

To the Company Secretary:

1. National Grid Gas plc  
Company No. 02006000  
1-3 Strand  
London  
WC2N 5EH
  
2. Northern Gas Networks Limited  
Company No. 05167070  
1100 Century Way  
Thorpe Park Business Park  
Colton Leeds  
LS15 8TU
  
3. Scotland Gas Networks plc  
Company No. SC264065  
Inveralmond House  
200 Dunkeld Road  
Perth  
Perthshire PH1 3AQ
  
4. Southern Gas Networks plc  
Company No. 05167021  
St Lawrence House  
Station Approach  
Horley  
Surrey RH6 9HJ
  
5. Wales & West Utilities Limited  
Company No. 05046971  
Wales & West House  
Spooner Close Coedkernew  
Newport  
South Wales  
NP10 8FZ

**NOTICE UNDER STANDARD SPECIAL CONDITION D2  
OF THE GAS TRANSPORTER LICENCE  
GRANTED OR TREATED AS GRANTED UNDER  
SECTION 7 OF THE GAS ACT 1986**

The Gas and Electricity Markets Authority (the "Authority") hereby gives notice pursuant to paragraph 3 of Standard Special Condition D2 (Private Collective Licence Modification Procedure in respect of Standard Special Conditions applicable to DN licensees) of the gas transporter licence applicable to DN operators as follows:

1. The Authority proposes to collectively modify the conditions of the gas transporter licences (the "licences") granted under section 7 of the Act to –

- a. National Grid Gas plc;
- b. Northern Gas Networks Limited;
- c. Scotland Gas Networks plc;
- d. Southern Gas Networks plc; and
- e. Wales & West Utilities Limited,

all collectively, the "DN operators" (within the meaning currently given to "DN operator" in Standard Special Condition A3(1) (Definitions and Interpretation) of the gas transporter licence.

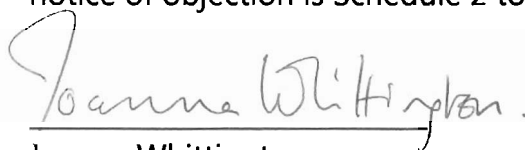
2. The proposals are to –

- a. Alter Standard Special Condition D3 (Long term development statement);
- b. Alter Standard Special Condition D5 (Licensee's procurement and use of system management services);
- c. Omit Standard Special Condition D7 (Exit code statement);
- d. Omit Standard Special Condition D8 (Reform of distribution network interruption arrangements);
- e. Alter Standard Special Condition D9 (Distribution network transportation activity incentive scheme and performance reporting);
- f. Omit Standard Special Condition D10 (Provision of connections information);
- g. Add new Standard Special Condition D10 (Quality of service standards);
- h. Alter Standard Special Condition D11 (Charging obligations);
- i. Add Standard Special Condition D13 (Provision of services for specific domestic customer groups);
- j. Add Standard Special Condition D14 (Arrangements for access to premises);

- k. Add Standard Special Condition D15 (Procedure for dealing with complaints); and
  - l. Add Standard Special Condition D16 (Reporting on Performance).
3. The proposed modifications are in Schedule 1 to this notice and this notice is coterminous with a separate notice published under Standard Special Condition A2 which among other things, proposes to omit from the licences Standard Special Conditions A19 – A25 (and in their stead, this notice proposes replacing them with Standard Special Conditions D13 – D16).
4. The reasons why the Authority proposes to make these licence modifications and their effect are mainly set out in various documents published on behalf of the Authority, which are available free of charge from the Ofgem library (telephone: 020 7901 7003) or on the Ofgem website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)), including –
  - a. *'Reform of interruption arrangements on gas distribution networks – An update'*, Ofgem, October 2006,
  - b. *'Gas Distribution Price Control Review Initial Proposals Document'*, Ofgem, 29 May 2007, ref: 125/07;
  - c. *'GDPCR: Initial Licence Drafting Consultation'*, Ofgem, 10 September 2007, ref: 221/07;
  - d. *'Gas Distribution Price Control Review Updated Proposals Document'*, Ofgem, 24 September 2007, ref: 226/07;
  - e. *'Open letter on Ofgem's proposals to implement revised standards of performance arrangements for gas transporters'*, Ofgem, November 2007, ref: 279/07;
  - f. *'Gas Distribution Price Control Review', Final Proposals Decision and Supplementary Appendices Documents*, Ofgem, December 2007, ref: 285 and 285a/07;
  - g. *'GDCPR: Second Licence Drafting Consultation'*, Ofgem, 11 December 2007, ref: 290/07, and
  - h. *'Modification of standard special condition D11 of the GT licence'*, Ofgem, 12 December 2007,

and in summary, the reasons for the proposed licence modifications are to implement those changes to the regulatory framework which have been consulted on as part of, or in conjunction with the Gas Distribution Price Control Review; in particular, those changes intended to rationalise and update the DN operators' outputs and standards of performance arrangements and improve the manner of measuring the DN operators' performance.

5. The effect of these licence modifications is to protect the interests of consumers by –
  - a. Promoting efficiency and economy on the part of DN operators;
  - b. Implementing a regulatory framework that enables DN operators to operate efficiently and deliver an agreed quality of service; and
  - c. Enhancing comparative competition between the DN operators.
6. Any representations or objections to any of the proposed modifications must be made in writing on or before 20 March 2008 to Ayesha Uvais, Office of Gas and Electricity Markets (Ofgem) 9 Millbank, London SW1P 3GE (0207 901 7307) or via email to [Ayesha.Uvais@ofgem.gov.uk](mailto:Ayesha.Uvais@ofgem.gov.uk) and if a respondent does not wish its response to be made public, the response should be clearly marked as not for publication.
7. "Relevant licence holders" for the purpose of giving notice of objection to the modification proposals are all gas transporters (being the DN operators) in whose licences the Standard Special Conditions listed in paragraph 2(a) – (f) and (h) of this notice are in effect on the expiration of this notice.
8. A pro forma that a relevant licence holder may wish to use in order to give notice of objection is Schedule 2 to this notice.



Joanna Whittington  
Director, Gas Distribution

Duly authorised on behalf of the  
Gas and Electricity Markets Authority

21 February 2008

**SCHEDULE 1 TO NOTICE UNDER STANDARD SPECIAL CONDITION D2**

(Draft conditions)

### **Standard Special Condition D3. Long Term Development Statement**

1. The licensee shall comply with a direction given by the Authority to prepare an annual statement, in respect of each Distribution Network (as defined in Special Condition E1 (Revenue Restriction Definitions in respect of the Distribution Network)) in such form and at such a time as may be specified in the direction giving, with respect to each of the 10 succeeding years beginning with 1 October, such information by way of forecasts of -
  - (a) the use likely to be made of the pipe-line system to which this licence relates; and
  - (b) the likely developments of that system and those facilities which the licensee expects from time to time to be taken into account in determining the charges for making connections to that system and in pursuance of transportation arrangements,as it is reasonably practicable for the licensee to provide and which will assist a person who contemplates -
  - (i) seeking the connection of a pipe-line of his to the pipe-line system to which this licence relates;
  - (ii) entering into transportation arrangements with the licensee; or
  - (iii) seeking the connection of the pipe-line system to which this licence relates to premises which would reasonably be expected to be supplied with gas at a rate exceeding 2,196,000 kilowatt hours a year,in identifying and evaluating the opportunities for doing so.
2. Except in so far as the Authority consents to the licensee not doing so, the licensee shall use its reasonable endeavours to prepare a revision of any statement prepared under paragraph 1 so as to ensure that the information in the statement is up to date.
3. The licensee shall, subject to any requirement to comply with the listing rules (within the meaning of the Financial Services and Markets Act 2000) and with paragraph 4 below -

- (a) furnish the Authority with a copy of each statement prepared under paragraph 1 and of each revision of the statement prepared under paragraph 2;
  - (b) furnish such other gas transporter as the Authority may direct with a copy of each statement prepared under paragraph 1 and of each revision of the statement prepared under paragraph 2;
  - (c) in such form and manner as the Authority may direct, publish such a summary of each statement or, as the case may be, of a revision of the statement as will assist a person in deciding whether to ask for a copy of the version mentioned in sub-paragraph (d); and
  - (d) prepare a version of each statement or revision which excludes, so far as is practicable, any such matter as is mentioned in paragraph 4 and send a copy thereof to any person who asks for one and makes such payment to the licensee in respect of the cost thereof as it may require not exceeding such amount as the Authority may from time to time approve for the purposes hereof.
4. In complying with the requirements of paragraph 3(c), the licensee shall have regard to the need for excluding, so far as is practicable, any matter which relates to the affairs of a person where the publication of that matter would or might seriously and prejudicially affect his interests.
5. Any question arising under paragraph 4 as to whether the publication of some matter which relates to the affairs of a person would or might seriously and prejudicially affect his interests shall be determined by the Authority.

**Standard Special Condition D5. Licensee's procurement and use of constraint management services**

1. The licensee shall operate each of the pipe-line systems to which its licence relates in an efficient, economic and co-ordinated manner.
2. The licensee shall ensure that it and its affiliates or related undertakings (and/or any other business operated by the holder of this licence or its affiliates or related undertakings under a separate gas transporter licence for a relevant gas transporter) shall neither unduly discriminate nor unduly prefer in its procurement or use of constraint management services as between any persons or classes of persons.
3. The licensee shall before 1 June 2008 prepare a statement in a form approved by the Authority setting out (consistently with the licensee's duties under paragraph 1 and 2 of this condition and consistently with its other duties under the Act, and under this licence) the kinds of constraint management services which it may be interested in purchasing and the mechanisms by which it envisages purchasing, entering into or otherwise acquiring them. The licensee shall revise such statement before 1 April in each subsequent year if its intentions change .
4. Before 1 May of each formula year the licensee shall prepare a report in a form approved by the Authority in respect of the constraint management services which the licensee has bought or acquired in the period of 12 months (or such longer period as the Authority may approve or require) in the preceding formula year.
5. The licensee shall before 1 October 2008 or such later date as the Authority may direct in writing, prepare a statement in a form approved by the Authority setting out the principles and criteria (consistent with the licensee's duties under paragraph 1 and 2 of this condition and consistent with its other duties under the Act, and under this licence) by which the licensee will determine, at different times and in different circumstances, which constraint management services the licensee will use to assist it in the operation of the pipe-line system to which this licence relates, and for what purpose, and when the licensee would resort to measures not involving the

use of constraint management services in the operation of the pipe-line system to which this licence relates.

6. If the licensee has not, during that formula year, complied with the principles set out in the statement in paragraph 5 it will report its non compliance to the Authority with an explanation of why it departed from those principles.
7.
  - (a) If the licensee considers it appropriate to modify the statement in paragraph 5 to reflect more closely the practice of the licensee, or if the Authority determines that such a modification is appropriate, the licensee shall consult on any changes to that statement with gas shippers and/or the NTS operator and other interested persons likely to be affected thereby and allow them a period of not less than 28 days in which to make representations.
  - (b) Within 7 days of the close of the consultation referred to in paragraph 7(a) of this condition, the licensee shall send to the Authority:
    - (i) a report on the outcome of the review;
    - (ii) any revision to the statement proposed (having regard to the outcome of the review) by the licensee in order to ensure that the statement remains consistent with the licensee's duties under the Act and under the licence; and
    - (iii) any written representations or objections from gas shippers, the NTS operator and other interested parties, including proposals for revision not accepted by the licensee, arising during the consultation and subsequently maintained.
  - (c) The licensee may revise the statement only in accordance with any revision within sub-paragraph 7(b)(ii) of this condition, and only if the Authority consents to such revision.
8. The licensee shall take all reasonable steps to comply with the statement for the time being in force pursuant to paragraph 5 of this condition.

9. The licensee shall send to the Authority a copy of each of the statements and reports prepared pursuant to paragraphs 3, 4, 5, 6 and 7 of this condition and of all revisions to any such statements and reports.

10. The licensee shall:

(a) publish by such date (and in such manner) as the Authority may approve the statements prepared pursuant to paragraphs 3 and 5 of this condition and each revision thereof; and

(b) send a copy of each statement and report prepared pursuant to paragraphs 3, 4, 5, 6, and 7 of this condition or the latest revision of any such statement and report to any person who requests the same, provided that the licensee shall exclude therefrom, so far as is practicable, any matter which relates to the affairs of any person where the publication of that matter would or might seriously and prejudicially affect his interests,

and, for the purposes of paragraph 10(b) of this condition, the licensee shall refer for determination by the Authority any question as to whether any matter would or might seriously and prejudicially affect the interests of any person (unless the Authority consents to the licensee not doing so).

11. The licensee may make a charge for any copy of a statement, report or revision sent pursuant to paragraph 10(b) of this condition of an amount reasonably reflecting the licensee's reasonable costs of providing such a copy which shall not exceed the maximum amount specified in directions issued by the Authority for the purpose of this condition.

12. The licensee shall, unless the Authority otherwise consents, maintain for a period of seven years:

(a) copies of all reports published under paragraph 4;

(b) particulars of all constraint management services offered to it;

- (c) particulars of all contracts for constraint management services which it entered into; and
- (d) records of all constraint management services requested and provided.

13. The licensee shall provide to the Authority such information as the Authority shall request concerning the procurement and use of constraint management services.

**Standard Special Condition D9. Distribution Network transportation activity incentive scheme and performance reporting**

1. The principal purpose of this condition is to secure the collection of information on a common basis as between relevant gas transporters and to an appropriate degree of accuracy by the licensee, so as to monitor delivery of appropriate outputs from each Distribution Network.
2. The licensee shall establish appropriate systems, processes and procedures to measure and record specified information from the dates specified in paragraph 4 of this condition and in accordance with regulatory instructions and guidance (including any associated information specified therein).
3. For the purposes of this condition:

**“asset error correction reports”** means a report of an instance in which the licensee’s records do not accurately describe the location or nature of the licensee’s assets;

**“customer satisfaction survey”** means a postal survey comprising only questions relating to the specified matters in this condition which is carried out by an independent third party on behalf of the licensee;

**“digitise”** means the process of making asset information available to view on the licensee’s geo-spatial information system;

**“Distribution Network”** has the meaning given in Special Condition E1 (Revenue Restriction Definitions in respect of the Distribution Network);

**“independent third party”** means a suitable person with expertise in the conduct of market research and customer surveys appointed by the licensee using terms of reference approved in advance by the Authority;

**“regulatory instructions and guidance”**

means any instructions and guidance issued by the Authority for the purposes of this condition as modified from time to time by notice under paragraph 10 and may include:

- (a) instructions and guidance as to the establishment of different systems, processes, procedures and manners for providing and recording information and of standards for different classes of information;
- (b) a timetable for the development of the systems, processes and procedures required to achieve the appropriate standards of accuracy and reliability with which specified information shall be recorded;
- (c) the meaning of words and phrases used in defining specified information;
- (d) requirements for the recording of information associated with specified information which is reasonably necessary to enable an examiner to determine the accuracy and reliability of specified information;
- (e) requirements as to the form and manner in which specified information shall be provided to the Authority;
- (f) requirements as to the manner in which specified information shall be recorded and as to the standards of accuracy and reliability with which it shall be recorded; and

- (g) a statement as to whether and to what extent each category of specified information is required for the purposes of the scheme;

**“revenue restriction”** means the Distribution Network transportation activity revenue restriction in Special Condition E2 (Restriction of revenue in respect of the Distribution Network transportation activity);

**“specified information”** means:

- (a) information regarding interruptions comprising:
  - (i) the number of interruptions to supply, not caused pursuant to contract, per year in aggregate and disaggregate form in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance; and
  - (ii) the duration of interruptions to supply, not caused pursuant to contract, per year in aggregate and disaggregate form in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;
- (b) customer satisfaction survey results comprising:
  - (i) in respect of customers who have been affected by planned work carried out by the licensee on service pipes which is likely to have caused an interruption to their gas supply, the results of questions concerning the specified matters, in respect of each

Distribution Network, in the form and manner specified in the regulatory instructions and guidance,

(ii) in respect of customers who have:

aa) been affected by work carried out by the licensee on service pipes which is likely to have been associated with an unplanned interruption to their gas supply; and/or

ab) contacted the telephone service (operated pursuant to paragraph 1(a) of Standard Special Condition A8 (Emergency Services and Enquiry Service Obligations)) to report a gas emergency;

the results of questions concerning the specified matters, in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance,

(iii) in respect of customers who have requested a quotation for obtaining a new or altering an existing gas connection and/or had works planned and/or carried out by the licensee to provide a new gas connection or alter an existing gas connection, the results of questions concerning the specified matters, in respect of each Distribution Network, in the form and manner specified in the regulatory

instructions and guidance,

- (c) information regarding environmental performance measures including loss of containment of gas reportable to the Health and Safety Executive in accordance with the Control of Major Accident Hazards Regulations 1999 in the formula year in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;
- (d) an analysis of trends observable from the environmental performance measures;
- (e) information regarding the accuracy of pipe-line records in each Distribution Network comprising:
  - (i) the number of asset error correction reports submitted in each formula year in aggregate and disaggregate form in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;
  - (ii) the number of pipe-line records digitised per year in aggregate and disaggregate form in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;
  - (iii) the number of pipe-line records awaiting digitisation at the end of each reporting period in aggregate and disaggregate form in respect of each Distribution Network, in the

form and manner specified in the regulatory instructions and guidance; and

(iv) the date of the oldest pipe-line record awaiting digitisation at the end of each reporting period in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;

(f) supporting information including:

(i) information regarding escapes of gas which have been reported by members of the public in aggregate and disaggregate form in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;

(ii) information regarding gas in buildings as defined in the licensee's engineering instructions as may be updated from time to time in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance;

(iii) information regarding cast iron mains fractures in respect of each Distribution Network, in the form and manner specified in the regulatory instructions and guidance; and

(g) such other information as may from time to time be specified by the Authority, by direction to the licensee in accordance with paragraph 12;

**“specified matters”** means (a) customer demographics and (b) customer satisfaction relating to:

- (i) the quality of communications made by the licensee to customers providing them with information concerning works carried out;
- (ii) the inconvenience caused to customers by that work; and
- (iii) customers’ perception of the efficiency and professionalism with which the licensee carried out that work.

4. The licensee shall collect specified information in respect of:

- (a) the matters specified in sub-paragraphs (a) to (f) of the definition of specified information on and from 1 April 2008 and for the periods as specified in the regulatory instructions and guidance; and
- (b) any matter specified under sub-paragraph (g) of that definition from the date specified in a notice given in accordance with paragraph 12.

5. Where the licensee procures specified information through the use of customer satisfaction surveys, those surveys shall be undertaken quarterly in each formula year and the regulatory instructions and guidance shall specify:

- (a) the number of customers to be surveyed;
- (b) the method of selecting those customers;
- (c) the form of each customer satisfaction survey and the manner in which it is to be conducted; and
- (d) the method of calculating the results of the customer survey.

6. The licensee shall provide to the Authority:

- (a) the information referred to in sub-paragraphs (a) to (f) of the definition of specified information in the form, manner and frequency specified in the regulatory instructions and guidance;
  - (b) the information referred to in sub-paragraph (g) of the definition of specified information in respect of such period and by such date as shall be specified in the relevant notice in accordance with that paragraph.
- 7. The licensee shall publish the information provided to the Authority specified in sub-paragraph (b) of the definition of specified information on its website within one month after the provision of that information to the Authority.
- 8. The licensee shall permit a person or persons nominated by the Authority (in each case “**an examiner**”) to examine the systems, processes and procedures referred to in paragraph 2 and their operation, the specified information and the extent to which each complies, and is in accordance with, this condition and the regulatory instructions and guidance.
- 9. The licensee shall (and shall procure, insofar as it is able to do so, that any affiliate of the licensee, any person by whom it procures the performance of the obligation in paragraph 2 and any auditor of such person or of the licensee shall) co-operate fully with an examiner so as to enable him to carry out, complete and report to the Authority on any examination carried out in accordance with paragraph 8.
- 10. The licensee’s obligation under paragraph 9 to cooperate or procure cooperation with an examiner shall include, without limitation and insofar as necessary or expedient for such purpose, in each case subject to reasonable prior notice to the licensee:
  - (a) providing access to management, employees, agents or independent contractors of the licensee sufficient to enable the examiner to make any enquiries and to discuss any matters which he reasonably considers to be relevant to the carrying out of the examination;

- (b) giving to the examiner access at reasonable hours to any premises occupied by the licensee or any other person in performing the obligations set out in this condition; and
- (c) allowing the examiner at reasonable hours:
  - (i) to inspect and make copies of, and take extracts from, any documents and records of the licensee maintained in relation to specified information;
  - (ii) to carry out inspections, measurements and tests on or in relation to any systems maintained and operated for or in relation to the requirements of this condition; and
  - (iii) to take onto such premises or onto or into any assets used for the purpose of each Distribution Network such other persons and such equipment as may be necessary or expedient for the purpose of carrying out the examination.

11. The regulatory instructions and guidance may not:

- (a) exceed what is necessary to achieve the purposes of this condition, having regard in particular to the materiality of the costs likely to be incurred by the licensee in complying therewith; or
- (b) purport to have effect with respect to the interpretation of any other condition of this licence or the fulfilment by the licensee of any obligation imposed in respect of any matter which is the subject of any such condition.

12. Where the Authority considers that the regulatory instructions and guidance should be modified to:

- (a) improve the presentation or style of the requirements of those regulatory instructions and guidance;

- (b) remove or reduce inconsistencies between relevant gas transporters in the application or interpretation of such requirements;
- (c) further clarify the meaning of words and phrases used within such requirements to define the information to be provided;
- (d) improve the form or manner in which such information is to be provided under such requirements; or
- (e) introduce additional categories of specified information or enlarge existing categories of specified information,

in such ways as the Authority may reasonably require so as more effectively to achieve the principal purpose of this condition, the Authority may, subject to paragraphs 13 to 17, modify the regulatory instructions and guidance by issuing a direction for that purpose to all relevant gas transporters.

13. Before issuing a direction under paragraph 12, the Authority, by notice given to all relevant gas transporters, shall:

- (a) state that it proposes to make a modification and set out the date on which it proposes that this should take effect;
- (b) set out the text of the modification, the purpose and the effect of the modification, and the reasons for proposing it; and
- (c) specify the time (not being less than 28 days from the date of the notice) within which representations or objections with respect to the proposed modification may be made,

and must consider any representations or objections which have been duly made and are not withdrawn, and give reasons for its decision.

14. Where a modification of the regulatory instructions and guidance relates to the introduction of a requirement to provide:

- (a) a new category of information; or
- (b) an existing category of information to a greater level of detail,

and in either case such information has not previously been collected by the licensee (whether under the provisions of the regulatory instructions and guidance or otherwise), it shall not be a breach of that requirement for the licensee to provide estimates in respect of that category, for the year in which the modification is made and for any preceding year, derived from such other information available to the licensee as may be appropriate for that purpose.

15. Any modification to the regulatory instructions and guidance made under paragraph 11 to enlarge an existing category of information may not include information that the licensee could not be required to provide to the Authority under paragraph 1 of Standard Special Condition A26 (Provision of Information to the Authority), excluding the effects of paragraph 8 of that condition.

16. The provision of the regulatory instructions and guidance may not exceed what may be reasonably required to achieve the purposes of this condition or purport to have effect with respect to the interpretation of any other condition of this licence or the fulfilment by the licensee of any obligation imposed in respect of any matter which is the subject of any such condition.

17. Nothing in this condition shall require the licensee to produce any documents which it could not be compelled to produce or give in evidence in civil proceedings before a court.

## **Standard Special Condition D10. Quality of service standards**

1. This condition applies to the following activities undertaken by the licensee:
  - (a) connections to the pipe-line system to which this licence relates, in respect of:
    - (i) the provision of quotations for obtaining a new or altering an existing connection;
    - (ii) responding to land enquiries;
    - (iii) providing a date for commencement of works; and
    - (iv) substantial completion of works within timescales agreed with the customer;
  - (b) the telephone service which the licensee operates or procures the operation of pursuant to Standard Special Condition A8 (Emergency Services and Enquiry Service Obligations) of the licence (“the emergency telephone service”), the dedicated enquiry line and meter point reference number helpline; and
  - (c) attendance at gas emergencies including gas escapes, emissions of carbon monoxide, fumes or other hazardous situations.
  
2. For each relevant period, the licensee shall procure that:
  - (a) 90 per cent of standard quotations for obtaining a new connection or altering an existing connection up to and including rates of flow of 275 kWh per hour are issued within six working days of receipt of the request unless the customer requests a deferral;
  - (b) 90 per cent of non-standard quotations for:
    - (i) obtaining a new connection or altering an existing connection up to and including rates of flow of 275kWh per hour are issued within eleven working days of receipt of the request unless the customer requests a deferral; and
    - (ii) obtaining a new connection or altering an existing connection where rates of flow exceed 275kWh per hour are issued within twenty one

working days of receipt of the request unless the customer requests a deferral;

- (c) 90 per cent of new or altered connections are substantially completed within the timescales agreed with the customer;
- (d) 90 per cent of replies to land enquiries are issued within five working days of receipt of the request unless the customer requests a deferral;
- (e) in 90 per cent of cases, provide within twenty working days dates for commencement and substantial completion of works from the receipt of acceptance of a quotation provided under paragraph 2 (a) or (b) unless the customer requests a deferral;
- (f) when responding to telephone calls:
  - (i) 90 per cent of calls to the :
    - (a) the emergency telephone service;
    - (b) the dedicated enquiry line; and
    - (c) the meter point reference number helpline,which are made during the hours that the licensee operates or procures the operation of such lines, will, in aggregate, be answered within 30 seconds; and
  - (ii) in the case of the emergency telephone service, the calls must be answered by persons adequately trained to process such calls.
- (g) in 97 per cent of cases, where a report of a gas emergency including a gas escape, an emission of carbon monoxide, fumes or other hazardous situation is received through the emergency telephone service, or by any other means, the licensee shall attend or procure the attendance of an emergency service provider at the site of the incident promptly and in either event:
  - (i) in respect of an uncontrolled gas escape or other uncontrolled gas emergency, within 1 hour of the full emergency details being received by the telephone service, or by any other means; or

- (ii) in respect of a controlled gas escape or other controlled gas emergency, within 2 hours of the full emergency details being received on the telephone service, or by any other means.
- 3. The licensee shall from time to time submit to the Authority for its agreement an accuracy review scheme through which customers can require the licensee to review the accuracy of quotations for obtaining a new connection or altering an existing connection and, in the event that the licensee provides an inaccurate quotation, the licensee shall adjust any charge made to the customer to the amount due under an accurate quotation.
- 4. In relation to requests received by the licensee relating to activities referred to in subparagraph 1(a), where a request is received after 5pm on any day it shall be deemed for the purposes of this condition as having been received on the next working day.
- 5. For the purpose of sub-paragraph 2(f) where the licensee operates or procures the operation of these telephone services in conjunction with other gas transporters, performance shall be measured by aggregating all calls relating to those services.
- 6. The licensee shall, once in each formula year, provide specified information to the Authority.
- 7. The licensee shall, once in each formula year:
  - (a) undertake an audit in respect of the provision by the licensee of services under paragraph 1(a);
  - (b) inform the Authority of the nature and scope of such audit; and
  - (c) when requested by the Authority in writing, review such audit and the manner in which it is being operated with a view to determining whether any modification should be made to such audit or to the manner of its operation.
- 8. This condition shall not apply to requests for connections:

- (a) to new build domestic developments of at least 5 domestic premises where there is no existing connection to the pipe-line system to which this licence relates;
  - (b) to new build non domestic developments of at least 5 non-domestic premises where there is no existing connection to the pipe-line system to which this licence relates;
  - (c) to premises to which gas will be conveyed at a pressure of more than 7 bar gauge;
  - (d) classed as complex connections in a statement issued from time to time by the licensee and agreed with the Authority after such consultation as the Authority directs;
  - (e) classed as excluded connections in a statement issued from time to time by the licensee and agreed with the Authority; or
  - (f) where the customer has failed to provide to the licensee such information as the licensee requires from the customer in order to provide a quotation.
9. The licensee shall prepare and from time to time revise a statement describing the performance standards required under paragraph 2(f) and 2(g) of this condition and the level of performance achieved in respect of those standards in a form and having a content which the licensee could reasonably expect would be within the understanding of customers to whom the statement relates and shall:
- (a) give a copy of the statement and of any revision of the statement to the Authority and to the Council, before he sends it to the gas suppliers referred to in sub-paragraph (b);
  - (b) at least once in any period of 12 months dispatch to each gas supplier which supplies gas to customers connected to the pipe-line system to which this licence relates for onward transmission to the gas supplier's customers a copy of the statement (in the form current at the time it is provided);
  - (c) make a copy of the statement (in its current form) available for inspection by any person at any offices fixed as appropriate by the licensee for the purposes of section 46(3) of the Act or, if none, at any premises of or occupied by the licensee open to the public in the normal course of the licensee's business during the normal opening hours of the premises;

- (d) send a copy of the statement (in its current form) to any person who asks for one, and
  - (e) publish a copy of the statement on the licensee’s website.
10. The statement prepared under paragraph 9 shall be published in the form of a single document that also includes the statement referred to in paragraph 2 of regulation 15 of the Gas (Standards of Performance) Regulations 2005 (as amended).

11. For the purposes of this condition only:

**“accurate quotation”** means a correct charge in accordance with the licensee’s published gas connection charging statement;

**“gas connection”** means the gas connection of a service (or any part thereof) under sections 9(1)(b) and 10(2) of the Act for the establishment of a new gas connection or alteration of an existing gas connection to premises on the transportation system where a service means a pipe (if any) installed or to be installed between any main and any emergency control valve at the relevant premises;

**“controlled gas escape or other controlled gas emergency”** means a gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions advised the telephone service, advises the operator that the escape of gas or other emergency appears to have ceased.

**“customer”** means domestic and non-domestic customers and prospective customers of licensed gas suppliers, gas shippers, gas suppliers, independent gas connection providers, licensed gas transporters or any other person requesting gas connection services specified under paragraph 1(a);

**“emergency service provider”** shall have the same meaning as in the Gas Safety (Management) Regulations 1996;

**“independent gas** means any person that provides consultancy and/or

<b>connection provider”</b>	engineering services in relation to gas connections on behalf of customers, gas shippers, gas suppliers and gas transporters;
<b>“land enquiry”</b>	means an indication of the availability of gas, an estimate of pressure that is or may become available, an estimate of the cost of the relevant gas connection and, where appropriate, the approval of a design for the provision of a new or alteration of an existing gas connection;
<b>“non-standard quotation”</b>	means a quotation other than a standard quotation (but excluding a self-quote);
<b>“relevant period”</b>	means the period from 1 April 2008 until 31 March 2009 and thereafter each succeeding period of 12 months starting on 1 April;
<b>“self-quote”</b>	means a quotation produced by the customer for the provision of a new or alteration of an existing gas connection in accordance with any conditions published by the licensee to enable the customer to calculate the cost of the relevant works;
<b>“specified information”</b>	means as a minimum: <ul style="list-style-type: none"> <li>(a) the number of requests which the licensee has received for each of the services referred to in paragraph 1(a);</li> <li>(b) the number of requests for each of the services referred to in paragraph 1(a) in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(a)-(e);</li> <li>(c) the number of requests for each of the services referred to in paragraph 1(a) in respect of which the licensee has not provided the requested service within the timescales set out in paragraph 2(a)-(e);</li> <li>(d) the amount (if any) paid for the purposes of refunding customers for failure to provide an accurate quotation;</li> </ul>

- (e) the amount of compensation (if any) paid by the licensee for the purpose of compensating customers entitled to compensation under regulations made under section 33AA of the Act;
- (f) the number of times any payment caps specified under regulations made under section 33AA of the Act have been reached;
- (g) the results of any audit carried out under paragraph 7 above;
- (h) the number of gas connection requests under paragraph 1(a) that the licensee has identified as falling within the categories set out in paragraph 8;
- (i) the number of calls received under paragraph 1(b) and the number of calls in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(f)(i) and 2 (f)(ii);
- (j) the number of reports received under paragraph 1(c) that the licensee has identified as falling within the category set out in paragraph 2(g)(i) or 2(g)(ii) and the number of reports in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(g)(i) and 2(g)(ii) respectively.

**“standard quotation”** means a standard quotation (excluding a self-quote) that does not require a site visit; and

**“substantial completion”** means that the gas connection and the emergency control valve to the premises has been installed and commissioned.

12. Where the licensee is a DN operator that operates more than one Distribution Network (as defined in Special Condition E1 (Revenue restriction definitions in respect of the Distribution Network)), the obligations of this condition shall apply in respect of each Distribution Network.



## **Standard Special Condition D11. Charging obligations**

### **1. Amendments to Standard Special Condition A4 (Charging - General)**

Standard Special Condition A4 (Charging – General) shall be amended by:-

(a) in paragraph 1, the insertion of “, for each Distribution Network (as defined in Special Condition E1 (Revenue Restriction Definitions in respect of the Distribution Network)), where applicable,” after the words “the licensee shall”;

(b) in paragraph 2, the insertion of the following in sub-paragraphs (a) and (b) in substitution for the words “NOT USED”:

“(a) use its reasonable endeavours not to make any changes to the charges or reserve prices mentioned in paragraph 1 more frequently than once in each formula year such that before 31 March 2009 any changes shall take place on 1 October in each formula year and after 31 March 2009 any such change shall take place on 1 April in each formula year or in either case, at such other time as the Authority may by notice in writing direct;

(b) subject to sub-paragraph (a) above, if the licensee makes changes to the charges or reserve prices mentioned in paragraph 1 on a date other than that specified in sub-paragraph (a), inform the Authority in writing as soon as is reasonably practicable after the decision is made to make such a change to charges, and, in any event, not later than three months after the charge change has been implemented:

(i) stating the reasons for this change; and

- (ii) clearly identifying whether any of the information is of a confidential nature.”

**2. Amendments to Standard Special Condition A5 (Obligations as Regards Charging Methodology)**

Standard Special Condition A5 (Obligations as Regard Charging Methodology) shall be amended by:

- (a) in paragraph 1, the insertion of “, for each Distribution Network (as defined in Special Condition E1 (Revenue Restriction Definitions in respect of the Distribution Network)), where applicable,” after the words “the licensee shall”;
- (b) in paragraph 2A, the insertion of the following in sub-paragraph (b) in substitution for the words “NOT USED”:

“(b) use its reasonable endeavours not to make any changes to the charging methodology more frequently than once in each formula year such that before 31 March 2009 any changes shall take place on 1 October in each formula year and after 31 March 2009 any such change shall take place on 1 April in each formula year or in either case at such other time as the Authority may by notice in writing direct”

**Standard Special Condition D13. Provision of services for specific domestic customer groups**

**Arrangements in respect of meters**

1. Where a relevant supplier or a gas supplier who is about to become such a supplier has -
  - (a) pursuant to paragraph 1(d) of standard condition 26 (Services for specific Domestic Customer groups) of its supply licence transmitted to the licensee a request for the repositioning of a meter owned by the licensee; and
  - (b) undertaken to pay the licensee's reasonable expenses in complying with the request,then, so far as it is reasonably practicable and appropriate for it to do so, the licensee must comply with the request.

**Services for vulnerable domestic customers**

2. If a domestic customer who is of pensionable age, disabled, or chronically sick asks it to do so, the licensee must, free of charge, agree a password with that customer that can be used by any representative of the licensee to enable the customer to identify that person for the purpose of carrying out necessary work for which the password was agreed.
3. The licensee must provide facilities, free of charge to domestic customers, which enables any domestic customer who is:
  - (a) blind or partially sighted; or
  - (b) deaf or hearing-impaired and in possession of appropriate equipment,to ask or complain about any service provided by the licensee.

## **Provision of information**

4. The licensee must prepare a statement, in plain and intelligible language, that sets out and explains its arrangements for complying with its obligations under this condition.
5. In relation to the statement prepared under paragraph 4, the licensee must:
  - (a) publish the statement on and make it readily accessible from its website;
  - (b) at least once each year, take all reasonable steps to inform domestic customers whose premises are connected to the pipe-line system to which this licence relates, of the existence of the statement and how to obtain it;
  - (c) when asked to do so, provide to a domestic customer whose premises are connected to the pipe-line system to which this licence relates and who is blind, partially sighted, deaf, or hearing-impaired, the statement in a manner or a format that is suitable for that customer's special communication needs;
  - (d) when asked to do so, provide to a domestic customer whose premises are connected to the pipe-line system to which this licence relates and whose first language is not English, such assistance or advice as will enable that customer to understand the contents of the statement; and
  - (e) give a copy of the statement on request and free of charge to any person.
6. The statement prepared under paragraph 4 may, at the licensee's choice, be published as a single document that may also include the statements referred to in Standard Special Condition D14 (Arrangements for access to premises) and Standard Special Condition D15 (Procedure for dealing with complaints).
7. For the purposes of this condition:

“pensionable age” has the meaning given in section 48(2B) of the Act.

#### **Standard Special Condition D14. Arrangements for access to premises**

1. The licensee must take all reasonable steps to ensure that each representative of the licensee who visits a customer's premises on its behalf:
  - (a) possesses the skills necessary to perform the required function;
  - (b) can be readily identified as a representative of the licensee by a member of the public;
  - (c) uses any password that the licensee has agreed with the customer in accordance with paragraph 2 of Standard Special Condition D13 (Provision of services for specific domestic customer groups);
  - (d) is a fit and proper person to visit and enter the customer's premises; and
  - (e) is able to inform the customer, on request, of the gas emergency helpline number.
2. The licensee must take all reasonable steps, where a representative exercises the powers of entry conferred by Schedule 2B (the Gas Code) to the Act, to avoid undue disturbance to owners or occupiers of premises as a result of visits being made to their premises by its representatives and the representatives of other licence holders exercising powers of entry for like purposes.
3. The licensee must prepare a statement that sets out, in plain and intelligible language, its arrangements for complying with its obligations under paragraph 1.
4. In relation to the statement prepared under paragraph 3 the licensee must:
  - (a) publish that statement on and make it readily accessible from its website ;
  - (b) at least once each year, take all reasonable steps to inform customers whose premises are connected to the pipe-line system to which this licence relates of the existence of the statement and how to obtain it;
  - (c) when asked to do so, provide to a customer whose premises are connected to the pipe-line system to which this licence relates and, who is blind, partially sighted, deaf, or hearing-impaired, the statement in a manner or a format that is suitable for that customer's special communication needs;

- (d) when asked to do so, provide to a customer, whose premises are connected to the pipe-line system to which this licence relates and whose first language is not English, such assistance or advice as will enable that person to understand the contents of the statement; and
  - (e) give a copy of the statement on request and free of charge to any person.
5. The statement prepared under paragraph 3 may, at the licensee's choice, be prepared and published as a single document that may also include the statements referred to in Standard Special Condition D13 (Provision of services for specific domestic customer groups) and Standard Special Condition D15 (Procedure for dealing with complaints).
  6. In paragraph 2, the reference to visiting premises includes a reference to entry under the authority of a warrant obtained under the Rights of Entry (Gas and Electricity Boards) Act 1954.

### **Standard Special Condition D15. Procedure for dealing with complaints**

1. The licensee must produce, maintain and comply with a procedure for dealing with any complaint made by a domestic customer about any of its activities relating to the conveyance of gas or about the manner in which the licensee conducts its transportation business.
2. The licensee must prepare a statement, in plain and intelligible language, that sets out and explains the procedure that is required under paragraph 1.
3. In relation to the statement prepared under paragraph 2 the licensee must:
  - (a) publish on and make it readily accessible from its website;
  - (b) at least once each year, take all reasonable steps to inform domestic customers whose premises are connected to the pipe-line system to which this licence relates of the statement and how to obtain a copy of it;
  - (c) when asked to do so, provide to a domestic customer whose premises are connected to the pipe-line system to which this licence relates and who is blind, partially sighted, deaf, or hearing-impaired, the statement in a manner or a format that is suitable for that customer's special communication needs;
  - (d) when asked to do so, provide to a domestic customer whose premises are connected to the pipe-line system to which this licence relates and whose first language is not English, such assistance or advice as will enable that person to understand the contents of the statement; and
  - (e) give a copy of that statement on request and free of charge to any person.
4. The statement prepared under paragraph 2 may, at the licensee's choice, be prepared and published in the form of a single document that may also include the statements referred to in Standard Special Condition D13 (Provision of services for specific domestic customer groups) and Standard Special Condition D14 (Arrangements for access to premises).

**Standard Special Condition D16. Reporting on Performance**

1. The licensee must provide the Authority and the Consumer Council with information specified by the Authority relating to matters that it reasonably considers are relevant to the licensee's customers in relation to Standard Special Condition D13 (Provision of services for specific domestic customer groups), Standard Special Condition D14 (Arrangements for access to premises) and Standard Special Condition D15 (Procedure for dealing with complaints).
2. The information provided by the licensee under paragraph 1 must be in the form of a statistical record having such content and being presented in such a format and at such intervals of time as the Authority may from time to time direct.
3. Prior to issuing a direction under paragraph 2 the Authority must:
  - (a) consult with the licensee and the Consumer Council; and
  - (b) consider any representations received as part of the consultation, including any about the materiality of costs that are likely to be incurred by the licensee in obtaining the information to be specified in the direction.
4. The obligations of this condition shall apply in respect of each Distribution Network (as defined in Special Condition E1 (Revenue restriction definitions in respect of the Distribution Network)).

## **SCHEDULE 2 TO NOTICE UNDER STANDARD SPECIAL CONDITION D2**

### Pro forma Notice of Objection

In response to the notice dated 21 February 2008 proposing to collectively modify Standard Special Conditions in Part D of the gas transporter licences granted or treated as granted to the DN operators, this notice constitutes an objection to those proposals<sup>1</sup> on behalf of [state full name of objecting gas transporter].

I confirm that I am duly authorised to give this notice of objection on behalf of [ ].

Signed

Date:

[Address for acknowledgment, preferably including email address]

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<sup>1</sup> Please state details of objection