

Gas transporters, independent
gas transporters, gas shippers,
gas suppliers, Xoserve and other
interested parties

Date: 16 December 2016

Dear colleague

Decision under section 23 of the Gas Act 1986 on new Standard Special Condition (SSC) A15A (Central Data Service Provider), modification of SSC A15 (Agency) and other consequential modifications to the Gas Transporter (GT) licence

This document and associated annexes sets out our¹ decision further to our statutory consultation issued on 31 October 2016² (our October Consultation) on proposed modifications to the GT licences. Our October Consultation followed our decision on 28 April 2016³ on the changes to the legal and regulatory framework needed to establish new arrangements for the gas central service provider Xoserve. Our October Consultation consulted on modifying SSC A15 (Agency) of the GT licence, introducing a new SSC A15A (Central Data Service Provider) and the resulting consequential changes required in other parts of the GT licence.⁴

In our decision in April 2016 we concluded that:

- Out of the four options on which we consulted, as being options for making changes to the legal and regulatory framework to implement funding and governance changes to Xoserve, option one should be taken forward.
- Appropriate Uniform Network Code (UNC) modifications should be proposed and progressed, to require parties to jointly participate in Xoserve's governance and funding.
- There are no additional benefits at this time from Xoserve becoming a party to the UNC in order to implement the funding and governance changes to Xoserve.
- A licence change should be proposed that will require GTs to deliver the new arrangements in full by 31 March 2017.

This decision relates to the changes required to the GT licence to require GTs to deliver the new arrangements in full by 31 March 2017. To ensure that industry was sighted on the progress of the drafting of the proposed new SSC A15A and to seek early views on the

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-new-standard-special-condition-ssc-a15a-central-data-service-provider-and-changes-ssc-a15-agency-gas-transporter-gt-licence>

³ <https://www.ofgem.gov.uk/publications-and-updates/xoserve-decision-legal-and-regulatory-framework-establish-new-governance-and-funding-arrangements-gas-central-service-provider>

⁴ We will consider whether any changes are required to Standard Licence Condition 11 (Agency) in the Independent Gas Transporters licence after Project Nexus has been implemented.

proposed drafting, we published two informal consultations on the proposed drafting in December 2015⁵ and in April 2016.⁶ The views received in the informal consultations were taken into account in the statutory consultation issued on 31 October 2016.

We received nine responses to our October Consultation. A summary of the responses received is included at Annex 1 of this document and the responses are also published on our website.⁷

Following consideration of responses to our statutory October Consultation, we have decided to:

- modify SSC A15 (Agency) of the GT licence as set out in the attached Notice
- introduce a new SSC A15A (Central Data Service Provider) as set out in the attached Notice, and
- make a number of consequential licence changes to the GT licence.

Annexes

This letter contains the following annexes:

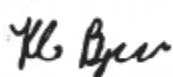
- **Annex A** – An overview of consultation responses and the changes made to the drafting of the proposed licence modification since our October Consultation.
- **Annex B** – Modification notice under section 23(1) of the Gas Act 1986 (the Act), including the drafting of SSC A15A, amendments to SSC A15 and consequential changes to SSC A12, A14, A31, A48; Special Conditions 1A and 4C in each of the DN licences; and Special Conditions 1A and 11C of the licence held by NGG (NTS).

Next Steps

These licence modifications will take effect on and from 11 February 2017.

If you have any questions regarding this document or the associated annexes please contact Rupika Madhura, Head of Gas Distribution Policy at Rupika.Madhura@ofgem.gov.uk.

Yours faithfully



Kersti Berge
Partner, Networks

Signed on behalf of the Authority and authorised for that purpose

⁵ <https://www.ofgem.gov.uk/publications-and-updates/informal-consultation-changes-standard-special-condition-a15-agency-gas-transporters-licence>

⁶ <https://www.ofgem.gov.uk/publications-and-updates/informal-consultation-changes-standard-special-condition-a15-agency-gas-transporters-licence-0>

⁷ <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-new-standard-special-condition-ssc-a15a-central-data-service-provider-and-changes-ssc-a15-agency-gas-transporter-gt-licence>

Annex A

Overview of consultation responses

We received nine responses⁸ to our October Consultation which we have reviewed and considered in arriving at our decision to proceed with the licence modifications. We also received some minor comments through the Programme Overview Board (POB) which we have reviewed, considered and taken into account.

The respondents were supportive of the proposed modifications we consulted on and agreed that the proposed drafting will deliver the arrangements that the industry has been working to achieve under the Xoserve Funding, Governance and Ownership (FGO) review. Some minor drafting amendments were suggested, but in general the respondents did not identify material changes which should affect the finalisation of the licence changes.

Our response to comments on our statutory October 2016 Consultation

In making our final decision, we have identified a number of minor alterations to the proposed modifications in our October Consultation. These alterations are clarifications made in response to comments raised in the consultation responses. The alterations are outlined in Table 1 alongside our responses to comments raised in the consultation responses.

Table 1: Outline of our responses to key comments received on the licence drafting from the stakeholders

<u>Paragraph in licence drafting</u>	<u>Comment</u>	<u>Ofgem Response</u>
3	Independent Gas Transporters (IGTs) raised a concern that the drafted definition of "Relevant Gas Transporters" could unintentionally include IGTs.	We have now amended the definition of Relevant Gas Transporters in paragraph 3 to specify that it only relates to gas transporters " <u>with this condition in effect in their licence</u> ". This amendment is to clarify that IGTs are not considered a Relevant Gas Transporter. IGTs will be captured under the definition of Non-RGT Users.
4	One respondent commented that CDSP Services are not defined in the licence. It suggested that if CDSP services are only being defined in the UNC then the licence should reference this.	Under A15A, what constitutes CDSP Services is required to be set out by the industry under the UNC. We do not think that it is necessary or appropriate for the licence condition to set out <i>how</i> this should be done, so do not agree that the licence should require CDSP services to be a defined term within the UNC.
5(b)	One respondent commented that Non-Relevant Gas Transporter Users' are given the 'opportunity to participate' rather than the 'right to participate' in the processes	Non-RGT Users' representatives have already been participating in the change management, contract management and decision making processes set out in paragraph 5(b). This has been working in line with the intent of the

⁸ The consultation responses have been published on our website: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-new-standard-special-condition-ssc-a15a-central-data-service-provider-and-changes-ssc-a15-agency-gas-transporter-gt-licence>

	set out in paragraph 5(b). BG considered that the drafting should be changed to 'right' as the GTs are the owners so automatically have the right to participate.	cooperative governance arrangements put in place by FGO and we do not consider the drafting needs to change.
6(c)(i)	One respondent commented that 'jointly control' should be changed as it believes they have a limited ability to control the CDSP. They commented that control of the CDSP will remain the responsibility of the Xoserve Board.	<p>As part of FGO, the Xoserve governance arrangements have been changed so there will be GT, Shipper and IGT nominated directors on the Xoserve Board.</p> <p>Users will have the right to remove and replace Board members through the new corporate governance arrangements. We therefore do not agree that this drafting should be changed.</p>
6(d)	One respondent thought that the licence drafting should go further on appeals and there should be the ability to appeal more areas, in particular in relation to the business plan and budget amendments.	<p>We are satisfied that the condition as drafted provides an appropriate opportunity for the Relevant Users to appeal the Annual Budget to the Authority, and we do not agree that the licence should specify additional areas of appeal.</p> <p>We expect in any case that appeals will be by exception as the governance arrangements, including the newly reformed Xoserve board, should ensure decisions with regard to budgets are made with full involvement of relevant parties, and the decision made is ultimately in the interest of consumers.</p>
7(b)	<p>Parties through POB have requested us to clarify that the profits made should not be distributed to the shareholders but instead should be invested back in Xoserve activities.</p> <p>A number of respondents have also commented on paragraph 7(b). Some respondents considered the requirement for the Authority to give consent for Xoserve to provide non-CDSP services to be overly administrative, suggesting a de-minimis agreement.</p>	<p>We have amended the drafting to clarify that the profits should not be distributed to the shareholders:</p> <p>"be a company the purpose of which (except where the Authority consents otherwise in writing) is to provide CDSP Services and which shall not return a profit (except where the Authority consents otherwise in writing) (whether income or capital) through its share capital and shall set out within its articles of association a prohibition on the distribution of profits and declaration of dividends (save for dividends in respect of profits relating to periods prior to 1 April 2017 or such later date as the Authority may direct);"</p> <p>Our view is that the focus of the CDSP will be on core CDSP activities.</p>

		However, as outlined in Annex D of the October consultation, we are willing to consider whether, for example, a de-minimis or materiality provision might be introduced in the future.
8(d) and 10 and consequential changes to Special Condition 4C of each of the Licence (DN) and Special Condition 11C of Licence NGG (NTS)	Some comments requested clarity on what the term 'user pays services' is referring to.	<p>In our October Consultation we included references to 'user pays services' in paragraphs 8(d) and 10 because there are some services which are excluded from the GT's price control for which GT's get paid directly by its customers, such as shippers. Some of these services have historically been administered by Xoserve of GTs behalf and were included in the 'User pays agency service' category of Excluded Services. Industry feedback was that although some services, such as Must Reads, are still required to be Excluded Services, continuing to use the term 'user pays' post FGO implementation is confusing given that user pays is now used in a different context.</p> <p>After further discussion with the GTs, we have decided to remove the references to 'user pays services' in paragraph 8(d) and remove paragraph 10 as the User Pays provision will no longer exist from 1 April 2017. We have also amended Special Condition 4C of each of the Licence (DN) and Special Condition 11C of Licence NGG (NTS) so that 'user pays agency services' will no longer be considered an Excluded Service once SSC A15A comes into force. Instead we will use a Special Condition to direct GTs to issue these services as Excluded Services. We will address this change early next year to take effect from 1 April 2017.</p>
8(e)(ii)	One respondent questioned if the cross reference in 8(e)(ii) to sub-paragraph (a) was correct.	The cross reference in paragraph 8(e)(ii) has been corrected to reference sub-paragraph (i).
8(e)(iii)	One respondent commented that the charging methodology should facilitate effective competition between GTs as well as competition between gas shippers and suppliers.	<p>We agree the charging methodology should also facilitate competition between GTs. We made the following minor amendment to reflect this and to clarify that the sub-paragraph should be consistent with the preceding sub-paragraphs:</p> <p>"that, so far as is <u>so</u> consistent, compliance with the charging methodology facilitates effective</p>

		competition between gas shippers, and between gas suppliers <u>and between Gas Transporters</u> "
9	Through the POB and consultation responses, industry members suggested clarifying the licence drafting to align it with the proposed change management procedures in the Data Services Contract (DSC).	To provide clarity we have amended the drafting as follows: " <u>Except as otherwise provided for within the UNC and/or the CDSP Service Agreement</u> , any modification of the charging methodology shall, <u>where relevant</u> , comply..."
References to 'CDSP Service Agreement'	In the proposed licence drafting we referred to the service agreement with the CDSP as the 'CDSP Service Agreement'. One respondent suggested we refer to this as the 'Data Services Contract (DSC)' to avoid confusion as this is what the agreement has been referred to in industry work such as the modification proposal and the draft contract.	The CDSP Service Agreement is now defined in the UNC as being the DSC, so we do not believe it should be changed in the licence.

Annex B

To:

National Grid Gas plc (NTS)
National Grid Gas Distribution Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales & West Utilities Limited

Gas Act 1986 Section 23(1)(a)

Modification of the Standard Special Conditions of the Gas Transporter ('GT') licences held by the licensees listed above

1. Each of the companies to whom this decision is addressed ('the Licensee') is the holder of a gas transporter licence ('the Licence') granted or treated as granted under section 7 of the Gas Act 1986 ('the Act'). The Licence held by National Grid Gas plc (NTS) is referred to as Licence (NTS). The Licences held by the Licensees in respect of the distribution networks are referred to as Licence (DN).
2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')⁹ gave notice on 31 October 2016 ('the Notice') that it proposes to modify the following conditions of the Licence:
 - Introduce a new Standard Special Condition (SSC) A15A (Central Data Service Provider) and amend:
 - SSC A15 (Agency)
 - SSC A12 (Joint Office Governance Arrangements)
 - SSC A14 (Availability of Data Formats)
 - SSC A31 (Supply Point Information Service)
 - SSC A48 (Last Resort Supply: Payment Claims)
 - Special conditions applicable to the Licensee (DN): Part E; Special Condition 1A (Definitions) and Special Condition 4C (Services treated as Excluded Services)
 - Special conditions applicable to Licensee (NTS); Special Condition 1A (Definitions) and Special Condition 11C (Services treated as Excluded Services).

We stated that any representations to the modification proposal must be made on or before 28 November 2016.

3. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received nine responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out in our decision letter which accompanies this decision.
5. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in yellow highlight in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 1 are minor clarifications in response to

⁹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

comments raised in consultation responses.

6. We are making these changes to the Licence to establish new funding and governance arrangements for the gas central service provider from 1 April 2017 (or such later date as the Authority may direct).
7. The modifications to the Licence are in accordance with our decision of 28 April 2016¹⁰ on the legal and regulatory framework modifications needed to establish new arrangements for the gas central service provider Xoserve. The effect of the modifications will be to:
 - Require the Licensees to raise and progress modifications to the Uniform Network Code to include joint obligations on the users of Xoserve's services to govern and fund it.
 - Require the Licensees to modify Xoserve's company documents to allow for joint governance and restrict the distribution of profits.
 - Provide for the Authority to amend Xoserve's budget if an appeal by a relevant user of central data service provider services is upheld.
8. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules¹¹ 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 2 provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

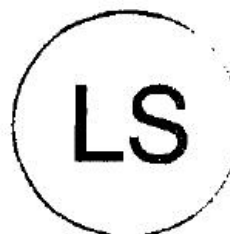
Under the powers set out in section 23(1)(a) of the Act, we hereby:

- introduce a new Standard Special Condition A15A and modify SSC A15, SSC A12, SSC A14, SSC A31, SSC A48 of the Licence held by the Licensees.
- modify special condition 1A and Special Condition 4C of each of the Licence (DN)
- modify special condition 1A and special condition 11C of Licence NGG (NTS)

in the manner specified in attached Schedule 1. This decision will take effect from 11 February 2017.

This document is notice of the reasons for the decision to modify the gas transporter licence held by the Licensees 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**



.....
Kersti Berge
Duly authorised on behalf of the
Gas and Electricity Markets Authority

16 December 2016

¹⁰ <https://www.ofgem.gov.uk/publications-and-updates/xoserve-decision-legal-and-regulatory-framework-establish-new-governance-and-funding-arrangements-gas-central-service-provider>

¹¹ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the CMA.

Schedule 1 – Licence drafting

New Standard Special Condition:

Standard Special Condition A15A: (Central Data Service Provider)

Introduction

1. The purpose of this condition is to provide for the appointment of a “central data service provider” (“CDSP”) and to set out the obligations with which the licensee must comply with respect to the establishment and the ongoing operation of the CDSP.
2. This condition sets out:
 - (a) the minimum obligations of the licensee with respect to the appointment of the CDSP (Part A);
 - (b) the minimum obligations of the licensee with respect to the CDSP being in place by 1 April 2017 (or such later date as the Authority may direct) (Part B); and
 - (c) the minimum obligations of the licensee with respect to the appointment and the ongoing operation of the CDSP (Part C). Part C of this condition comes into effect on 1 April 2017 (or such later date as the Authority may direct).
3. The licensee shall, together with other gas transporters **with this condition in effect in their licence** (“Relevant Gas Transporters”), ensure that the CDSP is appointed in accordance with Part A below. The licensee shall, together with Relevant Gas Transporters, also ensure that the CDSP is established and is operated in accordance with Part B of this condition by 1 April 2017 (or such later date as the Authority may direct). On that date, Standard Special Condition A15 (Agency) will cease to have effect in accordance with paragraph 1A of that condition.

Part A: Obligations of the licensee in appointing the CDSP

4. The licensee shall, together with Relevant Gas Transporters, appoint the CDSP to provide CDSP services and systems (together referred to as “CDSP Services” in compliance with the minimum requirements set out in Part A of this condition. This appointment shall be made and the CDSP shall be operational from 1 April 2017 (or such later date as the Authority may direct).
5. By 1 April 2017 (or such later date as the Authority may direct), the licensee shall, together with Relevant Gas Transporters, ensure that:
 - (a) the CDSP’s constitution includes a provision for the appointment of directors nominated by Relevant Users of CDSP Services other than Relevant Gas Transporters (such users being “Non-RGT Users”);
 - (b) Non-RGT Users’ representatives are given the opportunity to participate in the contract management and change management process related to the CDSP Services and are given the opportunity to participate in the decision making process in respect of matters that will have an effect on the appointment and ongoing operation of the CDSP from 1 April 2017 (or such later date as the Authority may direct);
 - (c) the CDSP consults with, and takes due regard of responses by Non-RGT Users in respect of the business plan and budget for CDSP Services in respect of the financial year commencing 1 April 2017 and subsequent years thereafter.

6. The licensee shall, together with Relevant Gas Transporters, raise and progress modifications to the UNC so that the UNC sets out from 1 April 2017 (or such later date as the Authority may direct):
- (a) a requirement that the licensee, each Relevant Gas Transporter and (as a condition of being a party to the UNC) each other user of CDSP Services as such users may be defined in the UNC (to the extent such other users of the CDSP Services are bound by the UNC) be party to a service agreement with the CDSP ("the CDSP Service Agreement");
 - (b) a classification of CDSP Services, including those which are required to be used by Relevant Gas Transporters, gas shippers and other parties to the UNC;
 - (c) obligations on the licensee and other users of CDSP Services, to the extent such other users of the CDSP Services are required to be party to the CDSP Service Agreement (the licensee and such other users collectively being "Relevant Users of CDSP Services") to:
 - (i) jointly control and govern the CDSP on an economic and efficient basis;
 - (ii) use or procure the use of CDSP Services, as set out in the UNC from the CDSP;
 - (iii) keep the CDSP Service Agreement under review to ensure it continues to comply with the relevant sections of the UNC; and
 - (iv) pay for CDSP Services in accordance with the charging statement prepared by the CDSP ("the CDSP Charging Statement"); and
 - (d) a process enabling a Relevant User of CDSP Services to appeal the CDSP Annual Budget (as defined in paragraph 8(c)) by issuing a notice to the Authority in writing. The circumstances under which such notice can be issued are to be limited to where that party considers the CDSP Annual Budget to not be fit for purpose for the CDSP to be able to fulfil its obligation specified in paragraph 7(b) of this condition.

Part B: Minimum obligations relating to the CDSP

7. The licensee shall, together with Relevant Gas Transporters, ensure that by 1 April 2017 (or such later date as the Authority may direct) the CDSP shall:
- (a) be a company under the joint ownership of the licensee and of Relevant Gas Transporters;
 - (b) be a company the purpose of which (except where the Authority consents otherwise in writing) is to provide CDSP Services and which shall ~~not return a profit (except where the Authority consents otherwise in writing) (whether income or capital) through its share capital and shall~~ set out within its articles of association a prohibition on the distribution of profits and declaration of dividends (save for dividends in respect of profits relating to periods prior to 1 April 2017 or such later date as the Authority may direct); and
 - (c) be a company jointly controlled and governed by the licensee and by Relevant Users of CDSP Services. This must be reflected in the CDSP's articles of association, which at a minimum shall require:
 - (i) a provision for the appointment and removal of directors of the CDSP by the licensee and by other Relevant Users of CDSP Services on a transparent and equitable basis;

- (ii) a provision for the licensee, together with Relevant Gas Transporters, to require the CDSP to make changes to the CDSP Annual Budget where the Authority requires such changes to be made pursuant to the powers given to the Authority in paragraph 12-13 of this condition.
8. The licensee shall, together with Relevant Gas Transporters, ensure that by 1 April 2017 (or such later date as the Authority may direct) the CDSP Service Agreement includes obligations on the CDSP to:
- (a) provide or otherwise procure CDSP Services which shall include services required in the UNC for Relevant Gas Transporters, gas shippers and other Relevant Users of CDSP Services;
 - (b) provide or otherwise procure CDSP Services effectively to help facilitate the efficient and integrated operation of the gas industry;
 - (c) produce, in consultation with Relevant Users of CDSP Services, and publish an annual budget in respect of the delivery of CDSP Services ("the CDSP Annual Budget");
 - (d) publish and keep under review a charging methodology, as required by the UNC, and publish and keep under review the CDSP Charging Statement, setting out the scope of CDSP Services and user pays services and its charges calculated in accordance with the charging methodology, both of which:
 - (i) shall aim to recover the CDSP Annual Budget (as amended pursuant to any direction from the Authority)
 - (ii) shall facilitate the objective of economic, efficient and transparent charging for the provision of the CDSP Services and will achieve the "Charging Methodology Objectives";
 - (e) The "Charging Methodology Objectives" means the following objectives:
 - (i) that compliance with the charging methodology results in charges which reflect the costs incurred by the CDSP for the provision of the CDSP Services;
 - (ii) that, so far as is consistent with sub-paragraph (ai), the charging methodology properly takes account of developments in the provision of CDSP Services;
 - (iii) that, so far as is so consistent, compliance with the charging methodology facilitates effective competition between gas shippers, and between gas suppliers and between Gas Transporters;
 - (iv) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.
 - (f) notify the Authority in writing if it increases its charges during a financial year; and
 - (g) amend the CDSP Annual Budget when directed to do so by the licensee, together with Relevant Gas Transporters, where the Authority requires such changes to be made pursuant to the powers given to it in Part C of this condition.
9. Except as otherwise provided for within the UNC and/or the CDSP Service Agreement, Any modification of the charging methodology shall, where relevant, comply with the

requirements of the network code modification procedures as defined in Standard Special Condition A11 (Network Code and Uniform Network Code).

~~10. In this condition:~~

~~"user pays services"~~

~~means the services set out and described as such in the CDSP Charging Statement prepared in accordance with paragraph 8 of this condition.~~

Part C: Obligations of the licensee with respect to the ongoing operation of the CDSP

10. Where the Authority receives a notification under paragraph 6(d) of this condition it shall decide whether there are grounds for appeal.

11. While the Authority is considering whether there are grounds for appeal the CDSP Annual Budget under appeal shall continue to be in effect.

12. If having made its assessment the Authority decides that the appeal should be allowed, it shall issue a direction to every licensee in whose licence this condition has effect requiring the licensee to require the CDSP to make changes to the CDSP Annual Budget as set out in its direction.

13. The direction, issued under paragraph ~~12-13~~, will state:

- (a) the value of the amended CDSP Annual Budget that is to apply;
- (b) the years in respect of which the amended CDSP Annual Budget applies; and
- (c) any other conditions relating to the CDSP Annual Budget that the Authority deems appropriate to impose ~~of or~~ on the relevant licensees.

14. Prior to issuing a direction under paragraph ~~12-13~~ of this condition the Authority shall:

- (a) give notice to all licensees, in whose licence this condition has effect, and other users of CDSP Services that it proposes to issue the direction:
 - (i) specifying the date on which it proposes that it should have effect;
 - (ii) setting out the text of the proposed direction and the Authority's reasons for proposing it; and
 - (iii) specifying the time (which must not be a period of less than 28 days from the date of the notice) within which representations or objections with respect to the proposal may be made; and
- (b) consider any representations or objections in response to the notice that are duly received and not withdrawn.

Proposed modifications to existing Standard Special Conditions¹²:

The existing conditions will apply until 31 March 2017. Changes will come into effect on 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A).

STANDARD SPECIAL CONDITIONS APPLICABLE TO BOTH NTS AND DN LICENSEES: PART A

Standard Special Condition A15: Agency

[Insert below paragraph 1]

1A. On 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) this condition will cease to have effect.

1B. The existing conditions will apply until 31 March 2017.

Standard Special Condition A12: Joint Office Governance Arrangements

1(a)(iii) The administration of such matters as are provided for in the uniform network code to be implemented by the relevant gas transporters on a common, joint or coordinated basis ~~consistent with the provisions of Standard Special Condition A15 (Agency).~~

Standard Special Condition A14: Availability of Data Formats

1. Where the licensee uses standard file formats for transferring data, for any purposes set out in the network code, between any persons identified in such network code as appropriate persons for the receipt of the data, it shall:-

(a) make those standard file formats and associated definitions of data items available, free of charge, to gas shippers and other gas transporters for their use in connection with their licensed activities; and

(b) comply with its obligations under the network code and the AS agreement (as defined in Standard Special Condition A15 (Agency)) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the CDSP Service Agreement (as defined in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) in this regard.

Standard Special Condition A31: Supply Point Information Service

1. The licensee shall establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, an information service (the "supply point information service") consistent with its obligations under Standard Special Condition A15 (Agency) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A).

Standard Special Condition A48: Last Resort Supply: Payment Claims

¹² We will consider whether any changes are required to Standard Licence Condition 11 (Agency) in the Independent Gas Transporters licence after Project Nexus has been implemented.

16. For the avoidance of doubt, the arrangements for administering increases to transportation charges in order to compensate any gas supplier which claims for losses that it has incurred in complying with a last resort supply direction, under the provisions of this condition, shall be administered by the agency (as defined in Standard Special Condition A15 (Agency)) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the Central Data Service Provider (as defined in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A), unless the Authority otherwise consents in writing.

SPECIAL CONDITIONS APPLICABLE TO THE LICENSEE (DN): PART E

Special Condition 1A. Restriction of revenue in respect of the Distribution Network

Transportation Activity: definitions

Definitions in alphabetical order

1A.4 In Part E of the Special Conditions, unless the context otherwise requires:

CDSP Costs means costs incurred, or expected to be incurred by the Licensee for the purposes of meeting its obligations under Standard Special Condition A15A (Central Data Services Provider)

Special Condition 4C. Services treated as Excluded Services

4C.10 Subject to Part D of this condition, Excluded Services will include, but not be limited to, the following services:

(e) ES5. User pays agency services: this category consists of the provision of "user pays" services or systems as set out in the Network Code, by the agency referred to in Standard Special Condition A15 (Agency) of the licence (for as long as that condition is in force); When Standard Special Condition A15A comes into force user pays agency services will no longer be categorised as Excluded Services until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the Central Data Service Provider referred to in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A);

SPECIAL CONDITIONS TO NATIONAL GRID GAS PLC'S (NTS) GAS TRANSPORTER LICENCE

Special Condition 1A. Definitions

Definitions in alphabetical order

1A.4 In the Special Conditions, unless the context otherwise requires:

CDSP Costs means costs incurred, or expected to be incurred by the Licensee for the purposes of meeting its obligations under Standard Special Condition A15A (Central Data Services Provider)

Special Condition 11C. Services treated as Excluded Services

11C.10 Subject to Part D of this condition, Excluded Services will include, but not be limited to, the following services:

ES6. User pays agency services: This category consists of the provision of 'user pays' services or systems as set out in the Network Code, by the Agency referred to in Standard Special Condition A15 (Agency) (for as long as that condition is in force); When Standard Special Condition A15A comes into force user pays agency services will no longer be categorised as Excluded Services until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the Central Data Service Provider referred to in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A);

Schedule 2 – Relevant Licence Holders¹³

National Grid Gas plc (NTS)
National Grid Gas Distribution Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales & West Utilities Limited

¹³ Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-gas-licensees-registered-addresses>