

16th April 2015

Deirdre Bell
Ofgem
9 Millbank
London
SW1P 3GE

By email only to deirdre.bell@ofgem.gov.uk

Dear Deirdre

Re: Consultation on amending the disapplication conditions of the Independent Gas Transporter (IGT) and Independent Distribution Network Operator (IDNO) licences

Brookfield Utilities UK ("BUUK") welcomes the opportunity to respond to the consultation on amending the disapplication conditions of the IGT and IDNO licences. BUUK is the parent company of the gas distribution licensees of GTC Pipelines Limited ("GPL"), Independent Pipelines Limited ("IPL") and Quadrant Pipelines Limited ("QPL"), all Independent Gas Transporters ("IGTs"). BUUK is also the parent company of the electricity distribution licensees of the Electricity Network Company ("ENC") and Independent Power Networks Limited ("IPNL") both Independent Distribution Network Operators ("IDNOs").

During 2014, the Association of Independent Gas Transporters ("AIGT") representing all IGTs and the Competitive Networks Association ("CNA") representing all IDNOs have worked closely with Ofgem to develop and review the revised conditions. BUUK is appreciative of the collaborative approach that has been taken on this work to date. BUUK has input to the joint AIGT and CNA response and is fully supportive of the points raised within. For completeness, BUUK would like to confirm the following:

In summary BUUK:

- Subject to the points raised in the joint AIGT and CNA response being satisfied, BUUK supports the changes to Special Condition 1 and Standard Condition BA2 on the basis that the changes largely align the licence with Acts as amended by The Electricity and Gas (Internal Markets) Regulations 2011;;
- Believes that generally the amendments provide further clarity to the end to end process for disapplications against Special Condition 1 of the IGT licence and BA2 of the IDNO licence; and
- Has raised a number of typographical observations for potential amendment.

Our full response can be found in appendix 1.

Should you wish to discuss any of the comments raised in this response, we would be happy to discuss these further.

Yours sincerely

Mike Harding
Head of Regulation

Appendix 1

Having reviewed the proposed changes, BUUK has the following comments:

Gas Specific

- We query whether under paragraph 9 the drafting should read “Except with **where** the Authority consents.....”
- After paragraph 11 (e), add closing bracket at end of definition (the “Disapplication Date”);
- Para 10 anticipates the disapplication of paragraphs 2 and 5 (in whole or in part).
- Para 11(b) requires the licensee to specify the “paragraphs” Para 11(e) should therefore state “specified **paragraphs**”
- Paragraph 11(b) states “any part”, whereas 11(e) only states “part”
- Paragraph 14: Replace “Notice” with “**notice**”.

Electricity Specific

- At the end of paragraph 6(b), there is a full stop missing.
- Paragraph 8(d) replace “Licensee” with “**licensee**”.
- To be consistent with the revised drafting under paragraph 8(b) (which is also the proposed approach in the IGT Special Condition 1 licence drafting), in paragraph 8(e) replace “paragraph or paragraphs” with “paragraph (**or parts thereof**)”. We would also suggest “**paragraphs**” as in gas above.
- It is queried whether paragraph 8(b) should be “**paragraphs**”? Paragraph 7 refers to the disapplication of this condition (and thus must mean the possibility of disapplying more than one paragraph);
- Paragraph 8(e): Replace “Disapplication Date” in first line and replace with “**date**”.
- Replace “disapplication date” with “**Disapplication Date**” in the brackets at end of paragraph.
- Paragraph 9 in the Gas drafting is awkward, but is consistent in that in both instances it refers to “service” of the Disapplication Request. The Electricity drafting on the other hand refers to “receipt of” the Disapplication Request and then to “delivery of” the Disapplication Request. It is questioned whether these are the same date?
- Para 12: Replace “proposal” at end of paragraph with “**Disapplication Request**”.

General

- Clarification is requested on why the Authority requires within 10 working days to request further analysis in the case of a gas Disapplication Request, and within 28 working days to request further analysis in the case of an electricity Disapplication Request. For consistency across the licences, it is suggested that the timeframes are aligned using the 10 working day timeframe.