

Standard Special Condition A35. Prohibition of Cross-Subsidies

[N.B. NEW STANDARD SPECIAL CONDITION APPLICABLE TO ALL LICENSEES REPLACING STANDARD CONDITION 41 OF TRANSCO PLC'S EXISTING LICENCE. THIS PROVISION EXTENDS THE RULE AGAINST CROSS SUBSIDIES CONTAINED IN THE EXISTING STANDARD CONDITION 41 TO PROHIBIT CROSS SUBSIDIES BETWEEN TRANSPORTATION BUSINESSES HELD BY A SINGLE LICENSEE (IN THE PRESENT MARKET MODEL POST NETWORK SALES, THIS WILL BITE IN PARTICULAR ON TRANSCO PLC.)]

1. The licensee shall procure that the transportation business shall not give any cross-subsidy to, or receive any cross-subsidy from, any other business of the licensee or of an affiliate or related undertaking of the licensee.
2. In the event that the licensee operates more than one transportation business, as the operator of:
 - (a) the NTS; and/or
 - (b) more than one Distribution Network,

the provisions set out in paragraph 1 shall also apply in respect of each NTS and Distribution Network transportation business so that none of the licensee's NTS or Distribution Network transportation businesses shall give any cross-subsidy to, or receive any cross-subsidy from any other NTS or Distribution Network transportation business.