

Appendix 7

GAS TRANSPORTERS LICENCE: STANDARD CONDITIONS

These conditions have been provided by NGT and are for information only.

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THE STANDARD CONDITIONS

SECTION A. INTERPRETATION, APPLICATION AND PAYMENTS

Condition 1. Definitions and Interpretation

1. In these standard conditions, unless the context otherwise requires -

“the Act”	means the Gas Act 1986;
“affiliate”	in relation to any person means any holding company of such person, any subsidiary of such person or any subsidiary of a holding company of such person in each case within the meaning of section 736, 736A and 736B of the Companies Act 1985;
“alternative accounting rules”	for the purposes of standard condition 30 (Regulatory Accounts) only, has the meaning given in that condition;

“amount”	in relation to gas, means the energy content hereof expressed in kilowatt hours;
“appropriate period”	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Transportation Business) only, has the meaning given in that condition;
“area office”	for the purposes of standard condition 4B (Connection Charges etc) only, has the meaning given in that condition;
“auditors”	means the licensee’s auditors for the time being holding office in accordance with the requirements of the Companies Act 1985;
“the Authority”	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000;

“balancing”

in relation to a pipe-line system of the licensee and in relation to each day, means the taking of such measures as may be available to the licensee, in particular, measures affecting the relationship between deliveries of gas to and offtakes of gas from the pipeline system on the day in question, to maintain pressures within the pipe-line system at levels which will not, in its reasonable opinion, prejudice the interests of safety or efficiency on that day or on subsequent days;

“charging methodology”

for the purposes of standard condition 4A (Obligations as Regard Charging Methodology) only, has the meaning given in that condition;

“chronically sick person”

means any person who, by reason of chronic sickness, has special needs in connection with gas supplied to him, its use or the use of gas appliances or other gas fittings;

“code modification rules”	for the purposes of standard condition 9 (Network Code) only, has the meaning given in that condition;
“code relevant objectives”	for the purposes of standard condition 9 (Network Code) only, has the meaning given in that condition;
“competition in relation to the storage of gas”	means, as respects a particular category of storage facility, effective competition in or to the storage service offered by the facility, taking account of the provision by other persons of goods or services of equivalent purpose or effect to such storage (including where appropriate supplies of peak gas and the interruption of supplies to customers in accordance with their terms of supply);
“Compliance Officer”	for the purposes of Section C only has the meaning given in standard condition 40 (Appointment of Compliance Officer);

“consolidated transportation business”	for the purposes of standard condition 30 (Regulatory Accounts) only, has the meaning given in that condition;
“Consumer Council”	means the Gas and Electricity Consumer Council established under section 2 of the Utilities Act 2000;
“the court”	means, in relation to England and Wales, the High Court and, in relation to Scotland, the Court of Session;
“covenantor”	for the purposes of standard condition 45 (Undertaking from Ultimate Controller) only, has the meaning given in that condition;
“cross-default obligation”	for the purposes of standard condition 47 (Indebtedness) only, has the meaning given in that condition;
“current cost assets”	for the purposes of standard condition 30 (Regulatory Accounts) only, has the meaning given in that condition;

“customer”	means any person supplied or requiring to be supplied with gas at any premises by a gas supplier;
“de-minimis business”	for the purposes of standard condition 43 (Restriction on Activity and Financial Ring-fencing) only, has the meaning given in that condition;
“designated area”	for the purposes of standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges) only, has the meaning given in that condition;
“Designated Registrar of Pipes”	means the person designated by the Authority to fulfil that role pursuant to standard condition 33 (Designated Registrar of Pipes);
“disabled person”	means any person who, by reason of any disability, has special needs in connection with gas supplied to him, its use or the use of gas appliances or other gas fittings and includes any person who is in receipt of a social

security benefit by reason of any disability;

“disposal”

has the meaning given in standard condition 29 (Disposal of Assets);

“domestic customer”

means a person supplied or requiring to be supplied with gas at domestic premises (but excluding such a person in so far as he is supplied or requires to be supplied at premises other than domestic premises);

“domestic premises”

means –

- (a) until 1 January 2002 or, where the Authority directs for the purposes of this condition generally, in relation to premises specified or described in the direction, such later date specified in the direction, premises at which a supply is taken at a rate which is reasonably expected not to exceed 73,200 kilowatt hours a year;

(b) from 1 January 2002 or where the Authority directs for the purposes of this condition generally, in relation to premises specified or described in the direction, such later date specified in the direction, premises at which a supply is taken wholly or mainly for domestic purposes;

“effective date”

for the purposes of Section B only, has the meaning given in standard condition 4B (Connection Charges etc);

“estimated costs”

for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;

“financial year”

means, subject to standard condition 30A (Change of Financial Year) (where applicable), a period of 12 months beginning on 1st April of each year and ending on 31st March of the following calendar year;

“first supplier”	for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;
“gas”	in relation to storage, includes gas in a liquid state and “storage”, in relation to gas in either a gaseous or liquid state, means storage in, or in a facility which is connected (directly or indirectly) to, a pipe-line system operated by the licensee and cognate expressions shall be construed accordingly;
“the handbook”	for the purposes of standard condition 30 (Regulatory Accounts) only, has the meaning given in that condition;
“high pressure pipe-line”	means any pipe-line which has a design operating pressure exceeding 7 bar gauge;
“holding company”	means a holding company within the meaning of sections 736, 736A and 736B of the Companies Act 1985;

“indebtedness”	for the purposes of standard condition 47 (Indebtedness) only, has the meaning given in that condition;
“independent system”	means a pipe-line system of the licensee in Great Britain which includes relevant mains and which is not connected (directly or indirectly) by pipes to the main pipe-line system of Transco plc, acting as a gas transporter;
“industry framework document”	for the purposes of standard condition 13 (Change Co-ordination for the Utilities Act 2000) only, has the meaning given in that condition;
“information”	shall include any documents, accounts, estimates, returns, records or reports and data in written, verbal or electronic form and information in any form or medium whatsoever (whether or not prepared specifically at the request of the Authority or the Consumer

Council) or of any description specified by the Authority;

“information covenantor”

for the purposes of standard condition 24 (Provision of Information to the Authority) only, has the meaning given in that condition;

“investment”

for the purposes of Section C only, has the meaning given in standard condition 43 (Restriction on Activity and Financial Ring-fencing);

“investment grade issuer credit rating”

for the purposes of Section C only, has the meaning given in standard condition 46 (Credit Rating of Licensee);

“last resort supplier”

for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;

“licensee’s pipe-line system”

means a gas pipe-line system operated by the licensee (acting as a gas transporter) and cognate

expressions shall be construed accordingly;

“Main Administration Service”

for the purposes of standard condition 33 (Designated Registrar of Pipes) only, has the meaning given in that condition;

“Network Code”

has the meaning given in standard condition 9 (Network Code);

“network emergency co-ordinator”

for the purposes of standard condition 6 (Emergency Services and Enquiry Services Obligations) only, has the meaning given in that condition;

“non-domestic customer”

means a customer of a gas supplier who is not a domestic customer;

“old arrangements”

for the purposes of standard condition 28 (Termination of Shipping Arrangements) only, has the meaning given in that condition;

“owned”	in relation to a gas meter or other property, includes leased and cognate expressions shall be construed accordingly;
“participating interest”	has the meaning given by section 260 of the Companies Act 1985 as amended by section 22 of the Companies Act 1989;
“permitted purpose”	for the purposes of Section C only, has the meaning given in standard condition 32 (Interpretation of Section C);
“person concerned”	for the purposes of standard condition 4B (Connection Charges etc) only, has the meaning given in that condition;
“premises concerned”	for the purposes of standard condition 4B (Connection Charges etc) only, has the meaning given in that condition;

“primary sub-deduct premises”	means premises to which gas is conveyed by a gas transporter before being conveyed to secondary sub-deduct premises;
“quantity” and “volume”	in relation to gas, are synonymous;
“regulatory accounts”	for the purposes of standard condition 30 (Regulatory Accounts) only, has the meaning given in that condition;
“related undertaking”	in relation to any person means any undertaking in which such person has a participating interest;
“relevant customer”	for the purposes of standard condition 6 (Emergency Services and Enquiry Service Obligations) only, has the meaning given in that condition;
“relevant methodology objective”	for the purposes of standard condition 4A (Obligations as Regards Charging Methodology) only, has the meaning given in that condition;

“relevant period”

for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;

“relevant proportion”

for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;

“relevant shipper”

means, in relation to any premises, a gas shipper which has made arrangements with the licensee in pursuance of which gas is conveyed to those premises and, in relation to any secondary sub-deduct premises, such arrangements shall be deemed to have been made where, in pursuance of arrangements made by a gas shipper, gas is taken out of the pipe-line system of the licensee at the relevant primary sub-deduct premises with a view to its conveyance to those secondary sub-deduct premises;

“relevant supplier”

means, in relation to any premises, a gas supplier which supplies to those premises gas which is conveyed thereto (or, where the premises are secondary sub-deduct premises) by the licensee;

“relevant year”

for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition;

“Retail Price Index”

means the general index of retail prices published by the Office for National Statistics each month in respect of all items or:

(a) if the index for any month in any year shall not have been published on or before the last day of the third month after such month, such index for such month or months as the Authority may after consultation with the licensee and for the purposes of this condition

generally determine to be appropriate in the circumstances; or

(b) if there is a material change in the basis of the index, such other index as the Authority may after consultation with the licensee and for the purposes of this condition generally determine to be appropriate in the circumstances.

“risk criteria”

for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;

“routing guidelines”

for the purposes of standard condition 5 (System Development Obligations) only, has the meaning given in that condition;

“secondary sub-deduct premises”

means premises to which gas is conveyed in pursuance of an exemption from section 5(1)(a) of the Act granted under section 6A thereof, for supply by a gas supplier;

“Secretary of State’s costs”	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
“specified amount”	for the purposes of standard condition 7 (Provision of Information Relating to Gas Illegally Taken) only, has the meaning given in that condition; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition;
“statutory accounts”	means the accounts that the licensee prepares under the Companies Act 1985 (as amended by the Companies Act 1989)
“storage arrangements”	means arrangements whereby gas shippers may, from time to time and in different cases and circumstances, have gas stored in facilities (other than facilities used solely for diurnal storage or afforded by, or connected to, an

independent system or facilities for the conveyance of gas which the licensee uses exclusively for the conveyance of gas to such a system) which both are operated by the person who holds this licence and were operated by that person at a time during the period of 12 months ending with 1 March 1996;

“storage asset”

for the purposes of standard condition 29 (Disposal of Assets) only, has the meaning given in that condition;

“subsidiary”

means a subsidiary within the meaning of sections 736, 736A and 736B of the Companies Act 1985;

“supplemental charge”

for the purposes of Section B only, has the meaning given in standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges);

“supplier concerned”

has the meaning given in standard condition 7 (Provision of Information Relating to Gas Illegally Taken);

“supplier’s charges”	for the purposes of standard condition 7 (Provision of Information Relating to Gas Illegally Taken) only, has the meaning given in that condition;
“Supply Point Information Service”	for the purposes of standard condition 31 (Supply Point Information Service) only, has the meaning given in that condition;
“trading business”	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Transportation Business) only, has the meaning given in that condition;
“Transco plc”	means the company (registered in England and Wales under company registration no. 02006000) which had that name on 1 October 2001 whether or not it previously had a different name and that name is subsequently changed;
“transportation arrangements”	means arrangements (including subdeduct arrangements defined in

paragraph 2) whereby gas shippers may, from time to time and in different cases and circumstances, have gas introduced into, conveyed by means of and taken out of the licensee's pipe-line system and arrangements falling within the preceding provisions of this definition shall be transportation arrangements notwithstanding that they may involve the utilisation of –

- (a) facilities for the storage of gas in so far as the licensee uses them in connection with its independent systems, including such facilities so used for the purpose of conveying gas to such a system; or
- (b) storage facilities used by the licensee solely for the diurnal storage of gas which has been introduced into its pipe-line system,

subject, however, to paragraph 9 of standard condition 4 (Charging Gas Shippers – General), paragraphs 2 and 4 of standard condition 4E (Requirement to Enter into Transportation Arrangements in conformity with

Network Code), and paragraph 6 of standard condition 25 (Long Term Development Statement);

“transportation asset”

for the purposes of standard condition 29 (Disposal of Assets) only, has the meaning given in that condition;

“transportation business”

means the activities of the licensee connected with the development, administration, maintenance and operation of its pipe-line system subject, however, to paragraph 11 of standard condition 4A (Obligations as Regards Charging Methodology), paragraph 2 of standard condition 4D (Conduct of Transportation Business) and paragraph 9 of standard condition 24 (Provision of Information to the Authority);

“transportation services area”

has the meaning given at sub-paragraph 5(b) of standard condition 2 (Application of Section C (Transportation Services Obligations));

- “Transportation Services Direction” for the purposes of standard condition 2 (Application of Section C (Transportation Services Obligations)) only, has the meaning given in that condition;
- “unadjusted amount” for the purposes of standard condition 27 (Adjustment of Amounts by Reference to the Retail Price Index) only, has the meaning given in that condition;
- “ultimate controller” means -
- (a) a holding company of the licensee which is not itself a subsidiary of another company; and
 - (b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the licensee or any holding company of the licensee by virtue of:
 - (i) rights under contractual arrangements to which he is

a party or of which he is a beneficiary; or

(ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by him or of which he is a beneficiary, but excluding any director or employee of a corporate body in his capacity as such; and

(c) for the purposes of sub- paragraph (b), a person is connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in that paragraph.

“undertaking”

has the meaning given by section 259 of the Companies Act 1985;

“value”

has the meaning given in standard condition 7 (Provision of Information Relating to Gas Illegally Taken);

“year”

for the purposes of standard condition 16 (Pipe-Line System Security standards) only, means a period of 12 months beginning with 1st October; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition.

2. In these standard conditions, except where the context otherwise requires –
 - (a) any reference to “the relevant primary sub-deduct premises”, in relation to any secondary sub-deduct premises, is a reference to the primary sub-deduct premises to which gas was conveyed before its conveyance to those secondary sub-deduct premises;
 - (b) any reference to “sub-deduct arrangements”, in relation to any secondary subdeduct premises, is a reference to arrangements which a gas shipper makes with the licensee in pursuance of which gas is taken out of the pipe-line system of the licensee at the relevant primary sub-deduct premises with a view to its conveyance to those secondary sub-deduct premises;
 - (c) any reference to “customer” shall, notwithstanding paragraph 4, include a person who is supplied with gas at secondary sub-deduct premises.
3. Any words or expressions used in the Utilities Act 2000 or Part I of the Act shall, unless contrary intention appears, have the same meanings when used in the standard conditions.

4. Except where the context otherwise requires, any reference to a numbered standard condition (with or without a letter) or Schedule is a reference to the standard condition (with or without a letter) or Schedule bearing that number in this licence, and any reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the standard condition or Schedule in which the reference occurs, and reference to a Section is a reference to that Section in these standard conditions.
5. These standard conditions shall have effect as if, in relation to a licence holder who is a natural person, for the words “it”, “its” and “which” there were substituted the words “she”, “her” “hers”, and “whom”, and cognate expressions shall be construed accordingly.
6. Except where the context otherwise requires, a reference in a standard condition to a paragraph is a reference to a paragraph of that condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.
8. Any reference in these standard conditions to -
 - (a) a provision thereof;
 - (b) a provision of the standard conditions of gas shippers’ licences, or
 - (c) a provision of the standard conditions of gas suppliers’ licences,shall, if these conditions or the standard conditions in question come to be modified, be construed, so far as the context permits, as a reference to the corresponding provision of these or the other standard conditions in question as modified.
9. In construing these standard conditions, the heading or title of any standard condition or paragraph shall be disregarded.

10. Any reference in a standard condition to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence and as incorporated in each other licence under section 7 of the Act (whenever granted) which incorporates it.
11. Where any obligation of the licence is required to be performed by a specified date or time, or within a specified period, and where the licensee has failed so to perform, such obligation shall continue to be binding and enforceable after the specified date or time, or after the expiry of the specified period (but without prejudice to all the rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or time, or within that period).
12. Anything required by or under these standard conditions to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case:
 - (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first-class post as soon as is reasonably practicable, and (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument.
13. The definitions referred to in this condition may include some definitions which are not used or not used exclusively in Sections A and B (which Sections are incorporated in all transporter licences). Where –

- (a) any definition is not used in Sections A and B, that definition shall, for the purposes of this licence, be treated –
 - (i) as part of the standard condition or conditions (and the Section) in which it is used;
 - (ii) as not having effect in the licence until such time as the standard condition in which the definition is used has effect within the licence in pursuance of standard condition 2 (Application of Section C (Transportation Services Obligations));
- (b) any definition which is used in Sections A and B is also used in one or more other Sections –
 - (i) that definition shall only be modifiable in accordance with the modification process applicable to each of the standard conditions in which it is used; and
 - (ii) if any such standard condition is modified so as to omit that definition, then the reference to that definition in this condition shall automatically cease to have effect.

Condition 2. Application of Section C (Transportation Services Obligations)

1. Where the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for Section C (in whole or in part) to have effect within this licence:

(a) paragraphs 4 to 8 shall cease to be suspended and shall have effect in the licensee's licence; and

(b) the licensee shall be obliged to comply with the requirements of Section C (in whole or, as the case may be, in part) of this licence,

from the date the said scheme takes effect. Such provision made by the Secretary of State in the said scheme shall be treated, for the purposes of paragraphs 5, 6, and 7 of this condition, as if it were a Transportation Services Direction made by the Authority.

2. Until –

(a) the Secretary of State provides, by a scheme made under Schedule 7 to the Utilities Act 2000, for Section C (in whole or in part) to have effect within this licence; or

(b) the Authority has issued to the licensee a direction pursuant to paragraph 4, the standard conditions in Section C (in whole or, as the case may be, in part) shall not have effect within this licence; and the licensee shall not be obliged to comply with any of the requirements of Section C (in whole or, as the case may be, in part) of this licence.

3. Except where paragraph 1 applies to the licensee, paragraphs 4 to 8 of this standard condition shall be suspended and shall have no effect in this licence until such time as the Authority, with the consent of the licensee, issues to the licensee a notice in writing ending the suspension and providing for those paragraphs to have effect in this licence with effect from the date specified in the notice.
4. The Authority may, with the consent of the licensee, issue a direction (a “Transportation Services Direction”). Where the Authority has issued to the licensee a Transportation Services Direction the standard conditions in Section C (in whole or, as the case may be, in part) shall have effect within this licence from the date specified in the direction; and the licensee shall be obliged to comply with the requirements of Section C (in whole or, as the case may be, in part) to the extent and subject to the terms specified in such direction.
5. A Transportation Services Direction:
 - (a) may specify that the standard conditions in Section C (in whole or in part) are to have effect in this licence;
 - (b) shall specify or describe an area (the “transportation services area”) within which the licensee shall be obliged to comply with any of the requirements of Section C (in whole or, as the case may be, in part);
6. The Authority may, with the consent of the licensee:
 - (a) vary the terms (as set out in the Transportation Services Direction or elsewhere) under which Section C (or parts thereof) has effect in this licence; or

- (b) provide for Section C (or parts thereof) to cease to have effect in this licence.
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- 7. The variation or cessation provided for in paragraph 6 shall take effect from the date specified in the variation or cessation notice given to the licensee by the Authority.

 - 8. With effect from the date of cessation referred to in paragraph 7, paragraphs 4 to 7 of this condition shall be suspended and shall cease to have effect in this licence, but the Authority may at any time thereafter, with the consent of the licensee, give to the licensee a notice ending the suspension and providing for those paragraphs to have effect again in this licence with effect from the date specified in the notice.

Condition 3. Payments by the Licensee to the Authority

This condition is currently subject to a separate consultation which is being conducted jointly by the DTI and Ofgem. The proposed text will be issued shortly.

1. The licensee shall, at the times stated, pay to the authority such amounts as are determined by or under this condition.
2. In respect of each relevant year at the beginning of which the licensee holds this licence, the licensee shall pay to the Authority the aggregate of:
 - (a) an amount which is the relevant proportion of the estimated costs of the Authority during the year in question;
 - (b) an amount which is the relevant proportion of the estimated costs of the Consumer Council during the year in question;
 - (c) an amount which is the relevant proportion of the estimated costs incurred in the previous relevant year by the Competition Commission in connection with references made to it with respect to the licence or any other gas transporter licence;
 - (d) an amount which is the relevant proportion of the Secretary of State's costs during the year in question;
 - (e) an amount which is the relevant proportion of the difference (being a positive or negative amount), if any, between:

(aa) any costs estimated by the Authority or, in the case of sub-paragraph 2(d), the Secretary of State in the previous relevant year under sub-paragraphs 2(a), (b), (c), and (d); and

(bb) the actual costs of the Authority, the Consumer Council, the Competition Commission (in connection with that reference) and the Secretary of State for the previous relevant year or, in the case of the Competition Commission, for the relevant year prior to the previous relevant year; and

(f) in respect of the relevant year ending on 31 March 2002, an amount which is the relevant proportion of the actual unrecovered costs of the Director General of Electricity Supply and the Relevant Consumers' Committees.

3. The amounts determined in accordance with paragraph 2 shall be paid by the licensee to the Authority in two instalments, with:

(a) the first instalment being due for payment by 30 June in each year; and

(b) the second instalment being due for payment by 31 January in each year

provided that, in each case, if the Authority has not given notice of the amount of the instalment due at least 30 days before the payment date stated above, the licensee shall pay the amount due within 30 days from the actual giving of notice by the Authority to the licensee (whenever notice is given).

4. Where the licensee fails to pay the amount determined in accordance with paragraph 2 within 30 days of the due date set out in paragraph 3, it shall pay simple interest on the amount at the rate which is from time to time equivalent to the base rate of NatWest Bank plc or, if there is no such base rate, such base rate as the Authority may designate for the purposes hereof.

5. In relation to any data or information specified by the Authority in a direction given for the purposes of this condition generally, the licensee shall submit a certificate to the Authority, approved by a resolution of the board of directors of the licensee and signed by a director of the licensee pursuant to that resolution. Such certificate shall be submitted to the Authority each year on the date specified by the Authority. Each certificate shall be in the following form –

“In the opinion of the directors of [the licensee], all data and information provided to the Authority on [date provided to the Authority] for the purposes of enabling the Authority to calculate the licence fee payable by [the licensee] pursuant to standard condition 3 (Payments by the Licensee to the Authority) is accurate.”

6. In this condition:

“estimated costs” means costs estimated by the Authority as likely to be:

- (a) the costs of the Authority and the Consumer Council; and
- (b) the costs incurred by the Competition Commission, such estimate having regard to the views of the Competition Commission.

“relevant proportion”

means the proportion of the costs attributable to the licensee in accordance with principles determined by the Authority for the purposes of this condition generally and notified to the licensee.

“relevant year”

means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.

“Secretary of State’s costs”

means costs estimated by the Secretary of State as likely to be his costs in relation to:

- (a) the establishment of the Authority and the Consumer Council; and
- (b) Schedule 7 to the Utilities Act 2000.

7. In sub-paragraph 2(f) of this condition:

“Director General of Gas Supply”

means the office previously established under section 1 of the Act;

“Gas Consumers’ Council”

means the body previously established by the Director General of Gas Supply under section 2 of that Act

SECTION B. GENERAL

Condition 4. Charging of Gas Shippers – General (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 4A. Obligations as Regards Charging Methodology (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 4B. Connection Charges etc

1. Subject to paragraph 2, where any pipe is supplied and laid by the licensee in discharge of the duty imposed by section 10(2)(a) of the Act, for the purpose of connecting premises (“the premises concerned”) to a relevant main, the licensee may charge the person requiring the connection (“the person concerned”) in respect of the cost of supplying and laying the pipe –

provided that in a case in which the supply of gas is to domestic premises, the licensee shall only so charge in respect of the cost of supplying and laying the pipe insofar as it is attributable to the supplying and laying of –

- (a) so much of the pipe as is laid upon property owned or occupied by the person concerned, not being property dedicated to public use; and
 - (b) so much of the pipe as is laid for a greater distance from a relevant main than 10 metres, although not on such property as is mentioned in sub-paragraph (a).
2. Paragraph 1 shall have effect as if the proviso thereto were omitted where –
 - (a) the person concerned may be required in pursuance of regulations made, or having effect as if made, under section 10(7) of the Act to make a payment in respect of the expenses of the main used for the purpose of making the connection; or
 - (b) the premises concerned are in an area designated for the purposes of standard condition 4C (Charging of Gas Shippers – Supplemental Connection Charges) and the charges to be made of a gas shipper by the licensee in respect of the conveyance of gas to those premises would include a supplemental charge.
3. The licensee shall comply with any directions given by the Authority to furnish it with a statement showing the methods by which, and the principles on which,

(consistently with its duties under section 9 of the Act) –

- (a) where a connection is required in pursuance of subsection (2) of section 10 of the Act, charges in respect of the cost of connecting, supplying and laying a pipe or the expenses of the laying of a main are normally to be determined in different cases or circumstances;
 - (b) where a connection is required in a case not falling within subsection (1)(a) or (b) of the said section 10 and the premises are not likely to be supplied with gas at a rate exceeding that from time to time mentioned in subsection (8) of the said section 10 (subject to section 8A(1) of the Act, 2,196,000 kilowatt hours in any period of 12 months), the charges to be made for the connection, including charges for supplying and laying a pipe are to be determined;
 - (c) where a connection or disconnection is required in the case of any premises likely to be, or which have been, supplied with gas at a rate exceeding that from time to time mentioned in subsection (8) of the said section 10, the charges to be made for the connection or disconnection including, so far as appropriate, charges for supplying or laying a pipe or main and charges in respect of anything done or provided in connection with the connection or disconnection in different cases or circumstances are to be determined; and
 - (d) without prejudice to sub-paragraph (a), in the circumstances mentioned in subsection (10) of the said section 10 (read with any regulations under subsection (11) thereof), charges under the said subsection (10) are normally to be determined in different cases and circumstances.
4. Where, having furnished a statement under paragraph 3, the licensee (subject to paragraph 7) changes the methods and principles referred to in paragraph 3, the licensee shall as soon as is reasonably practicable furnish the Authority with a revised statement showing the changed methods and principles; and such a

- revised statement shall supersede previous statements furnished under either paragraph 3 or this paragraph with effect from such date as is specified therein (“the effective date”).
5. A statement furnished under paragraph 3 or 4 shall, where practicable, include examples of the charges likely to be made in different classes of case as determined in accordance with the methods and principles shown in the statement.
 6. The licensee shall –
 - (a) publish any statement furnished under paragraph 3 or 4 in such manner as will secure adequate publicity for it and, in the case of a statement furnished under 4, shall so publish it before the effective date thereof;
 - (b) publish with any such statement so published a further statement that any complaint in respect of a charge to which the statement relates, if not resolved between the licensee and the complainant, may be referred to the Authority by letter addressed to the Authority at an address specified in the further statement; and
 - (c) send a copy of any such statement and further statement so published to any person who asks for one.
 7. Where a statement in respect of the determination of such charges as are mentioned in paragraph 3 has been furnished to the Authority under paragraph 3 or 4 then, unless and until it has been superseded by a subsequent statement under paragraph 4, the licensee shall not make such a charge, or agree or offer to make such a charge, as is so mentioned other than one determined in accordance with the methods and principles shown therein, unless the Authority otherwise consents.

8. The licensee shall establish, and keep up to date, a register (or separate registers for different areas) of pipes which have vested in it and become its property by virtue of section 10(6) of the Act and fall within section 10(13)(b) but have not been declared relevant mains under section 10(13) thereof; and an entry in the register in respect of a particular pipe-
 - (a) shall contain sufficient particulars to enable the pipe to be identified;
 - (b) shall be made within 28 days of the pipe vesting in, and becoming the property of, the licensee; but
 - (c) shall be deleted, as soon as is reasonably practicable, if the pipe in question is subsequently declared a relevant main under the said section 10(13).

9. The licensee shall make arrangements for a copy of the said register (or of the information contained therein) to be available for inspection at reasonable times, if it has area offices, at those offices or, if it has not, at its principal office; and, for the purposes hereof, “area office” means one which is fixed for an area for the purposes of section 46(3) of the Act.

10. The licensee shall not show any undue preference towards, or undue discrimination against, any person who operates, or proposes to operate, a pipe-line system in relation to the connection of that system to the licensee’s pipe-line system.

11. The licensee shall comply with any direction given by the Authority to furnish it with a statement showing, so far as is reasonably practicable, the methods by which and the principles on which the following charges are to be determined, namely –
 - (a) charges for making a connection to a pipe comprised in its pipe-line system to enable gas to be introduced into, or taken out of, that system; and

- (b) charges for works associated with the making of such a connection including, in particular, works to increase the capacity of a high pressure pipe-line and by way of the supply and installation of a pipe-line.

- 12. Where, having furnished a statement under paragraph 11, the licensee (subject to paragraph 14) changes the methods and principles referred to in that paragraph, the licensee shall as soon as is reasonably practicable furnish the Authority with a revised statement showing the changed methods and principles; and such a statement shall supersede previous statements furnished under either paragraph 11 or this paragraph with effect from such date as is specified therein (“the effective date”).

- 13. A statement furnished under paragraph 11 or 12 shall, where practicable, include examples of the charges likely to be made in respect of different kinds of works falling within paragraph 11, other than works connected with a high pressure pipe-line.

- 14. The licensee shall –
 - (a) publish any statement furnished under paragraph 11 or 12 in such manner as will secure adequate publicity for it and, in the case of a statement furnished under paragraph 12, shall so publish it before the effective date thereof; and
 - (b) send a copy of any such statement so published to any person who asks for one.

- 15. Where a statement in respect of the determination of charges in respect of a matter has been furnished to the Authority under paragraph 11 or 12 then, unless and until it has been superseded by a subsequent statement under paragraph 12, the licensee shall not make a charge, or agree or offer to make a charge, other than one determined either in accordance with the methods and

principles shown therein or in accordance with methods and principles not inconsistent with those so shown unless the Authority otherwise consents.

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

17. In this condition, any reference to the making of a charge –
 - (a) in relation to the supplying or laying of a pipe in pursuance of section 10(2)(a) of the Act, is a reference to requiring that the person requiring the connection defrays the whole or a part of the cost thereof;
 - (b) in relation to the laying of a main used for the purpose of making a connection and in the circumstances mentioned in section 10(7) of the Act, is a reference to requiring, in pursuance of regulations under that provision, that the person requiring the connection pays an amount in respect of the expenses of the laying of the main; and
 - (c) in the circumstances mentioned in subsection (10) of section 10 of the Act (read with any regulations under subsection (11) thereof), is a reference to requiring the person requiring a connection to be made or maintained in pursuance of subsection (2) or (3) of the said section 10 to make such payments as are mentioned in the said subsection (10), and cognate expressions shall be construed accordingly.

**Condition 4C. Charging of Gas Shippers – Supplemental Connection Charges
(SWITCHED OFF)**

Switched off as redundant/time expired.

Condition 4D. Conduct of Transportation Business (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 4E. Requirement to Enter into Transportation Arrangements in Conformity with Network Code (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 5. System Development Obligations (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

**Condition 5A. Information to be Provided to the Designated Registrar of Pipes
(SWITCHED OFF)**

Switched off and replaced by Standard Special Condition

Condition 6. Emergency Services and Enquiry Service Obligations (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 7. Provision of Information Relating to Gas Illegally Taken

1. Where it appears that sub-paragraph (1) of paragraph 9 of Schedule 2B to the Act may apply by reason that a person has, or may have, taken a supply of gas in course of conveyance by the licensee or that sub-paragraph (2) of that paragraph may apply by reason that a person has, or may have, taken a supply of gas at any premises which has been conveyed thereto by the licensee, it shall –
 - (a) investigate the matter; and
 - (b) subject to the outcome of that investigation, use its reasonable endeavours to recover, in pursuance of the said sub-paragraph (1) or (2), the value of the gas, and, in this paragraph and paragraph 3, “value”, in relation to gas, has the same meaning as in paragraph 9 of the said Schedule 2B.

2. Where it appears that a person has, or may have, taken a supply of gas previously conveyed by the licensee to primary sub-deduct premises in circumstances where-
 - (a) sub-paragraph (1) of paragraph 9 of Schedule 2B to the Act might have applied but for the fact that the gas was, at the time of such taking, in the course of being conveyed to secondary sub-deduct premises; or
 - (b) sub-paragraph (2) of the said paragraph 9 might have applied but for the fact that the premises to which the gas had, at that time, been conveyed were secondary sub-deduct premises, the licensee shall –
 - (i) investigate the matter; and

- (ii) subject to the outcome of that investigation, use reasonable endeavours to recover the amount (“the specified amount”) which, if the gas had been taken in such circumstances as are mentioned in paragraph 8(2) of Schedule 2B to the Act, could reasonably be expected to have been payable in respect of that gas under a contract deemed to have been made by virtue of that subparagraph.

- 3. Where the licensee has, as required by paragraph 1 or 2, recovered, or attempted to recover, the value of the gas taken or, as the case may be, the specified amount, then any standard condition of this licence that limits, or has the effect of limiting, the charges made in pursuance of transportation arrangements or the revenue derived therefrom which is specified in a scheme designated by the Authority for the purposes of this condition shall be modified as provided in that scheme to take account of –
 - (a) the costs of any such investigation as is mentioned in paragraph 1;
 - (b) any amount recovered as so mentioned;
 - (c) the costs of any such recovery or attempted recovery so mentioned; and
 - (d) any costs to the licensee attributable to any gas being acquired, or not being disposed of, by it by reason of the taking of the gas, so as to secure that, as nearly as may be and taking one year with another, the licensee suffers no financial detriment, and acquires no financial benefit, as a result of the taking of the gas and its compliance with paragraph 1.

- 4. Paragraphs 5, 6,7 and 8 shall apply where -
 - (a) an offence under paragraph 10(1) of Schedule 2B to the Act has been, or may have been, committed at any premises and, before the matter

has been remedied, the owner or occupier of the premises has taken a

supply of gas which has been conveyed to those premises (or, where those premises are secondary sub-deduct premises, to the relevant primary sub-deduct premises) by the licensee in pursuance of arrangements made with a gas shipper;

(b) an offence under paragraph 11(2) of the said Schedule has been, or may have been, committed at any premises (or an offence would have been, or might have been, so committed but for the fact that the premises in question are secondary sub-deduct premises) and such a supply of gas as aforesaid has been taken by the owner or occupier of the premises without the agreement of either the licensee or of a gas supplier which cut off the supply of gas or is, or is about to become, the relevant supplier; or

(c) a supply of gas has been taken by the occupier at any premises in such circumstances as are mentioned in paragraph 8(2) of the said Schedule (or, where the premises are secondary sub-deduct premises, a supply was taken by the occupier in circumstances that would have been those mentioned in that paragraph had the gas been conveyed to the premises by the licensee) and the supplier concerned has reasonable cause to believe either that the person in question both –

(i) is not, or may not be, in lawful occupation of the premises; and

(ii) does not genuinely intend to pay charges for the gas taken,

or that the person in question has ceased to be the owner or occupier of the premises and has not informed the supplier concerned of his present address,

and, in this paragraph and paragraphs 5, 6, 7 and 8, “the supplier concerned” means the relevant supplier or, in such circumstances as are mentioned in sub-paragraph (2) of paragraph 8 of the said Schedule, the appropriate supplier within the meaning of sub-paragraph (3) of that paragraph.

5. Where this paragraph applies and -

- (a) the relevant shipper has requested, or in pursuance of a contract, required the supplier concerned –
 - (i) to investigate the matter; and
 - (ii) subject to the outcome of that investigation, to use its reasonable endeavours to recover the charges to which it is entitled, whether under such a contract or deemed contract as is mentioned in paragraph 3(a) or, as the case may be, under a deemed contract arising under paragraph 8(2) of Schedule 2B to the Act or (where the premises in question are secondary sub-deduct premises) otherwise, in respect of a supply of gas taken as mentioned in paragraph 4, (“the supplier’s charges”);
- (b) the supplier concerned has complied with that request or requirement but has failed, and cannot reasonably be expected, to recover those charges; and
- (c) the relevant shipper has notified the licensee that this paragraph applies and the standard conditions in sub-paragraphs (a) and (b) have been satisfied and has done so either in writing or in such other manner as the licensee may have informed the shipper is acceptable, the licensee shall treat the amount of gas to which the supplier’s charges relate as not having been taken out of its pipe-line system by the relevant shipper for the purposes of calculating and claiming charges to be paid to it by that shipper in pursuance of the arrangements between them and shall further reduce those charges by an amount equal to that of the allowance mentioned in paragraph 6; and, accordingly, only the charges so calculated and paid shall be taken into account for the purposes of any standard

condition of this licence which limits the charges which may be made in pursuance of transportation arrangements or the revenue derived therefrom.

6. The allowance referred to in paragraph 5 is one in respect of the reasonable cost to the supplier concerned of complying with such a request or requirement as is mentioned in paragraph 5 and of an amount calculated in accordance with principles set out in a scheme designated by the Authority for the purposes of this condition.
7. For the purposes of paragraphs 5 and 6, where, in relation to the premises in question, the same person (being a gas supplier) is both the relevant shipper and the supplier concerned –
 - (a) the standard conditions in paragraph 5(a) and (b) shall be deemed to have been satisfied if that person has:
 - (i) investigated the matter;
 - (ii) subject to the outcome of that investigation, used its reasonable endeavours to recover the supplier's charges; and
 - (iii) failed and cannot reasonably be expected to recover those charges;and
 - (b) paragraph 6 shall have effect as if the reference to the reasonable cost of complying with such a request or requirement as mentioned in paragraph 5 were a reference to the reasonable cost of such investigation and reasonable endeavours as are mentioned in subparagraph (a).

8. For the purposes of paragraphs 5 and 7, the supplier concerned shall be presumed to have used its reasonable endeavours if it has acted in a manner laid down by the licensee in a document which has been –
 - (a) prepared by the licensee after consultation with relevant shippers and relevant suppliers;
 - (b) approved by the Authority; and
 - (c) drawn to the attention of such shippers and suppliers, and the licensee shall supply a copy of the document to any relevant shipper or supplier which asks for one.
9. Where paragraph 5 applies for the purposes of the calculation of charges but the charges have already been made, they shall be recalculated as provided in that paragraph and any consequential adjustment made; and in such case the words “the charges so calculated and paid” in paragraph 5 shall be construed as referring to the recalculated charges and the adjusted payments.
10. Any question arising under paragraph 5 or 7 as to whether the supplier concerned has used its reasonable endeavours to recover charges shall be determined by the Authority.
11. Subject to paragraph 12, for the purposes of this condition there shall, be rebuttable presumptions –
 - (a) that, where gas is taken at a point upstream of the outlet of the customer control valve on a service pipe, it is gas which is in the course of conveyance by the licensee; and

- (b) that, where gas is taken at some other point, it is gas which has been conveyed to premises by the licensee.

- 12. For the purposes of this condition, there shall also be rebuttable presumptions, in relation to any secondary sub-deduct premises –
 - (a) that where gas is taken (otherwise than by a consumer to whom gas is supplied at the relevant primary premises) at a point between –
 - (i) the meter which registers the supply of gas to the relevant primary premises; and
 - (ii) the outlet of the customer control valve relating to the secondary subdeduct premises, it is gas which is in the course of being conveyed to the secondary sub-deduct premises; and
 - (b) that where gas is taken downstream of the outlet, it is gas which has been conveyed to the secondary sub-deduct premises.

- 13. The licensee shall, at the request of a relevant shipper, secure that any meter or associated installation or pipe-work connected to the licensee’s pipe-line system which has been rendered unsafe or potentially unsafe as a result of –
 - (a) an offence or attempted offence under paragraph 10 of Schedule 2B to the Act; or
 - (b) the reconnection of any premises or the restoration of the supply of gas thereto in contravention of paragraph 11 of that Schedule (or, where the premises in question are secondary sub-deduct premises, such reconnection or restoration as would, but for that fact , have amounted

to such a contravention) or any attempt so to do, is rendered safe.

14. For the purposes of paragraph 13, but subject to paragraph 15, any meter or associated installation or pipe-work connected to a pipe-line system, being a system through which gas is conveyed from primary sub-deduct premises to any secondary sub-deduct premises, shall be deemed to be connected to the licensee's pipe-line system if the licensee conveys gas to the primary sub-deduct premises.
15. Paragraph 14 shall not apply to the extent that the licensee does not have the necessary rights of entry, as against –
 - (a) the owner or occupier of any premises on which the meter or associated installation or pipe-work are situated; or
 - (b) the owner of the meter or associated installation or pipe-work, to comply with paragraph 13.

Condition 8. Provision and Return of Meters (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 9. Network Code (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 10 Not used

Condition 11 Not used

Condition 12 Not used.

Condition 13. Change Co-ordination for the Utilities Act 2000 (SWITCHED OFF)

Switched off as redundant/time expired.

Condition 14. The Supply Point Administration Agreement

1. The licensee shall become a party to and thereafter comply with those provisions of the Supply Point Administration Agreement relevant to it.

Condition 15. Not used

Condition 16. Pipe-Line System Security Standards (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 17. Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick: Arrangements in Respect of Meters (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

**Condition 18. Provision of Services for Persons who are Blind or Deaf
(SWITCHED OFF)**

Switched off and replaced by Standard Special Condition

Condition 19. Arrangements in Respect of Powers of Entry (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 19A. Authorisation of Officers (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 19B. Exercise of Powers of Entry (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 20. Standards of Performance

8. Where the licensee is required by this licence or any provision of Regulations made under section 33AA of the Act to make a compensation payment to a customer it shall be sufficient compliance with this licence or that provision for the licensee to make the payment to the relevant shipper in such a manner and form as to ensure that the relevant shipper is aware that the payment is for onward transmission via the relevant supplier to the customer.

Condition 21. Complaint Handling Procedure (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

**Condition 22. Preparation, Review of and Compliance with Statements and Codes
(SWITCHED OFF)**

Switched off and replaced by Standard Special Condition

Condition 23. Record of and Report on Performance (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 24. Provision of Information to the Authority (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 25. Long Term Development Statement (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 26. Not used

Condition 27. Adjustment of Amounts by Reference to the Retail Price Index

1. Where it is provided in these standard conditions that an amount (“the unadjusted amount”) shall be adjusted in accordance with this condition, the adjusted amount shall be the unadjusted amount multiplied by the appropriate factor mentioned in paragraph 2.
2. The appropriate factor referred to in paragraph 1 shall be obtained by dividing the retail price index for the first month of the year beginning with an anniversary of 1 October 2001 which includes the date by reference to which the adjustment falls to be made by the retail price index for the month beginning with 1 October 2001.
3. Any reference in this condition to the retail price index is a reference to the general index of retail prices (for all items) published by The Office for National Statistics; and if that index is not published for any month that reference shall be read as a reference to any substituted index or index figures published by that office for that month.

Condition 28. Termination of Shipping Arrangements

1. The licensee shall keep each relevant supplier informed of the terms which, from time to time, are specified terms for the purposes of standard condition 24B (Undertaking to be Given by Licensee to Relevant Transporter in Respect of Shipping Charges etc) of the standard conditions of gas suppliers' licences as incorporated in that supplier's licence.

2. Paragraph 3 shall apply where –
 - (a) the arrangements between the licensee and a gas shipper for the conveyance of gas to any premises (“the old arrangements”) have been terminated or expired by effluxion of time and have not been replaced by arrangements made with that or another gas shipper for the like purpose;

 - (b) by reason of sub-section (8) of section 10 of the Act (premises likely to be supplied with gas, subject to section 8A(1), in excess of 2,196,000 kilowatt hours in a twelve-month period) the licensee cannot be required (under subsection (3) of that section) to maintain the connection of the premises mentioned in sub-paragraph (a) to its pipe-line system; and

 - (c) the old arrangements did not permit of the licensee interrupting the conveyance of gas to the premises mentioned in sub-paragraph (a) (otherwise than in a pipe-line system emergency within the meaning of paragraph 1 of standard condition 15 (Security and emergency arrangements) of the standard conditions of gas suppliers' licences or in pursuance of directions given under section 2(1)(b) of the Energy Act 1976).

3. Where this paragraph applies, the licensee shall not, by reason only of the circumstances mentioned in paragraph 2(a), disconnect the premises mentioned in subparagraph (a) of paragraph 2 –
 - (a) if and so long as it has reasonable cause to be satisfied that it can expect that such payments as are mentioned in paragraph 4 will be made to it in respect of gas taken out of its pipe-line system for supply to the premises mentioned in sub-paragraph (a) of paragraph 2, and
 - (b) unless the licensee has given 48 hours notice to the owner or the occupier of the premises mentioned in sub-paragraph (a) of paragraph 2 and to any person who, to the knowledge of the licensee, has contracted to supply gas to those premises.
4. The payments referred to in paragraph 3(a) are ones which, as nearly as may be, are the same as those which would have been attributable to the taking out of the gas for supply to the premises mentioned in sub-paragraph (a) of paragraph 2 and due under the old arrangements if they had remained in force and had the gas shipper not, thereafter, introduced any gas into the licensee's pipe-line system nor made arrangements to do so.
5. Where the premises mentioned in sub-paragraph (a) of paragraph 2 are secondary sub-deduct premises, the references to arrangements in paragraph 2(a) shall be construed as references to sub-deduct arrangements; and references in this condition to "the old arrangements" shall be construed accordingly.

Condition 29. Disposal of Assets (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 30. Regulatory Accounts (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 30A. Change of Financial Year (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 31. Supply Point Information Service (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

SECTION C. TRANSPORTATION SERVICES OBLIGATIONS

Condition 32. Interpretation of Section C (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 33. Designated Registrar of Pipes (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 34. Not used

Condition 35. Not used

Condition 36. Not used

Condition 37. Not used

Condition 38. Availability of Data Formats (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 39. Restriction on Use of Certain Information and Independence of the Transportation Business (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 40. Appointment of Compliance Officer (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 41. Prohibition of Cross-Subsidies (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 42. Not used

Condition 43. Restriction on Activity and Financial Ring-Fencing (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 44. Availability of Resources (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 45. Undertaking from Ultimate Controller

1. The licensee shall procure from each company or other person which is at any time an ultimate controller of the licensee a legally enforceable undertaking in favour of the licensee in the form specified by the Authority that that ultimate controller (“the covenantor”) will refrain from any action, and will procure that any person (including, without limitation, a corporate body) which is a subsidiary of or controlled by, the covenantor (other than the licensee and its subsidiaries) will refrain from any action, which would then be likely to cause the licensee to breach any of its obligations under the Act or this licence. Such undertaking shall be obtained within 7 days of the company or other person in question becoming an ultimate controller and shall remain in force for as long as the licensee remains the holder of this licence and the covenantor remains an ultimate controller of the licensee.

2. The licensee shall:
 - (a) deliver to the Authority evidence (including a copy of each such undertaking) that the licensee has complied with its obligation to procure undertakings pursuant to paragraph 1;
 - (b) inform the Authority immediately in writing if the directors of the licensee become aware that any such undertaking has ceased to be legally enforceable or that its terms have been breached; and
 - (c) comply with any direction from the Authority to enforce any such undertaking;

and shall not, save with the consent in writing of the Authority, enter (directly or indirectly) into any agreement or arrangement with any ultimate controller of the licensee or any of the subsidiaries of any such corporate ultimate controller (other than the subsidiaries of the licensee) at a time when –

- (i) an undertaking complying with paragraph 1 is not in place in

relation to that ultimate controller; or

- (ii) there is an unremedied breach of such undertaking; or
- (iii) the licensee is in breach of the terms of any direction issued by the Authority under paragraph 2 of this condition.

Condition 46. Credit Rating of Licensee (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 47. Indebtedness (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Condition 48. Last Resort Supply: Payment Claims (SWITCHED OFF)

Switched off and replaced by Standard Special Condition

Department of Trade and Industry

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