

<b>To:</b>	<b>Company Number:</b>
<b>Cadent Gas Limited</b>	<b>10080864</b>
<b>National Grid Gas Plc</b>	<b>02006000</b>
<b>Northern Gas Networks Limited</b>	<b>05167070</b>
<b>Scotland Gas Networks Plc</b>	<b>SC264065</b>
<b>Southern Gas Networks Plc</b>	<b>05167021</b>
<b>Wales &amp; West Utilities Limited</b>	<b>05046791</b>

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

**MODIFICATION OF STANDARD SPECIAL CONDITION A5 OF THE GAS  
TRANSPORTER LICENCE**

1. Cadent Gas Limited, National Grid Gas Plc, Northern Gas Networks Limited, Scotland Gas Networks Plc, Southern Gas Networks Plc and Wales & West Utilities Limited are holders of a gas transporter licence ('the Licence') granted or treated as granted under section 7 of the Gas Act 1986 ('the Act').
2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 1 December 2017 ('the Notice') that we propose to modify Standard Special Condition A5 of the Licence. We stated that any representations to the modification proposal must be made on or before 4 January 2018.
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 four 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 the accompanying letter.
5. We are making this licence change to allow us to issue directions which we reasonably consider would better facilitate compliance with Regulation (EC) 715/2009<sup>2</sup> and/or any relevant legally binding decision of the European Commission and/or the Agency for Cooperation of Energy Regulators (ACER).
6. The effect of the modification is to allow us to issue a licensee with a direction requiring it to undertake certain activities, and to do so in such form, manner and timeframe and with such frequency as directed. The modification provides that such a direction can only be issued in circumstances where we reasonably consider it would better facilitate the implementation of, and/or compliance with Regulation (EC) 715/2009 and/or any relevant legally binding decision of the European Commission and/or the Agency for Cooperation of Energy Regulators (ACER).
7. 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 Energy Licence Modification Appeals: Competition and Markets Authority

<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

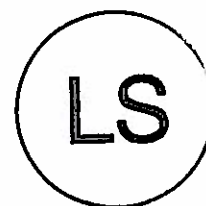
<sup>2</sup> REGULATION (EC) No 715/2009 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0036:0054:en:PDF>

Rules<sup>3</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. Schedule 2 of this document 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 section 23(1)(b) of the Act, we hereby modify Standard Special Condition A5 of the gas transporter licence in the manner specified in attached Schedule 1. This decision will take effect from 4 May 2018.

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



.....  
**Cathryn Scott, Partner, Energy Systems Division  
Duly authorised on behalf of the  
Gas and Electricity Markets Authority**

**08 March 2018**

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<sup>3</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

## **SCHEDULE 1 – DRAFTING OF AMENDMENT LICENCE TEXT**

New text is shown in double underline and deleted text as strike through.

### **Standard Special Condition A5: Obligations as Regard Charging Methodology**

**7A.** The licensee shall comply with any direction given from time to time by the Authority requiring the licensee -

(a) subject to paragraphs 8 and 9 to publish such information as may be specified or described in the direction -

(i) as to any of the costs incurred by the licensee in its transportation business, or

(ii) relating to the charging methodology as modified from time to time in accordance with paragraph 1; and

(b) to do so in such form and manner and with such frequency as may be so specified.

**7B.** Where the Authority reasonably considers it would better facilitate the implementation of, and/or compliance with the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators, the licensee shall comply with any direction given from time to time by the Authority requiring the licensee-

(a) to complete assessments and analysis; and to publish and consult on such information, and with such parties, as may be specified or described in the direction;

(b) to do so in such form, manner and timeframe and with such frequency as may be so specified in the direction.

**8.** The licensee shall not be required by paragraph 7A and paragraph 7B to publish any information or any document which it could not be compelled to give in evidence or produce in civil proceedings before the court.

**9.** In publishing any information in pursuance of paragraph 7A and paragraph 7B the licensee shall have regard to the need for excluding, so far as is practicable, any matter which relates to the affairs of any person where the publication of that matter would or might seriously and prejudicially affect his interests.

## **Schedule 2 – Relevant Licence Holders<sup>4</sup>**

<b>To:</b>	<b>Company Number:</b>
Cadent Gas Limited	10080864
National Grid Gas Plc	02006000
Northern Gas Networks Limited	05167070
Scotland Gas Networks Plc	SC264065
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<sup>4</sup> Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-gas-licensees-registered-addresses>