved between the terms on which it enters into the storage arrangements and those on which it enters into other transportation arrangements.
7. Any question which arises under paragraph 6 as to whether a cross-subsidy is unjustified, shall be determined by the Authority.
8. References in paragraphs 1 to 5 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; or
  - (b) to the extent (if any) to which the Authority has accepted that they should, as respects certain matters, be so determined, to charges determined by reference to provisions in that behalf set out in the Network Code,

and, subject as aforesaid, references in this condition and in Standard Special Condition A[ ] (Obligations as Regards Charging Methodology) and A[ ] (Connection Charges etc) to charges-

- (i) include references to the means whereby charges may be ascertained; and
- (ii) exclude references to supplemental charges within the meaning of standard condition 4C (Charging Gas Shippers – Supplemental Connection Charges).

9. In this condition “transportation arrangements” includes storage arrangements which relate to the utilisation of –

- (a) an offshore gas storage installation;
- (b) storage cavities in natural strata, or
- (c) containers for the storage of gas in a liquid state..

10. If the Authority, having regard, in particular, to any representations made to it by the licensee and other persons as to the extent to which there is competition in relation to the storage of gas in particular categories of the facilities mentioned in paragraph 9(a), (b) or (c) and the Authority’s view on that question, considers it appropriate that paragraph 9 should be modified by the omission of sub-paragraph (a), (b) or (c), then the subparagraph in question shall be omitted with effect from a date specified in a notice relating thereto published by the Authority for the purposes of this condition generally; and, if all three subparagraphs come to be omitted, paragraphs 6 and 7, paragraph 9 and the reference thereto in the definition of “transportation arrangements” in condition 1 shall cease to have effect..

11. In this condition “transportation arrangements” shall have the meaning given in Standard Special Condition A[ ] (Definitions and Interpretation) save that references therein to the term “pipe-line system” shall be amended so as to refer to “pipe-line system or any part thereof”.

