

IN THE MATTER OF AN APPEAL UNDER SECTION 11C OF THE ELECTRICITY
ACT 1989

BRITISH GAS TRADING LIMITED

Appellant

-and-

GAS AND ELECTRICITY MARKETS AUTHORITY

Respondent

Order of the CMA

UPON the application dated 2 March 2015 for permission to appeal ('Notice of Appeal') the Gas and Electricity Markets Authority's ('GEMA') decision of 3 February 2015 ('Decision') brought by British Gas Limited ('BGT')

AND UPON the CMA granting permission to appeal on 30 March 2015 subject to the condition set out in paragraph 12 of the order granting permission

AND UPON the CMA having made a determination for the reasons set out in the CMA's Final Determination

AND UPON the CMA confirming the Decision insofar as the appeal has been dismissed

AND UPON Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) PLC (together 'NPg') and the CMA having agreed that the modifications to Condition CRC 2A in NPg's licences in this appeal are those specified in the CMA's order of even date made in the separate appeal against the Decision brought by NPg

AND UPON GEMA, BGT and the slow-track electricity distribution network operators ('DNOs') having been consulted on the spreadsheet annexed to this order and no objection having been made to its accuracy

IT IS HEREBY ORDERED THAT

1. The appeal is allowed in respect of Ground 3 of the Notice of Appeal for the reasons set out in the CMA's Final Determination;
2. The appeal is dismissed in relation to Grounds 1, 2, 4, 5 and 6 of the Notice of Appeal for the reasons set out in the CMA's Final Determination;
3. In order to correct the errors which the CMA identified in its Final Determination, the CMA hereby substitutes the following figures for those within the slow-track DNOs' respective licences, other than those of NPg, with such substitution to take effect 14 days from the date of this order:

Condition CRC 2A Appendix 1 'Values for PU term (£m, 2012/2013 prices) by licensee'

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
ENWL	No change	379.9	360.9	357.3	353.8	350.2	350.2	350.2
LPN	No change	387.4	383.1	390.0	397.2	404.5	411.9	419.5
SPN	No change	325.4	332.2	340.3	348.7	357.3	366.0	375.1
EPN	No change	507.8	504.3	507.8	515.9	524.1	532.5	540.8
SPD	No change	346.0	346.0	346.0	346.0	346.0	346.0	346.0
SPMW	No change	310.9	310.9	310.9	310.9	310.9	310.9	310.9
SSEH	No change	257.1	257.1	257.1	257.1	257.1	257.1	257.1
SSES	No change	473.7	473.7	473.7	473.7	473.7	473.7	473.7

4. The CMA hereby substitutes the spreadsheet annexed to this order for the ED1 Price Control Financial Model (as defined in licence condition CRC 1B) which applies to the slow-track DNOs as published at the date of this order and which is incorporated into the slow-track DNOs' licences by virtue of licence condition CRC 4A, such substitution to take effect 14 days from the date of this order;
5. BGT to pay 80%, and GEMA to pay 20%, of the costs incurred by the CMA in connection with this appeal;
6. BGT to pay 60% of GEMA's costs assessed in the sum of £798,070.48.

John Wotton
CMA Inquiry Chair
 29 September 2015