



Gas and Electricity industry participants, consumer representatives, code administrators and other interested parties.

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Dear Colleague

The “timing-out” of code modification proposals

Background

On 18 November 2008 we published an open letter (the “November consultation”¹) setting out options on how to address the issue of the “timing out” of code modification proposals. This “timing out” issue arises where the Authority is unable to make its decision on a modification proposal before the latest date for a decision (the ‘Decide by Date’) which is set out in the relevant proposal’s final modification report (FMR²).

The November consultation outlined proposals for preventing modification proposals from “timing out” and sought views on these measures. Ofgem proposed two options:

- **Option A** – the Authority would take a licence power to vary implementation timetables prior to reaching a decision on a proposal following consultation;
- **Option B** – the Authority would take a licence power to request a revised implementation timetable, including, where appropriate, a new Decide by Date for proposals already with the Authority for decision, from the relevant code panel which would be obliged to comply with the request.

The purposes of this document are to summarise the views of those who responded to the November consultation and set out Ofgem’s position and proposed way forward.

Respondents’ views

18 responses were received to the November consultation. Only five responses indicated support for either option, and a majority opposed the proposals.

The majority of respondents provided the following reasons for opposing our proposals:

- a. **Flexibility to address problems early in the process.** A number of respondents considered that Ofgem can already influence the implementation timetable under existing code rules by providing input during the industry assessment process and ensuring that analytical deficiencies are dealt with at that stage;

¹ Ofgem document Ref. No.: 152/08 (18 November 2008).

² The term FMR is used for final modification reports under the BSC and the UNC. The equivalent under CUSC is Final Amendment Report. In this letter all final reports on proposed modifications are referred to as FMRs.

- b. **Incentives on the Authority to make timely decisions.** Some respondents indicated that providing the Authority with additional powers to revise the timetable would dilute the incentive on it to make timely decisions. A number of respondents did recognise Ofgem's performance under its Codes Key Performance Indicator. However they considered that Ofgem had taken too long to decide upon a number of major codes proposals (for example, the CUSC Panel highlighted CAP148);
- c. **Increased regulatory risk and uncertainty.** A number of respondents considered that allowing the Authority to revise implementation timetables would increase uncertainty for market participants and that, as a consequence, industry participants would have to guess implementation dates which could in turn lead to increased costs to customers. Many respondents also raised concerns regarding the possibility of 'open ended' Decide by Dates and implementation dates. Several respondents indicated that the losses proposals are an exceptional instance of when the Authority was unable to make a decision in accordance with the original implementation timetable and this example did not warrant the changes that had been proposed;
- d. **The validity of the industry analysis.** Some respondents considered that an excessive period of time between a panel recommendation and an Authority decision under a revised implementation timetable may invalidate the original analysis undertaken on the modification through the industry assessment process. Respondents considered that this might increase the risk of legal challenge, wasting further resources and delaying benefits to customers and industry. A number of respondents considered that the validity of the analysis underpinning the modification would need to be re-assessed before any new implementation dates were agreed as the original recommendation may have been based on analysis with a limited 'shelf life';
- e. **Previous Authority decision on modification proposal P93.** A few respondents noted that, in 2002, a BSC modification P93 *'Introduction of Process for Amendment of Proposed Modification Implementation Dates'* was raised which would have allowed the *BSC Panel* to suggest revised implementation dates for modifications which are with the Authority for decision. The Authority rejected P93 on the basis that it would introduce regulatory uncertainty without any efficiency gains. These respondents considered that there has been no material change in circumstances since this decision and that the Authority's reasons for rejecting P93 remain valid;
- f. **Consultation.** Some respondents raised concerns that Ofgem would not consult on new Decide by Dates or implementation dates and that the relevant code panel would not be involved in the process (for example, under Option A set out above).

A number of respondents also suggested that a preferable alternative to Options A and B would be to enable the Authority **to refer a modification back to the relevant panel** where there was a risk that a Decide by Date was not going to be met. This would then allow the panel to determine whether the analysis needed to be re-assessed and to provide the Authority with a new Decide by Date and implementation date combination.

Both the BSC and CUSC Panels provided comments. While the BSC Panel indicated that it would be prepared to act flexibly on implementation dates, the view of the majority of the Panel was to support Option B. The CUSC Panel, by contrast, highlighted that CUSC FMRs generally do not specify time-bound implementation dates and, where they do (for example, the TAR amendment proposals recently submitted to the Authority for decision), the Authority is aware of the reasons why. The UNC Panel did not provide a response.

Ofgem's views

Our views on the issues raised by respondents are set out below:

- a. **Sufficient flexibility in the code processes.** Ofgem does not have perfect foresight of the potential issues that may arise during assessment of a proposal and prior to making a decision. Even with more engagement from Ofgem and increased interaction between Ofgem and code panels, recognising the limitations that both Ofgem and industry have in terms of resources, the “timing out” of proposals can still arise (as has occurred with the losses proposals). There will also always be a risk, particularly with complex proposals, that issues arise late in the process which require a timetable extension. Clearly this may occur after the Authority has received the FMR but before it has taken a decision on it. It is this situation which our proposals seek to address.
- b. **Incentives on the Authority to make timely decisions.** We recognise that timely decision making is important and it is for this reason that Ofgem introduced a KPI governing this. Whilst Ofgem has regularly outperformed its KPI to reach 70% of decisions within 25 working days, we acknowledge that there are a number of key modifications where it can take longer to reach a decision, for example CAP 131 and CAP 148. These proposals can raise very complex policy issues, often include multiple alternatives and have significant commercial implications. However, even where significantly more time than 25 days is needed, the Authority still has incentives to reach timely decisions, including by reference to its desire to enable any benefits for consumers of a particular proposal to be realised as early as reasonably practicable and the fact that deferring a decision without good reason would be inconsistent with its general public law duties (to act reasonably, etc).
- c. **Increased risk and regulatory uncertainty.** We recognise that delays in decision making timetables can increase risk and uncertainty and can have impacts on code parties planning and resourcing processes. In view of these concerns we have now commenced publishing indicative timetables for Authority decisions and impact assessments regarding code modifications already submitted to the Authority³. The publication of an indicative timetable may provide transparency benefits and should assist industry participants in planning their business operations. It is important to note that this timetable is indicative in nature and that it would always be possible, for example, where further analysis is being undertaken, for a decision to be delayed beyond the indicative date.

In terms of our proposals, we also consider that providing the Authority with the ability to extend Decide by Dates may increase certainty for industry participants. Under the existing arrangements if a modification proposal did fall away because the Authority did not make its decision by the relevant Decide by Date, there is nothing to stop an industry participant raising it again. This outcome would be likely to extend any industry uncertainty surrounding the issue under consideration. By contrast, under our proposals, the issue raised by a modification proposal would continue to be considered within the scope of the original modification proposal and potentially decided upon. We consider that this is preferable and avoids the need to raise a new modification proposal with all the attendant modification processes and steps beginning again, further extending industry uncertainty.

Several respondents have also assumed that our proposals would result in ‘open ended’ Decide by Dates and implementation dates. However, our proposals would enable the Authority (or the relevant panel) to set firm revised Decide by Dates.

- d. **Validity of analysis.** In our November consultation we acknowledged that a risk exists that the validity of “time-sensitive” analysis underpinning a panel recommendation could change as market circumstances evolve. We recognise the importance of this point. This risk could be addressed by allowing Ofgem and the Authority to correct, update or supplement the analysis through further consideration (and consultation) rather than letting the proposal fall away and

³ Ofgem document entitled “Code Modification Decisions – Publication of Indicative Timetable” (7 April 2009).

leaving another party to re-raise it. We consider that there is merit in exploring an alternative approach under which the Authority would take powers to refer the proposal back to the relevant panel to enable it to update the analysis (along with submitting new Decide by Dates and implementation dates). This alternative approach has been reflected in our revised proposals which are set out below.

- e. **The P93 Decision.** Some respondents pointed to the Authority's views in rejecting BSC modification P93 as a reason why the Authority ought not to proceed with proposals to revise implementation dates. Whilst a decision taken by the Authority to revise implementation dates may lead to some uncertainty we do not believe P93 is analogous to the current circumstances. In particular, the power to revise implementation dates which was being sought under P93 would have been provided to the BSC Panel and not the Authority. Any use of the power, after consultation with BSC parties, would have been considered solely in the context of the BSC and not in the context of the wider statutory duties to which the Authority has regard. We also consider that there has been a material change of circumstances since the P93 decision since a modification proposal has fallen away as a result of a Decide by Date passing before an Authority decision has been reached (the losses proposals). Whilst a power was created under the BSC following P180 for Decide by Dates to be revised in the event of a legal challenge to an Authority decision *which has been made* (by CC appeal or judicial review), no such power was created for circumstances where an Authority decision *is not yet made* as was the case with the losses proposals.
- f. **Consultation.** Ofgem would normally consult on any revised Decide by Dates and implementation dates under the Option A approach, including consultation with the relevant panel on systems implications, and more broadly with industry and other interested parties about whether the analysis underpinning the modification proposal would need to be updated due to a delay to the decision. We consider that there are likely to be very few circumstances in which Ofgem would consider consultation to be inappropriate or impracticable.

Interaction with the Codes Governance Review

We set out in our December 2008 consultation document (on the Role of Code Administrators)⁴ proposals to enable the Authority to 'call in' and 'send back' modification proposals. Our Codes Governance Review proposals would empower Ofgem to both 'call in' modifications where we consider that progress during their assessment is either too slow or the analysis undertaken is deficient, and to 'send back' modifications where they had been sent to the Authority for decision but the Authority considers the accompanying analysis is deficient. These proposals are relevant to the "timing out" issue as the 'send back' option might mean that an extension to the Decide by Date and/or other dates is necessary.

Ofgem's revised proposals

We consider there are important benefits to enabling the Authority to require timetable extensions in appropriate circumstances. In particular, by progressing a licence change in this area the adverse consequences of "timing out" of modification proposals would be avoided. These adverse consequences are set out in the November consultation and include the risk of wasteful loss of time and resources and the risk that consumer and industry benefits associated with modification proposals are lost.

We recognise a number of the concerns raised by industry participants following our November consultation. We agree that uncertainty over the timing of modifications can increase risk and create difficulties for parties planning their business operations. We have sought to respond to these concerns by publishing indicative timetables for modification proposals that are with us for decision. We would also note that such concerns are often

⁴ Ofgem document Ref. No.: 173/08 (19 December 2008).

addressed in the setting of implementation dates (i.e sufficient time is generally allowed between the Authority's decision and the implementation date so that industry participants can gear up to take account of any consequent changes to their business operations).

However, in terms of our proposals, we consider that providing the Authority with the ability to extend timetables may actually increase certainty for industry participants. This is because our proposals would help to ensure that a modification remains "live". By contrast, under the existing arrangements, if a modification proposal is timed-out, there is a significant risk that a new modification would be raised on the same issue which arguably increases uncertainty surrounding the issues raised.

We also recognise the concerns raised by respondents that the analysis contained in the original modification proposal is "time sensitive" and may need to be updated. In view of this we are setting out a new approach (Option C).

Option C approach

Under our revised proposals the Authority would take a licence power to require a revised implementation timetable, including, where appropriate a new Decide by Date for proposals already with the Authority for decision, from the relevant code owner/licensee. The licence provisions could prescribe a minimum period by which an existing Decide by Date is to be extended. *In the light of the views expressed in response to our consultation, we are also proposing that the Authority would have the ability to require that any analysis that was submitted in a final modification or amendment report be updated.* In order to assist respondents we have attached to this open letter draft legal text for the proposed licence amendments under the Option C approach, which would cover the BSC, CUSC and UNC. The legal text provides for modifications to National Grid Electricity Transmission plc's electricity transmission and gas transportation licences (and in the case of gas to the transportation licences of the gas distribution networks).

Option C – how would it operate in practice?

We recognise that there are benefits in Ofgem being transparent regarding any directions that are issued under Option C. In particular, transparency around the reasons for the direction and Ofgem's expected decision making timetable would also assist the industry in its own planning processes and reduce uncertainty. Where the Authority needed to issue a direction to the relevant panel requiring it to provide a revised timetable, the Authority:

- would intend to publish the direction, including the reasons for its decision to direct the code owner/licensee to provide a new date;
- would intend to set out the minimum length of time for which a Decide by Date must be valid as well as an expected decision timeline.

Under the Option C process we would also expect that the relevant panel would consult on new Decide by Dates and any updated analysis on the modification proposal.

Way forward

We welcome views on our proposals and the accompanying legal text. These submissions should be sent to abid.sheikh@ofgem.gov.uk by Friday 26 June 2009. We will consider the responses received in order to determine whether to progress formal licence change consultations under the relevant licences.

Yours sincerely

Mark Feather
Director, Industry Codes and Licensing

Attachment – Draft legal text

Condition C3: Balancing and Settlement Code (BSC)

1. The licensee shall at all times have in force a BSC, being a document

- (a) setting out the terms of the balancing and settlement arrangements described in paragraph 2;
- (b) designed so that the balancing and settlement arrangements facilitate achievement of the objectives set out in paragraph 3; and
- (c) including the modification procedures required by paragraph 4 and the matters required by paragraph 6,

and the licensee shall be taken to comply with this paragraph by modifying from time to time in accordance with the provisions of paragraphs 4 and 5 and the transition modification provisions, the document known as the BSC which existed and the licensee maintained pursuant to this licence immediately prior to the start of the transition period.

2. The balancing and settlement arrangements are

- (a) arrangements pursuant to which BSC parties may make, and the licensee may accept, offers or bids to increase or decrease the quantities of electricity to be delivered to or taken off the total system at any time or during any period so as to assist the licensee in co-ordinating and directing the flow of electricity onto and over the GB transmission system and balancing the GB transmission system; and for the settlement of financial obligations (between BSC parties, or between BSC parties and the licensee) arising from the acceptance of such offers or bids; and
- (b) arrangements:
 - (i) for the determination and allocation to BSC parties of the quantities of electricity delivered to and taken off the total system, and
 - (ii) which set, and provide for the determination and financial settlement of, obligations between BSC parties, or (in relation to the system operator's role in co-ordinating and directing the flow of electricity onto and over the GB transmission system) between BSC parties and the licensee, arising by reference to the quantities referred to in sub-paragraph (i), including the imbalances (after taking account of the arrangements referred to in sub-paragraph (a)) between such quantities and the quantities of electricity contracted for sale and purchase between BSC parties.

3. The objectives referred to in paragraph 1(b) are:

- (a) the efficient discharge by the licensee of the obligations imposed upon it by this licence;
- (b) the efficient, economic and co-ordinated operation of the GB transmission system;

- (c) promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;
 - (d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements described in paragraph 2.
4. The BSC shall include procedures for its own modification (including procedures for the modification of the modification procedures themselves), which procedures shall provide (without prejudice to the transition modification provisions and any procedures for modification of the BSC set out in the programme implementation scheme provided for in special condition J (NETA implementation) of the licensee's transmission licence or in the BSC by reference to the programme implementation scheme):
- (a) for proposals for modification of the BSC to be made by the licensee, BSC parties and such other persons or bodies as the BSC may provide;
 - (b) where such a proposal is made,
 - (i) for bringing the proposal to the attention of BSC parties and such other persons as may have an appropriate interest in it;
 - (ii) for proper consideration of any representations on the proposal;
 - (iii) for properly evaluating whether the proposed modification would better facilitate achieving the applicable BSC objective(s), provided that so far as any such evaluation requires information which is not generally available concerning the licensee or the GB transmission system, such evaluation shall be made on the basis of the licensee's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraphs 3(a) and (b);
 - (iv) for development of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable BSC objective(s);
 - (v) for the preparation of a report
 - setting out the proposed modification and any alternative,
 - evaluating the proposed modification and any alternative,
 - assessing the extent to which the proposed modification or any alternative would better facilitate achieving the applicable BSC objective(s),
 - assessing the impact of the modification on the core industry documents and the changes expected to be required to such documents as a consequence of such modification,
 - setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification (if made) is to take effect; and

- (vi) for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification) for the proper execution and completion of the steps in sub-paragraphs (i) to (v);
- (c) for the timetable (referred to in sub-paragraph (b)(v)) for implementation of any modification to be:
 - (i) such as will enable the modification to take effect as soon as practicable after the Authority has directed such modification to be made, account being taken of the complexity, importance and urgency of the modification; and
 - (ii) for that timetable to be extended or shortened:
 - (aa) with the consent of or as directed by the Authority after those persons likely to be affected by the revision of the timetable have been consulted; and
 - (bb) in accordance with paragraph {4A} below;
- (d) for empowering the licensee to secure, if so directed by the Authority in circumstances specified in the BSC,
 - (i) that the modification procedures are complied with in respect of any particular modification in accordance with the terms of the direction;
 - (ii) that, where a modification has been made but not implemented in accordance with its terms, all reasonable steps are taken to implement it in accordance with the terms of the direction and
 - (iii) that the licensee can recover its reasonable costs and expenses properly incurred in complying with the direction.

4A. If at any time after a report has been submitted to the Authority in accordance with the procedures described in paragraph 4(b)(vi) above the Authority considers that any or all of the Implementation Related Dates set out in such report should be extended, the Authority may notify the licensee to that effect. A notice served by the Authority on the licensee in accordance with this paragraph:

- (a) shall specify which of the Implementation Related Dates the Authority considers should be extended;
- (b) shall set out the Authority's reasons for considering that those Implementation Related Dates should be extended;
- (c) may include instructions to the licensee concerning:
 - (i) the required extension including instructions as to the minimum period by which any or all of the Implementation Related Dates should be extended; and
 - (ii) the updating of any analysis that was submitted with the report and the undertaking of appropriate consultation concerning such updated analysis.

4B. The licensee shall:

- (a) comply with any notice which the Authority serves in accordance with paragraph 4A, including any instructions set out therein; and
- (b) submit to the Authority as soon as reasonably practicable, any analysis which has been updated in accordance with a notice served under paragraph 4A, together with details of the revised Implementation Related Dates which are to apply.

4C. The licensee shall ensure that the BSC enables the licensee to comply with the requirements of paragraph 4B above and shall, if necessary, bring forward appropriate proposals to modify the BSC such that the licensee is so enabled as soon as reasonably practicable and in any event by [...].

- 5. (a) If a report has been submitted to the Authority pursuant to the procedures described in paragraph 4(b)(vi), and the Authority is of the opinion that a modification set out in such report would, as compared with the then existing provisions of the BSC and any other modifications set out in such report, better facilitate achieving the applicable BSC objective(s), the Authority may direct the licensee to make that modification.
- (b) The licensee shall, upon receipt by the licensee of a direction from the Secretary of State to do so, modify the BSC so as to incorporate any changes to the BSC designated by the Secretary of State on or before the 8 September 2004.
- (c) The licensee shall have power (by executing an appropriate instrument) to modify the BSC in accordance with any direction of the Secretary of State pursuant to subparagraph (b) and any direction of the Authority pursuant to sub-paragraph (a) or paragraph 7 of special condition J (NETA implementation) of the licensee's transmission licence and shall modify it in accordance with every such direction; but it shall not have power to modify the BSC in any other circumstance.
- (d) Only the licensee shall have power to modify the BSC.

6. The BSC shall provide for:

- (a) a copy of the BSC to be provided to any person requesting the same upon payment of an amount not exceeding the reasonable costs of making and providing such copy;
- (b) the licensee to refer to the Authority for determination, whether of its own motion or as provided in the BSC, such matters arising under the BSC as may be specified in the BSC;
- (c) information about the operation of the BSC and the balancing and settlement arrangements
 - (i) to be provided to the Authority and/or
 - (ii) to be published,

and for the licensee to be empowered to secure compliance with these requirements if so directed by the Authority.

7. The BSC may include:

- (a) arrangements to facilitate or secure compliance with the programme implementation scheme designated pursuant to special condition J (NETA implementation) of the licensee's transmission licence or matters envisaged thereunder, and
- (b) arrangements for final settlement and reconciliation of liabilities arising under or in connection with the Pooling and Settlement Agreement in respect of settlement periods prior to the effective time.

8. The provisions of paragraphs 6, 7 and 11 shall not limit the matters which may be provided for in the BSC.

9. The Authority may direct the licensee to procure the provision to the Authority of, or the publication of, such information about the operation of the BSC and/or the balancing and settlement arrangements as is referred to in paragraph 6(c) and specified in the direction.

10. The licensee shall comply with:

- (a) the BSC; and
- (b) any direction to the licensee made pursuant to this condition.

11. (a) The licensee shall be a party to the BSC Framework Agreement.

- (b) The BSC and/or the BSC Framework Agreement shall contain provisions:
 - (i) for admitting as an additional party to the BSC Framework Agreement any person who accepts the terms and fulfils the conditions (each as specified in the BSC) on which accession to the BSC Framework Agreement is offered;
 - (ii) for the licensee to refer to the Authority for determination, whether of its own motion or as provided in the BSC any dispute which shall arise as to whether a person seeking to be admitted as a party to the BSC Framework Agreement has fulfilled any accession conditions; and if the Authority determines that the person seeking admission has fulfilled all relevant accession conditions, for admitting such person as a party to the BSC Framework Agreement;
 - (iii) for persons to be admitted as additional parties to the BSC Framework Agreement by either
 - a representative (who need not be a BSC party) appointed thereunder to act on behalf of all parties to it, or
 - if there is no such representative or if the representative fails to act, the licensee acting on behalf of all parties to it.
- (c) If, following a determination of the Authority as referred to in sub-paragraph (b)(ii), the representative referred to in sub-paragraph (b)(iii) fails to act on behalf of all parties to admit such person, the licensee shall act on behalf of all parties to admit such person if directed to do so by the Authority.

12. The licensee shall take all reasonable measures to secure and implement (consistently with the procedures applicable under or in relation to the core industry documents to which it is party (or in relation to which it holds rights in respect of amendment)), and shall not take any steps to prevent or unduly delay, changes to those documents, such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the BSC.

13. For the avoidance of doubt, paragraph 12 is without prejudice to any rights of approval, veto or direction in respect of proposed changes to the documents referred to in paragraph 12 which the Authority may have.

14. In this condition in the expression "sale and purchase of electricity", sale excludes sale by way of assumption of an imbalance under the BSC and sale by way of supply to premises, and purchase shall be construed accordingly; and

"applicable BSC objective(s)" means

(a) in relation to a proposed modification of the modification procedures, the requirements of paragraph 4 (to the extent they do not conflict with the objectives set out in paragraph 3); and

(b) in relation to any other proposed modification, the objectives set out in paragraph 3.

"Implementation Related Dates" means any date which is set out in a report submitted to the Authority in accordance with paragraph 4(b)(iv) of this condition (as the same may be amended in accordance with this condition) and which relates to: (a) the date by which a decision concerning any proposal and/or alternative proposal set out in such report is to be made; and/or (b) any date relating to the implementation of any such proposal or alternative proposal, if approved.

"transition modification

provisions"

means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the BSC in certain circumstances.

Condition C10: Connection and Use of System Code (CUSC)

1. The licensee shall establish arrangements for connection and use of system in respect of matters other than those to which standard conditions C14 (Grid Code) and C5 (Use of system charging methodology) to C9 (Functions of the Authority) relate which are calculated to facilitate the achievement of the following objectives:
 - (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and
 - (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity,and the licensee shall be taken to comply with this paragraph by modifying from time to time in accordance with the provisions of paragraphs 6 and 7 and the transition modification provisions, the document setting out the arrangements for connection and use of system which existed and which the licensee maintained pursuant to this licence immediately prior to the start of the transition period.
2. The licensee shall prepare a connection and use of system code ("CUSC") setting out:
 - (a) the terms of the arrangements made in pursuance of paragraph 1;
 - (a) the procedures established in pursuance of paragraph 6; and
 - (b) such other terms as are or may be appropriate for the purposes of the CUSC.
3. The licensee shall only enter into arrangements for connection and use of system which are in conformity with any relevant provisions of the CUSC.
4. The CUSC shall provide for:
 - (a) the licensee and each CUSC user to be contractually bound insofar as is applicable by the terms of the Grid Code from time to time in force;
 - (b)
 - (i) the licensee and each CUSC user, where appropriate, to enter into an agreement or agreements, supplemental to and in a form prescribed by the CUSC, setting out site specific details in respect of each site at which the CUSC user's electrical lines or electrical plant is connected to the GB transmission system;
 - (ii) each CUSC user, where appropriate, to enter into an agreement or agreements with a transmission licensee (other than the licensee) supplemental to and in a form prescribed by the CUSC setting out site specific details in respect of each site at which the CUSC user's electrical lines or electrical plant is connected to the GB transmission system;

- (c) there to be referred to the Authority for determination such matters arising under the CUSC as may be specified in the CUSC; and
 - (d) a copy of the CUSC to be provided to any person requesting the same upon payment of an amount not exceeding the reasonable costs of making and providing such copy.
5. The provisions of paragraphs 4 and 10 shall not limit the matters which may be provided for in the CUSC.
6. The licensee shall establish and operate procedures for the modification of the CUSC (including procedures for modification of the modification procedures themselves), so as to better facilitate achievement of the applicable CUSC objectives, which procedures shall provide (without prejudice to the transition modification provisions and the procedures for modification provided for at paragraph 7 below):
- (a) for proposals for modification of the CUSC to be made by the licensee, CUSC users and such other persons and bodies as the CUSC may provide;
 - (b) where such a proposal is made:
 - (i) for bringing the proposal to the attention of CUSC parties and such other persons as may properly be considered to have an appropriate interest in it;
 - (ii) for proper consideration of any representations on the proposal;
 - (iii) for properly evaluating whether the proposed modification would better facilitate achieving the applicable CUSC objectives, provided that so far as any such evaluation requires information which is not generally available concerning the licensee or the GB transmission system, such evaluation shall be made on the basis of the licensee's proper assessment (which the licensee shall make available for these purposes) of the effect of the proposed modification on the matters referred to in paragraph 1(a) and (b);
 - (iv) for development of any alternative modification which may, as compared with the proposed modification, better facilitate achieving the applicable CUSC objectives;
 - (v) for the preparation of a report:
 - setting out the proposed modification and any alternative;
 - evaluating the proposed modification and any alternative;
 - assessing the extent to which the proposed modification or any alternative would better facilitate achieving the applicable CUSC objectives;

- assessing the impact of the modification on the core industry documents and the changes expected to be required to such documents as a consequence of such modification;
 - setting out a timetable for implementation of the modification and any alternative, including the date with effect from which such modification (if made) is to take effect; and
- (vi) for the submission of the report to the Authority as soon after the proposal is made as is appropriate (taking into account the complexity, importance and urgency of the modification) for the proper execution and completion of the steps in sub-paragraphs (i) to (v); and

(c) for the timetable (referred to in sub-paragraph (b)(v)) for implementation of any modification to be:

(i) such as will enable the modification to take effect as soon as practicable after the Authority has directed such modification to be made, account being taken of the complexity, importance and urgency of the modification; and

(ii) ~~for that timetable to be~~ extended:

(aa) with the consent of or as required by the Authority; ~~and/or-~~

(bb) in accordance with paragraph 6A below.

6A. If at any time after a report has been submitted to the Authority in accordance with the procedures described in paragraph 6(b)(vi) above the Authority considers that any or all of the Implementation Related Dates set out in such report should be extended, the Authority may notify the licensee to that effect. A notice served by the Authority on the licensee in accordance with this paragraph:

(a) shall specify which of the Implementation Related Dates the Authority considers should be extended;

(b) shall set out the Authority's reasons for considering that those Implementation Related Dates should be extended;

(c) may include instructions to the licensee concerning:

(i) the required extension including instructions as to the minimum period by which any or all of the Implementation Related Dates should be extended; and

(ii) the updating of any analysis that was submitted with the report and the undertaking of appropriate consultation concerning such updated analysis.

6B. The licensee shall:

(a) comply with any notice which the Authority serves in accordance with paragraph 6A, including any instructions set out therein; and

(b) submit to the Authority as soon as reasonably practicable, any analysis which has been updated in accordance with a notice served under paragraph 6A, together with details of the revised Implementation Related Dates which are to apply.

6C. The licensee shall ensure that the CUSC enables the licensee to comply with the requirements of paragraph 6B above and shall, if necessary, bring forward appropriate proposals to modify the CUSC such that the licensee is so enabled as soon as reasonably practicable and in any event by [...].

7. (a) If a report has been submitted to the Authority pursuant to procedures described in paragraph 6(b)(vi), and the Authority is of the opinion that a modification set out in such report would, as compared with the then existing provisions of the CUSC and any alternative modifications set out in such report, better facilitate achieving the applicable CUSC objectives the Authority may direct the licensee to make that modification.
 - (b) The licensee shall, upon receipt by the licensee of a direction from the Secretary of State to do so, modify the CUSC so as to incorporate any changes to the CUSC designated by the Secretary of State on or before 8 September 2004.
 - (c) The licensee shall only modify the CUSC:
 - (i) in order to comply with any direction of the Secretary of State pursuant to sub-paragraph (b) or any direction of the Authority pursuant to sub- paragraph (a); or
 - (ii) with the consent of the Authority,and it shall not have the power to modify the CUSC in any other circumstance; and the licensee shall furnish the Authority with a copy of any modification made.
 - (d) Only the licensee shall have the power to modify the CUSC.
- 8 The licensee shall prepare and publish a summary of the CUSC as modified or changed from time to time in such form and manner as the Authority may from time to time direct.
 - 9 The licensee shall be a party to the CUSC Framework Agreement and shall comply with the CUSC.
 - 10 The CUSC Framework Agreement shall contain provisions:
 - (a) for admitting as an additional party to the CUSC Framework Agreement any person who accepts the terms and fulfils the conditions (each as

specified in the CUSC) on which accession to the CUSC Framework Agreement is offered; and

- (b) for referring for determination by the Authority any dispute which shall arise as to whether a person seeking to be admitted as a party to the CUSC Framework Agreement has fulfilled any accession conditions; and if the Authority determines that the person seeking accession had fulfilled all relevant standard conditions, for admitting such person to be a party to the CUSC Framework Agreement.

- 11 The Authority may issue a direction to the licensee to make such amendments to the agreement known as the Master Connection and Use of System Agreement ("MCUSA") and the supplemental agreements and ancillary services agreements (as defined or referred to in MCUSA) and any associated agreements derived from MCUSA as shall be stated as required to be made to amend them appropriately into the CUSC Framework Agreement, CUSC, bilateral agreements, construction agreements and associated agreements derived from CUSC so as to maintain continuity of contractual relationships.
- 12 The licensee shall take all reasonable steps to secure and implement (consistently with the procedures applicable under or in relation to such documents), and shall not take any steps to prevent or unduly delay, changes to the core industry documents to which it is a party (or in relation to which it holds rights in respect of amendment), such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the CUSC.
- 13 For the avoidance of doubt, paragraph 11 is without prejudice to any rights of approval, veto or direction in respect of proposed changes to the documents referred to in paragraph 12 which the Authority may have.
- 14 The licensee shall comply with any direction to the licensee made pursuant to this condition.
- 15 In this condition:

"applicable CUSC objectives" means:

- (a) in relation to a proposed modification of the modification procedures, the requirements of paragraph 6 (to the extent that they do not conflict with the objectives set out in paragraph 1); and
- (b) in relation to any other proposed modification, the objectives set out in paragraph 1.

"Implementation Related Dates"

means any date which is set out in a report submitted to the Authority in accordance with

paragraph 6(b)(iv) of this condition (as the same may be amended in accordance with this condition) and which relates to: (a) the date by which a decision concerning any proposal and/or alternative proposal set out in such report is to be made; and/or (b) any date relating to the implementation of any such proposal or alternative proposal, if approved;

"transition modification provisions"

means the provisions of this condition which apply or applied during the transition period and which enable or enabled the Authority (whether with or without the consent of the Secretary of State) to direct the licensee to modify the CUSC in certain circumstances.

Standard Special Condition A11. Network Code and Uniform Network Code

Transportation Arrangements

1. The licensee shall establish transportation arrangements, pursuant to paragraphs 3 and 6 of this condition, in respect of matters other than those to which Standard Special Conditions A4 (Charging – General) and A5 (Obligations as Regard Charging Methodology) relate, which are calculated, consistent with the licensee's duties under section 9 of the Act, to facilitate the achievement of the following objectives –
 - (a) the efficient and economic operation of the pipe-line system to which this licence relates;
 - (b) so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;
 - (c) so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;
 - (d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:
 - (i) between relevant shippers;
 - (ii) between relevant suppliers; and/or
 - (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;
 - (e) so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards are satisfied as respects the availability of gas to their domestic customers; and
 - (f) so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;hereinafter referred to as the "**relevant objectives**".
- 1A. In paragraph 1 sub-paragraph (e), "domestic customer supply security standards" means, subject to paragraph 1B,

- (a) the availability of a supply of gas which would equal the peak aggregate daily demand for gas by the relevant gas supplier's current domestic customers which, having regard to historical weather data derived from at least the previous 50 years and other relevant factors, is likely to be exceeded (whether on one or more days) only in 1 year out of 20 years; and
- (b) the availability of supplies of gas-
 - (i) over a year which would equal the aggregate annual demand for gas by those customers; and
 - (ii) over the first six months of a year which would equal the aggregate demand for gas by those customers during such a six month period,

which, in each case, having regard to such data as aforesaid and other relevant factors, is likely to be exceeded only in 1 year out of 50 years.

1B. For the purposes of paragraph 1A, "daily" means over a period beginning at 6am on one day and ending immediately before 6am on the following day and "year" means a period of 12 months beginning with 1 October; and if, after consultation with all gas suppliers, gas shippers and gas transporters, with the Health and Safety Executive and the National Consumer Council, the Authority is satisfied that the domestic supply security standard would be adequate if paragraph 1A were modified-

- (a) by the substitution, in paragraph 1A(a) or (b), of a reference to data derived from a period of less than the 50 previous years;
- (b) by the substitution in paragraph 1A(a) of a higher probability than the 1 in 20 years mentioned in that paragraph; or
- (c) by the substitution in paragraph 1A(b) of a higher probability than the 1 in 50 years mentioned in that paragraph,

the Authority may, subject to paragraph 1C, make such modifications by notice which-

- (i) is given and published by the Authority for the purposes of this condition generally; and
- (ii) specifies the modifications and the date on which they are to take effect.

1C. Paragraph 1A(a) shall only be modified if, at the same time, the Authority

makes similar modifications to-

- (a) paragraph 2(b) of Standard Special Condition A9 (Pipe-Line System Security Standards); and
 - (b) sub-paragraph (b) of the definition of "security standards" in standard condition 1 (Definitions and Interpretation) of the standard conditions of gas shippers' licences
2. In relation to a proposed modification of the network code modification procedures, a reference to the relevant objectives is a reference to the requirements in paragraphs 9 and 12 of this condition (to the extent that those requirements do not conflict with the objectives set out in paragraph 1).

Network Code

3. Subject to paragraph 4, in respect of the pipe-line system to which this licence relates, the licensee shall, by the date at which this condition becomes effective (unless the Authority consents otherwise in writing), have prepared a document (the "**network code**") setting out (together with the terms of any other arrangements which the licensee considers it appropriate to set out in the document):
- (a) the terms of the arrangements made in pursuance of paragraph 1 save in so far as they relate to matters regulated by standard condition 4B (Connection Charges etc) or are contained in such an agreement, or an agreement of such a class or description, as may be designated by the Authority for the purposes of this condition; and
 - (b) the network code modification procedures established pursuant to paragraph 7 to the extent that such procedures differ from those set out in the uniform network code following Authority consent pursuant to paragraph 8

and the licensee shall furnish the Authority with a copy thereof.

4. Where the holder of this licence also holds, in the same legal entity, one or more other gas transporter licences for relevant gas transporters, it may apply to the Authority for written consent to prepare a single network code in respect of the pipe-line systems to which those licences relate, which consent may be granted subject to such conditions as the Authority may direct.
5. The network code prepared by or on behalf of the licensee shall incorporate by reference the terms of the uniform network code except where the

Authority consents otherwise in writing; and references in the conditions of this licence to the network code include the uniform network code (as may be varied from time to time) as so incorporated, unless otherwise stated.

Uniform Network Code

6. The licensee shall, together with the other relevant gas transporters, by the date at which this condition becomes effective (unless the Authority consents otherwise in writing), have prepared a document (the "**uniform network code**") setting out:
 - (a) the terms of transportation arrangements established by the licensee and other relevant gas transporters, to the extent that such terms are common, or are not in conflict, between relevant gas transporters; and
 - (b) the network code modification procedures established pursuant to paragraph 7, which are, subject to paragraph 8, incorporated by reference into each network code prepared by or on behalf of each relevant gas transporter,

and the licensee shall furnish the Authority with a copy thereof.

Network Code Modification Procedures

7. The licensee shall, together with the other relevant gas transporters, establish and operate procedures ("**network code modification procedures**"), for the modification of the uniform network code and/or of any network code prepared by or on behalf of each relevant gas transporter (including modification of the network code modification procedures themselves) so as to better facilitate, consistent with the licensee's duties under section 9 of the Act, the achievement of the relevant objectives.
8. In accordance with paragraphs 5 and 6, unless the Authority consents otherwise in writing, the network code modification procedures shall be contained in the uniform network code.
9. The network code modification procedures shall provide for:
 - (a) a mechanism by which any of
 - (i) the uniform network code; and
 - (ii) each of the network codes prepared by or on behalf of each relevant gas transporter,may be modified;

- (b) (i) the making of proposals for the modification of the uniform network code in accordance with paragraph 10 (a) of this condition; and/or
- (ii) the making of proposals for the modification of a network code prepared by or on behalf of a relevant gas transporter in accordance with paragraph 11(a) of this condition;
- (c) the making of alternative modification proposals in accordance with paragraphs 10(b) and 11(b) of this condition, except in a case where the Authority otherwise directs in writing;
- (d) the giving of adequate publicity to any such proposal including, in particular, drawing it to the attention of all relevant gas transporters and all relevant shippers and sending a copy of the proposal to any person who asks for one;
- (e) the seeking of the views of the Authority on any matter connected with any such proposal;
- (f) the consideration of any representations relating to such a proposal made (and not withdrawn) by the licensee, any other relevant gas transporter, any relevant shipper, or any gas shipper or other person likely to be materially affected were the proposal to be implemented; and
- (g) where the Authority accepts that the uniform network code or a network code prepared by or on behalf of a relevant gas transporter may require modification as a matter of urgency, the exclusion, acceleration or other variation, subject to the Authority's approval, of any particular procedural steps which would otherwise be applicable.

10. In respect of the uniform network code:

- (a) a modification proposal may be made by the following:
 - (i) the licensee,
 - (ii) each other relevant gas transporter,
 - (iii) any relevant shipper identified in the network code modification procedures as being entitled to propose a modification, and/or
 - (iv) any other relevant person (a "**third party participant**") identified (individually or as a member of a class of persons) in the network code modification procedures as being entitled to

propose a modification; and

- (b) where a modification proposal has been made under paragraph 10(a) of this condition (an "**original proposal**") alternative modification proposals may be made, in respect of any such original proposal, by any of the parties listed in paragraph 10(a) of this condition with the exception of the person who made the original proposal.
11. In respect of each network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it):
- (a) a modification proposal may be made by one of the following:
 - (i) the licensee, to the extent that the modification proposed relates to the pipe-line system to which this licence relates,
 - (ii) any relevant shipper identified in the network code modification procedures as being entitled to propose a modification;
 - (iii) a DN operator with whom the licensee has entered into transportation arrangements in respect of the pipe-line system to which this licence relates; and/or
 - (iv) any other relevant person (a "**third party participant**") identified (individually or as a member of a class of persons) in the network code modification procedures as being entitled to propose a modification; and
 - (b) where a modification proposal has been made under paragraph 11(a) of this condition (an "**original proposal**"), alternative modification proposals may be made, in respect of any such original proposal, by any of the parties listed in paragraph 11(a) of this condition with the exception of the person who made the original proposal.
12. Subject to paragraphs 9, 10 and 11 of this condition, the network code modification procedures may include provisions which differ as between proposed modifications to the uniform network code and proposed modifications to each network code prepared by or on behalf of each relevant gas transporter (excluding the terms of the uniform network code incorporated within it).

Modification of Network Code and Uniform Network Code

13. The licensee shall not make any modification to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) or make or permit any modification to the

uniform network code except:

- (a) to comply with paragraph 15(b) or 16; or
- (b) with the written consent of the Authority;

and shall furnish or cause to be furnished to the Authority a copy of any such modification made.

14. Where:

- (a) the Health and Safety Executive have given a notice to the licensee in pursuance of this paragraph referring to a matter relating to the protection of the public from dangers arising from the conveyance of gas through the pipe-line system to which this licence relates; and
- (b) a modification to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code could, consistent with the relevant objectives, appropriately deal with the matter,

the licensee shall propose such a modification in accordance with the network code modification procedures, and any requirement that a modification be such as to better facilitate the achievement of the relevant objectives shall be treated as met if the modification is consistent with those objectives.

15. Where a proposal is made in accordance with the network code modification procedures to modify the network code prepared by or on behalf of the licensee, (excluding the terms of the uniform network code incorporated within it) or the uniform network code the licensee shall:

- (a) as soon as is reasonably practicable, give notice to the Authority:
 - (i) giving particulars of the proposal;
 - (ii) where an alternative proposal is made in respect of the same matter as the original proposal, giving particulars of that alternative proposal;
 - (iii) giving particulars of any representations by:
 - (aa) the licensee,
 - (bb) any other relevant gas transporter,

- (cc) any relevant shipper identified in the network code modification procedures as being entitled to propose a modification,
 - (dd) in respect of modifications to a network code (excluding the terms of the uniform network code incorporated within it) only, a DN operator with whom the licensee has entered into transportation arrangements in respect of the pipe-line system to which this licence relates, or
 - (ee) any other person with respect to those proposals;
- (iv) including a recommendation (on the part of such person or body as may be provided for in the network code modification procedures) as to whether any proposed modification should or should not be made, and the factors which (in the opinion of such person or body) justify the making or not making of a proposed modification; and
 - (v) giving such further information as may be required to be given to the Authority by the network code modification procedures; and
- (b) comply with any direction of the Authority to make a modification to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code in accordance with a proposal described in a notice given to the Authority under paragraph 15(a) which, in the opinion of the Authority, will, as compared to the existing provisions of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or (as the case may be) the uniform network code or any alternative proposal, better facilitate, consistent with the licensee's duties under section 9 of the Act, the achievement of the relevant objectives.

15A If at any time after a notice has been given to the Authority in accordance with paragraph 15(a) above the Authority considers that any or all of the Implementation Related Dates set out in such notice and/or set out in any proposal or alternative proposal which is contained or referred to in such notice, should be extended, the Authority may notify the licensee to that effect. A notice served by the Authority on the licensee in accordance with this paragraph:

(a) shall specify which of the Implementation Related Dates the Authority considers should be extended;

(b) shall set out the Authority's reasons for considering that those Implementation Related Dates should be extended;

(c) may include instructions to the licensee concerning:

(i) the required extension, including instructions as to the minimum period by which any or all of the Implementation Related Dates should be extended; and

(ii) the updating of any analysis that was submitted with the notice and the undertaking of appropriate consultation concerning such updated analysis.

15B. The licensee shall:

(a) comply with any notice which the Authority serves in accordance with paragraph 15A, including any instructions set out therein; and

(b) submit to the Authority as soon as reasonably practicable, any analysis which has been updated in accordance with a notice served under paragraph 15A, together with details of the revised Implementation Related Dates which are to apply.

15C. The licensee shall ensure that the uniform network code and each network code enables the licensee to comply with the requirements of paragraph 15B above and shall, if necessary, bring forward appropriate proposals to modify the uniform network code and each network code such that the licensee is so enabled as soon as reasonably practicable and in any event by [...].

16. Where any directions are given to the licensee under section 19 or 21(1) of the Act, the licensee shall make such modifications to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code as may be necessary to enable the licensee to comply with the directions under section 19 or 21(1) of the Act without contravening Standard Special Condition A7 (Requirement to Enter into Transportation Arrangements in Conformity with the Network Code).

17. The licensee shall:

(a) prepare and publish a summary of (i) the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and (ii) the uniform network code as modified or changed from time to time in such form and manner as the Authority may from time to time direct;

- (b) make available a copy of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and the uniform network code as modified from time to time to any person who asks for one and makes such payment to (or to a person nominated by) 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; and
- (c) provide, or cause to be provided, a copy of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and the uniform network code as modified from time to time on a web-site freely available to all interested parties (the web-site address of which shall be disseminated to such interested parties).

Determinations by the Authority

- 18. Where a provision of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code requires that, in circumstances specified in the provision, a determination by the licensee pursuant to that provision in a particular case should be such as is calculated to facilitate the achievement of the relevant objectives, any question arising thereunder as to whether the licensee has complied with that requirement shall be determined by the Authority.
- 19. The network code modification procedures shall provide that any question arising under the network code modification procedures as to:
 - (a) whether a gas shipper or other person is likely to be materially affected by a proposal to modify the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code were such a proposal to be implemented; or
 - (b) whether representations relating to such a proposal and made in pursuance of the rules have been properly considered by the licensee,shall be determined by the Authority.

Miscellaneous

- 20. **NOT USED**
- 21. **NOT USED**

22. If the Authority so consents, this condition shall have effect as if the definition of "transportation arrangements" in Standard Special Condition A3 (Definitions and Interpretation) referred only to gas consisting wholly or mainly of methane.

23. Any reference to "relevant shipper" in any of paragraphs 9(d), 9(f), 10(a)(iii), 11(a)(ii), or 15(a)(iii)(cc) shall, where it relates to any proposed modification which could have been proposed by a third party participant under the network code modification procedures, be treated as if it were also a reference to all such third party participants.

24. (a) In this condition:

"combined pipe-line system" means the pipe-line system to which this licence relates and the pipe-line system of each other relevant gas transporter taken as a whole;

"Implementation Related Dates" means any date which is set out in a notice submitted to the Authority in accordance with paragraph 15(a) of this condition or any proposal or alternative proposal which is set out or referred to in any such notice (as the same may be amended in accordance with this condition) and which relates to: (a) the date by which a decision concerning any proposal or alternative proposal set out or referred to in such notice is to be made; and/or (b) any date relating to the implementation of any such proposal or alternative proposal, if approved;

"network code modification procedures" means the modification procedures referred to in paragraph 7 of this condition;

(b) Where the context requires,

(i) references to a network code shall include the equivalent document prepared by each other relevant gas transporter (as from time to time modified) pursuant to the condition in its licence corresponding to this condition; and

(ii) references to transportation arrangements shall include the corresponding arrangements made by each other relevant gas transporter.

- (c) For the purposes of this condition, relevant shipper shall have the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation) and references to a relevant shipper include any gas shipper which is a relevant shipper for the purposes of the licence of any relevant gas transporter.