

**To: All holders of a gas transporter licence**

**Gas Act 1986  
Section 23(1)(b)**

**MODIFICATION OF THE STANDARD CONDITIONS OF GAS TRANSPORTER LICENCES  
GRANTED UNDER SECTION 7(2) OF THE GAS ACT 1986**

Whereas –

1. Each of the companies to whom this document is addressed (a "Licence Holder") has been granted a licence ("a Licence") under section 7(2) of the Gas Act 1986 ("the Act") to participate in the transportation of gas subject to the conditions contained in its Licence.

2. In accordance with section 23(2) of the Act the Gas and Electricity Markets Authority ("the Authority") gave notice on 20 December 2012 ("the Notice") that it proposed to make modifications to Standard Condition 3 (Payments by Licensee to the Authority) of the Licence and by requiring any representations to the modification to be made on or before 23 January 2013.

3. In accordance with section 23(4)(b) of the Act, the Authority gave such notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification.

4. Prior to the close of the consultation period in respect of the Notice, the Authority received two responses. All non-confidential responses have been placed on the Ofgem website.

5. The Authority has carefully considered in relation to the proposed modification all representations received. Its response to those representations is attached at Schedule 2 to this modification notice.

6. The Authority will make the following additional modifications to those set out in the Notice:

(a) in paragraph 2(f) of Standard Condition 3:

- (i) the word "relevant" will be untracked as this is not a new modification;
- (ii) the word "expenses" (which was added in error) will be removed and the words "estimated costs" will be retained; and
- (iii) the full stop at the end of this paragraph will be replaced with a semi-colon;

(b) in paragraphs 2(h)(bb) of Standard Condition 3 the following words in brackets: "(including Citizens Advice and Citizens Advice Scotland)" will be added after the words "Secretary of State";

(c) in paragraph 5 of Standard Condition 3 (definition of "estimated costs"):

- (i) the letter "a" in the word "authority" in the third line of sub-paragraph (a)(i) will be capitalised and the word "and" following the semi-colon at the end of sub-paragraph (a)(i) will be removed;
- (ii) the following words in brackets "(including Citizens Advice or Citizens Advice Scotland)" will be added to the end of sub-paragraph 5(iii); and
- (iii) the formatting of the definition of "estimated costs" will be modified as follows:

"means costs estimated by the Authority as likely to be or have been the costs of –

- (i) the Authority calculated in accordance with the principles determined by the Authority for the purpose of this condition generally (after consultation with the licensee and others likely to be affected by the application of such principles) and notified to the licensee;
- (ii) the National Consumer Council; and
- (iii) the Secretary of State (including Citizens Advice or Citizens Advice Scotland).”.

7. In accordance with section 38A of the Act the Authority gives the following reasons for making the licence modifications:

- i. to remove any obsolete references relating to the payment to the Authority of the costs incurred by the Competition Commission in connection with any reference made to it; and
- ii. to reflect changes to the consumer advocacy services brought about by The Public Bodies (The Office of Fair Trading Transfer of Consumer Advice Scheme Function and Modification of Enforcement Functions) Order 2013.

8. The effect of the modifications will be to:

- i. remove any references to the payment to the Authority of the costs incurred by the Competition Commission in connection with any reference made to it;
- ii. replace any references to the “Office of Fair Trading” with “Citizens Advice or Citizens Advice Scotland”; and
- iii. replace any references to “Consumer Direct” with “any qualifying public consumer advice scheme”.

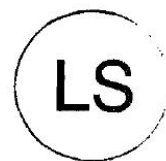
9. Where an application for permission to appeal the Authority’s decision is made to the Competition Commission under section 23B of the Act, Rule 5.7 of the Competition Commission’s Energy Licence Modification Appeals Rules requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2. The attached Schedule 1 provides a list of the relevant licence holders in relation to this modification direction. The meaning of ‘relevant licence holder’ is set out in section 23(10) of the Act.

#### **Now therefore**

In accordance with the powers contained in section 23(1)(b) of the Act, the Authority hereby modifies the standard licence conditions for all gas transporter licences in the manner specified in the attached Schedule 3. This decision will take effect on and from 3 April 2013.

This document constitutes notice of the reasons for the decision to modify the gas transporter licences as required by section 38A of the Act.

**The Official Seal of the Gas and Electricity Markets Authority  
here affixed is authenticated by the signature of**



**PAUL HESELTINE**

**Associate Director Finance and Risk Management  
Duly authorised on behalf of the Gas and Electricity Markets Authority  
6 February 2013**

## Schedule 1

### Gas Transporter relevant licensees list

|   |          |  |
|---|----------|--|
| British Gas Pipelines Limited           | 3226380  | Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD, Great Britain  |
| Caythorpe Gas Storage Limited           | 5283117  | Venture House, 42-54 London Road, Staines, Middlesex, TW18 4HF, Great Britain  |
| Energetics Gas Limited                  | SC303150 | International House, Stanley Boulevard, Hamilton International Technology Park, Glasgow, South Lanarkshire, G72 0BN, Great Britain |
| ES Pipelines Limited                    | 3822878  | Hazeldean, Station Road, Leatherhead, Surrey, KT22 7AA, Great Britain  |
| ESP Connections Limited                 | 3234745  | Hazeldean, Station Road, Leatherhead, Surrey, KT22 7AA, Great Britain  |
| ESP Networks Limited                    | 2865198  | Hazeldean, Station Road, Leatherhead, Surrey, KT22 7AA, Great Britain  |
| ESP Pipelines Limited                   | 3405272  | Hazeldean, Station Road, Leatherhead, Surrey, KT22 7AA, Great Britain  |
| Fulcrum Pipelines Limited               | 06006362 | 5th Floor, 6 ST. Andrew Street, London, EC4A 3AE, Great Britain  |
| Greenpark Energy Transportation Limited | 06977962 | 1 London Wall, London, EC2Y 5AB, Great Britain   |
| GTC Pipelines Limited                   | 3104203  | Energy House, Woolpit Business Park, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP, Great Britain                                    |
| Humbly Grove Energy Services Limited    | 05210198 | 3 More London Riverside, London, SE1 2AQ, Great Britain  |
| Independent Pipelines Limited           | 2828692  | Driscoll 2, Ellen Street, Cardiff, CF10 4BP, Great Britain   |
| INEOS Enterprises Limited               | 04651437 | Runcorn Site HQ, South Parade, Runcorn, Cheshire, WA7 4JE, Great Britain   |
| LNG Portable Pipeline Services Limited  | 07166716 | Cadarache, Bere Court, Pangbourne, Reading, RG8 8HT, Great Britain   |
| National Grid Gas Plc                   | 2006000  | 1-3 Strand, London, WC2N 5EH, Great Britain  |
| National Grid Gas Plc                   | 2006000  | 1-3 Strand, London, WC2N 5EH, Great Britain  |
| Northern Gas Networks Limited           | 5167070  | 1100 Century Way, Thorpe Park Business Park, Colton, Leeds, LS15 8TU, Great Britain  |
| Quadrant Pipelines Limited              | 2528816  | Driscoll 2, Ellen Street, Cardiff, CF10 4BP, Great Britain   |
| Scotland Gas Networks Plc               | SC264065 | Axis House, 5 Lonehead Drive, Newbridge, Edinburgh, EH28 8TG, Great Britain  |
| Severn Gas Transportation Limited       | 05121224 | Uskmouth Power Station, West Nash Road, Nash, Newport, NP18 2BZ, Great Britain   |
| Southern Gas Networks Plc               | 5167021  | St Lawrence House, Station Approach, Horley, Surrey, RH6 9HJ, Great Britain  |
| SP Gas Transportation Cockenzie Limited | SC361054 | 5th Floor, 1 Atlantic Quay, Robertson Street, Glasgow, G2 8SP, Great Britain   |
| SP Gas Transportation Hatfield Limited  | SC361055 | 5th Floor, 1 Atlantic Quay, Robertson Street, Glasgow, G2 8SP, Great Britain   |
| SSE Pipelines Limited                   | 2742721  | 55 Vastern Road, Reading, RG1 8BU, Great Britain   |
| The Gas Transportation Company Limited  | FC020169 | The Energy Centre, Admiral Park, St Peter Port, Guernsey Islands, GY1 3TB, Channel Islands   |
| Utility Grid Installations Limited      | 3958461  | Energy House, Woolpit Business Park, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP, Great Britain                                    |
| Wales & West Utilities Limited          | 5046791  | Wales and West House, Spooner Close, Coedkernew, Newport, South Wales, NP10 8FZ, Great Britain                                     |
| WINGAS Storage UK Limited               | 953066   | Building 3, Chiswick Business Park, 566 Chiswick High Road, London, W4 5YA, Great Britain  |
| Wyre Gas Transportation Limited         | 6658221  | Ground Floor Tuscan House, 5 Beck Court, Cardiff Gate Business Park, CARDIFF, CF23 8RP, Great Britain                              |

**Schedule 2 - Response to representations and reasons for any differences between the modifications and those set out in the Notice**

| <b>Standard Condition 3: Licensee's payments to the Authority</b> |                            |  |   |  |
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| <b>Comment from</b>   | <b>Para ref</b>            | <b>Comment</b>   | <b>Ofgem Response and (where appropriate) the reasons for differences between the modifications and those set out in the statutory consultation</b>   | <b>Change made to licence (Yes/No)</b> |
| National Grid   | Paragraph 2(f), first line | " <i>relevant</i> " should not be tracked as new. This brings into question the validity of the notice, per the general comment at 1 above (see general comments below).   | An amendment has been made. This is a minor error and does not call into question the validity of the notice.   | Yes                                    |
| National Grid   | Paragraph 2(f), first line | Reference to the " <i>relevant proportion of the expenses of the Citizens Advice or Citizens Advice Scotland</i> "<br><br>- For Wales and West, Southern, Northern and National Grid as distributors, presumably the relevant proportion for Citizens Advice Scotland will be £0; equally Scotland Gas Networks would presumably pay £0 for Citizens Advice. What is the relevant proportion for National Grid with regards to | The relevant proportion means such proportion as the Secretary of State considers is reasonable with regard to the functions under a qualifying consumer advice scheme which are exercisable in relation to gas and electricity consumers. These costs are apportioned between licensees on the basis set out in the Licence Fee Principles Document. | No                                     |

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|               |                             | the NTS? We would be grateful for clarity on this point.   |  |     |
| National Grid | Paragraph 2(f), first line  | Reference is now made to " <i>expenses</i> " rather than estimated costs. We are unclear why this has changed. Will expenses be collected in advance or in arrears? If in advance, the word " <i>estimated</i> " must be inserted before " <i>expenses</i> ". If in arrears, then the text should read " <i>actual expenses ... in the previous year</i> " and make it clear whether the year in question is a financial year as defined in Condition 1, or the expenses as reported by Citizens Advice or Citizens Advice Scotland in their reports and accounts for the previous year. | The word "expenses" has been removed as this was added in error and the words "estimated costs" will be retained.  | Yes |
| National Grid | Paragraph 2(f), second line | Subject to your response to 4 above, we request that the " <i>or</i> " between Citizens Advice   | The " <i>or</i> " reflects the wording in the Public Bodies Order 2013 <sup>1</sup> . The reference is to a "qualifying consumer advice scheme" provided by either organisation. | No  |

<sup>1</sup> The Public Bodies (The Office of Fair Trading Transfer of Consumer Advice Scheme Function and Modification of Enforcement Functions) Order 2013

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|               |                             | and Citizens Advice Scotland should read " <i>and/or</i> " as both may apply in the case of the licence in respect of the NTS as the NTS Operator has activities in both England and Wales and Scotland.  |  |     |
| National Grid | Paragraph 2(f), last line   | The paragraph should finish with a semi-colon not a full stop.  | An amendment has been made.  | Yes |
| National Grid | Paragraph 2(g)(i)           | Reference to section 17(7A) of the Gas Act 1986 does not appear in the paragraph. It is in the current Condition 3 but is not shown as deleted in the track changes. We are unclear as to why this reference has been removed and request that the reference to section 17(7A) of the Gas Act 1986 is retained. | The current Condition 3 refers to section 17(7) not section 17(7A).  | No  |
| National Grid | Paragraph 2(h)(aa) and (bb) | The track changes do not accurately reflect what the proposed changes are from the current Condition 3.<br><br>The reference at line 2 of (aa) should refer to  | With the removal of subparagraphs 2(f) and 2(i), 2(i) becomes 2(g) not 2(h) and the words "Secretary of State" is not new wording. This does not, therefore, bring into question the validity of the notice. | No  |

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|               |   | <p>2(h) not 2(ig).<br/> <i>"the Secretary of State"</i> is new wording but is not shown as such.</p> <p>This brings into question the validity of the notice, per the general comment at 1 above. (See general comments below).</p>  |  |     |
| National Grid | Paragraph 2(h)(bb)                            | <p>This paragraph does not refer to the actual costs of the Citizens Advice or Citizens Advice Scotland. This comment follows our comment at 5 above (of National Grid's response) requiring clarification as to why the reference is to <i>"expenses"</i> and not <i>"estimated costs"</i> and whether these expenses are to be collected in advance or in arrears. The omission here suggests that these expenses are to be collected in arrears, but greater clarity is needed.</p> | <p>In paragraph 2(h)(bb) the following words in brackets: <i>"(including Citizens Advice or Citizens Advice Scotland)"</i> will be added after the words <i>"Secretary of State"</i> in order to clarify that the costs of the Citizens Advice or Citizens Advice Scotland are included in the calculation set out in subparagraph 2(h)(bb).</p> | Yes |
| National Grid | Paragraph 5, definition of <i>"estimated"</i> | <p>As a result of the proposed changes, the</p>  | <p>A formatting change has been made to improve the drafting of this definition.</p>   | Yes |

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|               | costs"                                       | <p>formatting of the definition of "estimated costs" should be amended as follows:</p> <p><i>"means costs estimated by the Authority as likely to be or have been the costs of –</i></p> <p><i>a) the Authority calculated in accordance with the principles determined by the Authority for the purpose of this condition generally (after consultation with the licensee and others likely to be affected by the application of such principles) and notified to the licensee; and</i></p> <p><i>b) the National Consumer Council; and</i></p> <p><i>c) the Secretary of State."</i></p> |   |    |
| National Grid | Paragraph 5, definition of "estimated costs" | <p>The track changes do not accurately reflect what the proposed changes are from the current Condition 3.</p> <p>"the" in the second line of (a)(i) is new and not tracked</p>  | The "the" in the second line of (a)(i) is not new and should not therefore be | No |



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|               |   | <p>as such.</p> <p>"<i>authority</i>" in the third line of (a)(i) is capitalised in the current Condition, and must remain because "<i>the Authority</i>" is defined in capital letters in Condition 1 (Definitions and Interpretation) which applies to this Condition.</p> <p>"<i>and</i>" at the end of (a)(ii) is not new but is tracked as new.</p> <p>This brings into question the validity of the notice, per the general comment at 1 above.</p> | <p>tracked.</p> <p>Agree that the letter "a" in the "word "authority" should be capitalised.</p> <p>The word "<i>and</i>" at the end of (a)(ii) is new and should therefore be tracked as new.</p> <p>This does not bring into question the validity of the notice.</p>   | <p>Yes</p> <p>No</p> |
| National Grid | Paragraph 5, definition of " <i>estimated costs</i> " | <p>This definition does not refer to the costs of the Citizens Advice or Citizens Advice Scotland. This comment follows our comment at 5 above requiring clarification as to why the reference is to "<i>expenses</i>" and not "<i>estimated costs</i>" for the two organisations. If these expenses are to be collected in</p>   | <p>In paragraph 5(iii) the following words in brackets: "(including Citizens Advice or Citizens Advice Scotland)" will be added after the words "Secretary of State" in order to clarify that the costs of the Citizens Advice or Citizens Advice Scotland are included in the definition of estimated costs.</p> | Yes                  |

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|  |                         | arrears, then the omission of this reference appears correct. However, clarity is needed.   |  |                                     |
| <b>Licence Fee Cost Recovery Principles (LFPD)</b> |                         |   |  |                                     |
| <b>Comment From</b>                                | <b>Para ref in LFPD</b> | <b>Comment</b>  | <b>Ofgem Response and (where appropriate) the reasons for differences between the modifications and those set out in the LFPD</b>    | <b>Change made to LFPD (Yes/No)</b> |
| National Grid                                      | Paragraph 1.2, line 6   | After " <i>gas transportation</i> " insert instead of the proposed wording, " <i>paragraphs 3(a) to (g) of the electricity transmission SLCs and paragraphs 5.1(a) – 5.1(g) of the electricity distribution SLC</i> " as paragraphs 2(a) – 2(g) is not the right reference for the electricity transmission SLCs following the proposed amendments. | Relevant amendments made to clarify which paragraphs of which licence conditions are affected by the principles covered in the LFPD. | Yes                                 |
| Ofgem  | Paragraph 1.2, line 7   | After " <i>gas transportation</i> " insert " <i>SLCs</i> "  | Minor drafting change made to aid clarity.   | Yes                                 |
| Ofgem  | Paragraph 1.2, line 8   | After " <i>electricity transmission SLCs</i> " insert   | Minor drafting change made to aid clarity.   | Yes                                 |

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|                   |  | "and"   |   |     |
| Ofgem             | Paragraph 1.2, line 9  | After "electricity distribution SLC" insert "s"   | Minor drafting change made to aid clarity.  | Yes |
| National Grid     | Paragraph 1.2, line 8/9  | Before " <i>electricity transmission SLCs</i> " insert " <i>3(h) of the</i> ".  | Minor change made to clarify which paragraph of the electricity transmission licence is affected.   | Yes |
| National Grid     | Paragraph 2.4, first bullet, first paragraph, line 4               | Reference should be to " <i>paragraph 2.5</i> " rather than " <i>paragraph 2.6</i> ".   | Amendment made to correct an error in paragraph numbering.  | Yes |
| National Grid     | Paragraph 2.7, line 3  | Reference should be to " <i>paragraph 2.3</i> " rather than " <i>paragraph 2.2</i> ".   | Amendment made to correct an error in paragraph numbering.  | Yes |
| National Grid     | Paragraph 2.8, line 3  | Reference should be to " <i>paragraph 2.3</i> " rather than " <i>paragraph 2.2</i> ".   | Amendment made to correct an error in paragraph numbering.  | Yes |
| UK Power Networks | Page 14  | We believe that it would be beneficial to explain who Chiene and Tait are and their relationship to Ofgem.  | In the struck out section, Chiene and Tait are noted as providers of Ofgem's Internal Audit service. Our current Internal Auditors are Deloitte LLP. This is noted on page 18 of the updated version.   | No  |
| National Grid     | Page 17, work undertaken on behalf of other government departments | Ofgem indicate that their administration costs will include fees for work related to existing and new legislation or European Directives that is not part of Ofgem's core responsibility and that these costs may be recovered from licensees. We do not think it | This section is a long-standing part of the Cost Control Regime (RPI-X) guidelines and procedures. It covers a scenario where Ofgem is required to recharge to licence fee payers the cost of any work that it is not part of its core responsibility. This scenario has yet to be realised. In line with Ofgem's transparency commitments, should the scenario occur in the future, there will be a consultation with licence fee payers through the | No  |

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|               |  | is appropriate that licensee's costs should include costs that are not part of Ofgem's core responsibilities. If Ofgem carries out work on behalf of other departments (e.g. government) Ofgem should charge the relevant body directly for this work so as to impose some cost discipline on them. | forward work programme consultation process.  |     |
| National Grid | Page 18, Year-End Reserves (also known as Teem and Lade) | Year-End Reserves (also known as Teem & Lade) has increased by £2 million to £5 million. Whilst the RPI-X regime has not changed it would be useful to have clarity over the reasons for this increase and an understanding of Ofgem's plans regarding the Year-End Reserves.                       | A new five year regime came into effect from 2010-11. As notified in the Corporate Strategy and Plan 2010-2015, published in March 2010, the 'teem and lade' amount has been set at £5 million. During the five year regime any savings in excess of £5 million will be returned to licence fee payers. At the end of the regime, any remaining savings over and above those that are not to be carried forward to the successor regime will be returned. | No  |
| National Grid | Page 18, definition of a gas customer                    | Delete "A <i>customer means</i> " and start the definition with " <i>Any person</i> ".  | Minor drafting change made to aid clarity.  | Yes |
| National Grid | Page 18, first paragraph under "Source"                  | Use the full title for the QoS RIGs.  | Amended to aid clarity.   | Yes |

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| <b>Consultation covering letter (Reference 181/12)</b> |   |  |   |    |
| National Grid  | General   | It is important that Ofgem remain transparent with all their costs associated with licence fees. For consistency we consider Ofgem should continue to use the relevant cost control regime for the five years that commenced from April 2010. As changes within the industry occur (e.g. European, and UK government initiatives) any additional costs that are relevant to the licensee to support Ofgem's increased workload must be transparent and with a clear auditable basis for any licence fee change.' | Ofgem continues to use the RPI cost control regime that commenced in April 2010. Any additional costs that are relevant to the licensee are clearly highlighted in the Forward Work Programme. The 2013-14 Programme is currently being consulted on. | No |
| National Grid  | Removal of references to the Competition Commission | In light of the above the section titled 'Removal of references to the Competition Commission' creates some confusion. In the opening paragraph it   | Although it is no longer possible to make a reference to the Competition Commission, under the new appeals mechanism, introduced by the Electricity and Gas (Internal Markets) Regulations 2011, an appeal can be made to the Competition Commission  | No |

|                         |                 |  |  |    |
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|                         |                 | <p>indicates that references to the Competition Commission will be removed from the licence which we agree with. However later, the consultation indicates that Ofgem would continue to recover the Commission's costs through the licence fee cost recovery mechanism. Whilst the reference to the Competition Commission is removed will licensees still be required to fund such costs?</p> | <p>against a licence modification decision. Where an appeal is successful, the costs that the Competition Commission directs Ofgem to pay will still be recovered from holders of a licence with a payment condition still in force through the licence fee cost recovery mechanism.</p> |    |
| <b>General Comments</b> |                 |  |  |    |
| National Grid           | General Comment | <p>The statutory consultation does not accurately show the changes from the existing conditions (see for example removal of reference to section 17(7A) of the Gas Act 1986 in paragraph 2(g) of Condition 3 of the Gas Transporters Licence). We therefore question the validity of the notice to modify.</p>   | <p>There are some corrections to note. These are minor in nature and therefore do not question the validity of the notice. However, there is no reference to section 17(7A) of the Gas Act 1986 in paragraph 2(g) in Standard Condition 3 of the Gas Transporters Licence.</p>           | No |

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| National Grid | Paragraph 1 of the gas transporter licence notice, line 2 | The reference should be as follows: "paragraphs <del>3(2)</del> (f) to (j) and 5...) | Agree. This is a minor error and we made clear in Appendix 1 which paragraphs of Standard Condition 3 of the Gas Transporter's licence was proposed to be modified. | The correct reference will be shown in the decision notice |
|---------------|---|--|---|--|

### Schedule 3

#### Condition 3: Payments by Licensee to the Authority

2.

- ~~(f)~~ an amount which is the relevant proportion of the estimated costs of the Office of Fair Trading which relate to the expansion of Consumer Direct to enable it to cater for gas and electricity consumers;
- (gf) an amount which is the relevant proportion of the estimated costs of the Citizens Advice or Citizens Advice Scotland ~~Office of Fair Trading~~ on, or in connection with, the support of any qualifying public consumer advice scheme ~~Consumer Direct~~ that the Secretary of State considers is reasonable having regard to the functions exercisable by the National Consumer Council in relation to gas and electricity consumers;
- (hg) an amount that is the relevant proportion of the estimated costs of the Secretary of State during the year in question in respect of –
  - (i) payments made by the Secretary of State by virtue of Section 17(7) of the Act (payments relating to meter examiners);
  - (ii) any other costs incurred by the Secretary of State in performing functions conferred by Section 17 of the Act or by gas meter regulations (as defined in Section 92(5) of the Energy Act 2008);  
and
- ~~(i)~~ ~~an amount which is the relevant proportion of the estimated costs incurred in the previous relevant year by the Competition Commission in connection with any reference made to it with respect to this licence or any other licence granted under the Act or the Electricity Act 1989; and~~
- (jh) an amount which is the relevant proportion of the difference (being a positive or negative amount), if any, between:



- (aa) any costs estimated by the Authority in the previous relevant year under sub-paragraphs 2(a) to 2(g); and
- (bb) the actual costs of the Authority, the National Consumer Council, and the Secretary of State (including Citizens Advice or Citizens Advice Scotland) ~~and the Competition Commission (in connection with references of the type referred to in sub-paragraph 2(i))~~ for the previous relevant year ~~or, in the case of the Competition Commission, for the relevant year prior to the previous relevant year.~~

5. In this condition:

"estimated costs" means costs estimated by the Authority as likely to be or have been:

(a) the costs of –

(i) the Authority calculated in accordance with the principles determined by the Authority for the purpose of this condition generally (after consultation with the licensee and others likely to be affected by the application of such principles) and notified to the licensee; ~~and~~

(ii) the National Consumer Council; and

(iii) the Secretary of State (including Citizens Advice or Citizens Advice Scotland).; ~~and~~

~~(b) the costs incurred by the Competition Commission in connection with references to it~~

~~in respect of this licence or any other licence granted under the Act or the Electricity Act 1989, such estimate having regard to any views of the Competition Commission;~~

“relevant proportion”

means the proportion of the costs attributable to the licensee in accordance with the principles determined by the Authority for the purposes of this condition generally (after consultation with the licensee and others likely to be affected by the application of those principles) and notified to the licensee ~~or, in relation to the costs of the Competition Commission, in accordance with any direction given by the Competition Commission under section 177(3) of the Energy Act 2004 or, in the absence of such direction, in accordance with such principles; and~~

“relevant year”

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