

**MODIFICATION PURSUANT TO SECTION 23 GAS ACT 1986 OF ALL
GAS TRANSPORTER LICENCES GRANTED OR TREATED AS
GRANTED UNDER SECTION 7 OF THE GAS ACT 1986, AND**

**NOTICE PURSUANT TO SECTION 38A OF THE GAS ACT 1986 OF
THE REASONS FOR THE DECISION OF THE GAS AND ELECTRICITY
MARKETS AUTHORITY TO MODIFY THE GAS TRANSPORTER
LICENCES**

WHEREAS

1. In accordance with section 23 of the Gas Act (the "Act"), the Authority gave notice on 21 February 2008 on the Ofgem website (www.ofgem.gov.uk) that it proposed to modify all the licences granted or treated as granted under section 7 of the Act to all gas transporters ("the Licences") by:
 - i. Altering standard condition 1 (Definitions and Interpretation); and
 - ii. Omitting standard condition 20 (Standards of Performance) and adding new standard condition 20 (Payments in relation to standards of performance),(both, the "Conditions") of the Licences and the Authority specified that any representations or objections to the proposed modifications to the Conditions must be made on or before 20 March 2008.
2. In accordance with section 38A(1)(b) of the Act, the reasons for the decision of the Authority to make the proposed licence modifications are to update references and definitions in the licences and 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 introducing between each gas transporter and any other gas transporter or a relevant gas shipper, compensation payment arrangements for customers.
3. Further details of the reasons are set out in various documents including:
 - a. *'Gas Distribution Price Control Review Initial Proposals Document*, 29 May 2007, ref: 125/07;
 - b. *'GDPCR: Initial Licence Drafting Consultation'*, 10 September 2007, ref: 221/07;
 - c. *'Gas Distribution Price Control Review Updated Proposals Document* Ofgem 24 September 2007, ref: 226/07;
 - d. *'Open letter on Ofgem's proposals to implement revised standards of performance arrangements for gas transporters'*, November 2007, ref: 279/07;

- e. *'Gas Distribution Price Control Review', Final Proposals Decision and Supplementary Appendices Documents*, December 2007, ref: 285 and 285a/07; and
- f. *'GDCPR: Second Licence Drafting Consultation'*, 11 December 2007, ref: 290/07,

all of which are available (free of charge) from the Ofgem library, 9 Millbank, London SW1P 3GE (020 7901 7003) or the Ofgem website.

4. In accordance with section 23(4)(b) of the Act, the Authority sent a copy of the notice of its intention to make the modification to the Secretary of State, to the gas transporters, Health and Safety Executive and the Consumer Council and did not receive by 20 March 2008 or at all, a direction from the Secretary of State not to make any modification.
5. By 20 March 2008 the Authority received 12 representations including five from DN operators and one from the NTS operator and received no objections to the proposed modifications.
6. One respondent suggested a textual revision to proposed standard condition 20 (Payments in relation to standards of performance).
7. The Authority has duly considered all the representations and has made the following revision in response to the representation about the textual revisions:
 - i. Standard condition 20 - in paragraph 2 replace the words "1 April 2008" with the words "1 April 2008,".

NOW THEREFORE

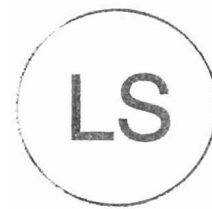
In accordance with its powers under section 23(1)(b) of the Act the Authority **HEREBY COLLECTIVELY MODIFIES** standard condition 1 (Definitions and Interpretation) and standard condition 20 (Payments in relation to standards of performance) in all gas transporter licences granted or treated as granted under section 7 of the Act in the manner contained in the attached Schedule **WITH EFFECT** on and from 1 April 2008 and **THE CONDITIONS AS MODIFIED SHALL HAVE EFFECT OR CONTINUE IN EFFECT ON AND FROM 1 APRIL 2008.**

This document also constitutes the notice of reasons under section 38A(1)(b) of the Act for the Authority's decision to modify the Licences.

Dated the 31st day of March 2008

The official seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of

Steve Smith

A handwritten signature in black ink, appearing to read 'S. Smith', written over a light grey rectangular background.

Managing Director, Networks

Authorised on behalf of the Gas and Electricity Markets Authority

SCHEDULE

SLC 1 TEXT

SLC 20 text

PART II. 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 thereof 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 2006;
“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 pipe-line 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 the licensee, 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 has the meaning given in regulations made under Part 15 of the Companies Act 2006;
“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 objectives”	for the purposes of standard condition 4B (Connection Charging Methodology) only, has the meaning give 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 2006;
“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 subduct 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 pipeline 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 subparagraph 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 1161 of the Companies Act 2006;

“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.

- 1A. Any reference in this condition to the provisions of the Companies Act 2006 shall before 6 April 2008 be construed as a reference to the corresponding provisions of the Companies Act 1985 or the Companies Act 1989 where applicable in force on 31 March 2008
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 sub-deduct 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.
7. 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.

8. In construing these standard conditions, the heading or title of any standard condition or paragraph shall be disregarded.
9. 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.
10. 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).
11. 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.
12. 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.

Standard Condition 20. Payments in Relation to Standards of Performance

1. Where the licensee is required by any provision of Regulations made under section 33AA of the Act to make a compensation payment to a customer or to another gas transporter for onward transmission to the 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 prompt onward transmission via the relevant supplier to the customer.
2. With effect from 1 April 2008, the licensee shall not enter into or allow to continue any agreement, either for connection to or use of the pipe-line system, unless it has taken appropriate steps to put arrangements in place with every gas transporter whose pipe-line system is connected to the pipe-line system to which this licence relates that provide:
 - (a) in respect of its performance of any obligation placed on it by the Regulations referred to in paragraph 1, for the licensee to make payments to the other gas transporter for onward transmission to a customer whose premises are directly connected to the pipe-line system to which that other gas transporter's licence relates;
 - (b) for the licensee and the other gas transporter to agree the extent of responsibility of each of them (where relevant) in relation to any failure to meet a prescribed level of performance pursuant to any provision of the Regulations referred to in paragraph 1;
 - (c) for the other gas transporter, where he is liable to make payments pursuant to any provision of the Regulations referred to in paragraph 1 and that liability arises wholly or partly from a failure, act or omission on the part of the licensee, to recover from the licensee all or (as appropriate) part of the cost of those payments (including financing costs where any such payments have already been made) to:
 - (i) the customer;

- (ii) the licensee for onward transmission to the customer; or
 - (iii) a relevant shipper for onward transmission to the customer through a gas supplier;
- (d) for the Authority, on the application of the licensee or the other gas transporter, to settle any dispute in such a manner as appears to the Authority to be reasonable where:
 - (i) the licensee and the other gas transporter have failed to agree the extent of the responsibility of each of them (where relevant) in relation to any failure to meet a prescribed level of performance pursuant to any provision of the Regulations referred to in paragraph 1, as provided for in paragraph 2(b), or
 - (ii) the other gas transporter has been unable to recover from the licensee the costs that it considers are due under paragraph 2(c);
and
- (e) for the licensee to pay to the other gas transporter such costs (including, where appropriate, financing costs) as may be determined under paragraph 2(d) as soon as is reasonably practicable.