

**Standard Special Condition A2. Private Collective Licence Modification**  
**Procedure in Respect of Standard Special Conditions applicable to both NTS**  
**and DN Licensees**

1. For the purposes of this condition, the following words shall have the meaning set out below:

“modifications” includes additions, alterations, and omissions and cognate expressions shall be construed accordingly;

“private collective licence modification procedure” means the procedure set out in this condition to modify collectively the Standard Special Conditions **in Part A: Standard Special Conditions which are** applicable to both NTS and DN licensees **effective in this licence and other relevant gas transporter licences** only;

“relevant gas transporter licence” means in relation to this condition only a licence granted under section 7 of the Act which contains Standard Special Conditions applicable to both NTS and DN licensees;

“relevant licence holder” in relation to proposed modifications under this condition of the Standard Special Conditions **in Part A: Standard Special Conditions which are** applicable to both NTS and DN licensees **effective in relevant gas**

transporter licences only means the holder of a relevant gas transporter licence which:

- a) is to be modified under the proposals by the inclusion of any new condition in Part A: Standard Special Conditions applicable to both NTS and DN licensees only which is proposed to have effect in that GT's licence by virtue of the provisions of or a direction made pursuant to Standard Special Condition A1 (Application/Disapplication of standard conditions in Section A (Interpretation, Application and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to both NTS and DN licensees) *[please see covering e-mail regarding this wording]*; or
- b) includes any condition in Part A: Standard Special Conditions applicable to both NTS and DN licensees only to which the proposals relate, other than conditions in Part A: Standard Special Conditions applicable

to both NTS and DN licensees which are not in effect (by virtue of anything done under Standard Special Condition A1 (Application/Disapplication of standard conditions in Section A (Interpretation, Application and Payments) and Section B (General) and Application/Disapplication of Standard Special Conditions applicable to both NTS and DN licensees) at the time specified in the relevant notice under paragraph 4(a) of this condition;

“relevant notice”

means a notice given by the Authority pursuant to paragraph 4(a) of this condition which makes proposals in respect of the conditions included or to be included in Part A: Standard Special Conditions which are applicable to both NTS and DN licensees effective in relevant gas transporter licences only and in relation to which the Authority is making a calculation under this condition;

“relevant time”

means 06.00 hours on the day which is thirty (30) days prior to the day on which the Authority gives relevant notice;

“statutory CLM procedure”

means the collective licence modification procedure set out in section 23 of the Act for standard conditions of licences under section 7 of the Act;

“weighted according to market share”

means in the case of relevant licence holders who have given notice of objection multiplied by a factor which is equal to the total quantity of gas conveyed to the premises of consumers by those relevant licence holders during the twelve month period ending at the relevant time divided by the total quantity of gas conveyed to the premises of consumers during the twelve month period ending at the relevant time by **all** relevant licence holders as calculated by the Authority on the basis of information available to it.

2. The purpose of this condition is to set out (pursuant to section 7B(7)(b) of the Act) a procedure under which Standard Special Conditions **in Part A: Standard Special Conditions** ~~which are~~ applicable to both NTS and DN licensees **effective in** this licence and other relevant gas transporter licences only may be collectively modified.
3. Without prejudice to any other method of modification set out in the Act, Standard Special Conditions **in Part A: Standard Special Conditions** ~~which are~~ applicable to both NTS and DN licensees **effective in** this licence and other relevant gas transporter licences) **only** may be modified pursuant to **the** private collective licence modification procedure ~~contained in this condition~~.

4. Standard Special Conditions ~~which are~~ in Part A: Standard Special Conditions applicable to both NTS and DN licensees ~~effective in~~ this licence and ~~of~~ other relevant gas transporter licences ~~only~~ may be modified in the following manner:

(a) before making modifications under this condition the Authority shall give notice ( a “relevant notice”):

(i) stating that it proposes to make the modifications and setting out their effect;

(ii) stating the reasons why it proposes to make the modifications; and

(iii) specifying the time (not being less than 28 days from the date of publication of the relevant notice) within which representations or objections with respect to the proposed modifications may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

(b) A relevant notice under paragraph 4(a) above shall be given:

(i) by publishing the relevant notice in such manner as the Authority considers appropriate for the purpose of bringing the relevant notice to the attention of persons likely to be affected by the making of the modifications; and

(ii) by sending a copy of the relevant notice to the relevant licence holders, to the Secretary of State, to the Health and Safety Executive and to the Consumer Council.

(c) If, within the time specified in the relevant notice under paragraph 4(a) above, the Secretary of State directs the Authority not to make any modification, the Authority shall comply with the direction.

(d) The Authority may not make any modifications to any Standard Special Conditions ~~which are~~ in Part A: Standard Special Conditions applicable to both NTS and DN licensees ~~effective in~~ this licence or ~~of~~

any other relevant gas transporter licences only pursuant to this condition unless:

- (i) no notice of objection to those modifications set out in the relevant notice is given to the Authority within the time specified in the relevant notice under paragraph 4(a) above by any relevant licence holder;
- (ii) if one or more relevant licence holders give notice of objection to the Authority within that time:
  - (aa) the proportion (expressed as a percentage) of the relevant licence holders who have given notice of objection is less than twenty (20) per cent of all relevant licence holders; and
  - (bb) the proportion (expressed as a percentage) of the relevant licence holders who have given notice of objection, weighted according to their market share, is less than twenty (20) per cent;

or

- (iii) the Authority is of the opinion:
  - (aa) that the effect of the Standard Special Conditions ~~which are~~ in Part A: Standard Special Conditions applicable to both NTS and DN licensees effective in relevant gas transporter licences only is such as to impose a burden affecting relevant licence holders in the carrying on of activities to which the modifications relate; and
  - (bb) that the modifications would remove or reduce the burden without removing any necessary protection.

5. Where at any time the Authority modifies under this condition the Standard Special Conditions ~~which are~~ in Part A: Standard Special Conditions

applicable to both NTS and DN licensees effective in this licence and of other relevant gas transporter licences) only, it:

- (a) shall also make (as nearly as may be) the same modifications of those conditions for the purposes of their incorporation in relevant gas transporter licences granted after that time; and
- (b) may make such incidental or consequential modifications as it considers necessary or expedient of any conditions of relevant gas transporter licences granted before that time.

6. Where at any time the Authority modifies conditions under paragraph 5 of this condition for the purposes of their incorporation in relevant gas transporter licences granted after that time, it shall publish the modifications in such manner as it considers appropriate.

7. This condition is intended largely to replicate, in relation to the Standard Special Conditions ~~which are~~ in Part A: Standard Special Conditions applicable to both NTS and DN licensees effective in this licence and of other relevant gas transporter licences only, the statutory CLM procedure. Where there is any ambiguity in the application or effect of this condition, the Authority may, except where the contrary intention appears, follow any approach taken in relation to the statutory CLM procedure. Unless the contrary intention appears, any guidance issued by the Authority in relation to the statutory CLM procedure shall apply (with the necessary changes having been made) equally to modifications made pursuant to this condition. The Authority may issue guidance on the procedures that the Authority will follow in proposing and making collective licence modifications pursuant to the private collective licence modification procedure.