

To: All holders of a gas shippers licence

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

Modification of the standard conditions of all gas shippers' licences

1. Each of the licensees to whom this document is addressed has a gas shippers licence which has been granted or treated as granted under 7A(2) of the Gas Act 1986 ('the Act').
2. Under section 23(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave Notice on 16 October 2018 ('the Notice') that we propose to modify standard condition 18. We stated that any representations to the modification proposal must be made on or before 16 November 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 39 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 these/this licence change(s) and placing a duty on gas shippers licencees to cooperate with the Authority or any person(s) appointed by the Authority, as may be required to give full effect to the conclusions of a Significant Code Review. This is to ensure a continuity of effective programme governance beyond the point at which the Authority may direct modifications to relevant licences and/or industry codes, through the design, build and test phase to the subsequent implementation of associated IT systems.
6. The effect of the modification(s) will be to:
 - a) delete the defunct requirements within standard condition 18 and replace them with a duty to cooperate with the Authority in delivery of a Significant Code Review; and
 - b) include definitions of new terms where appropriate.
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 Rules² 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. 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'.

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

² CMA70

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf

8. Under the powers contained in section 23(1)(b) of the Act, we hereby modify the standard licence conditions for all gas shippers licences in the manner specified in attached Schedule 1. This modification will take effect 1 February 2019.
9. This document is Notice of the reasons for the decision to modify the gas shippers 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**



Rachel Clark,
Programme Director, Switching Programme
Duly authorised on behalf of the Gas and Electricity Markets Authority

6 December 2018

Schedule 1 - Modification of Standard Condition 18 of the gas shippers licence

Deletions are shown in strike through and new text is double underlined.

Delete:

~~Condition 18. Change Co-ordination for the Utilities Act 2000~~

~~1. The licensee shall take all reasonable measures to secure and implement, and shall not take any steps to prevent or unduly delay, such changes to the industry framework documents as are necessary or expedient to give full and timely effect to the provisions of the Utilities Act 2000.~~

~~2. In complying with paragraph 1, the licensee shall act in the case of each industry framework document consistently with the change procedures currently applicable to that document, except where to do so would be inconsistent with any provision of the Utilities Act 2000, in which event that provision shall take precedence.~~

~~3. For the purposes of this condition, "industry framework document" means, subject to paragraph 4, any of the following documents to which the licensee is a party, or in relation to which it holds rights in respect of amendment or termination, together with any documents which are supplemental or ancillary thereto—~~

~~(a) Network Code(s), and ancillary documents of that code, including—~~

- ~~• The Operational Guidelines~~
- ~~• Energy Balancing Credit Rules~~
- ~~• Code Credit Rules~~
- ~~• Invoice Query Estimation Methodology~~
- ~~• Transco's Maintenance Programme~~
- ~~• National Gas Supply Emergency Procedures~~
- ~~• Operations Reporting Manual~~
- ~~• Validation Rules~~
- ~~• UK Link Manual~~
- ~~• LDZ Shrinkage Adjustments Methodology~~

~~(b) Agreements relating to Quantum Office~~

~~(c) Advanced Reservation Capacity Agreements~~

~~(d) Network Exit Agreements~~

~~(e) Network Entry Agreements~~

~~4. Where the Authority considers that the list of industry framework documents set out in paragraph 3 should be modified for the purposes of this condition generally, the licensee shall discuss any proposed modification (including addition) to the list in good faith and use all reasonable endeavours to agree such modification with the Authority.~~

~~5. This condition will cease to have effect on 30 June 2002 or such earlier date as the Authority may specify in a direction given for the purposes of this condition generally.~~

Insert:

Condition 18: Duty to cooperate

1. This condition shall apply where the licensee has entered into a framework agreement or otherwise acceded to a Network Code of a relevant transporter,
2. The licensee will cooperate with the Authority and/or any person(s) appointed by the Authority or appointed pursuant to a direction of the Authority, to undertake any reasonable requests in relation to planning, project assurance and/or coordination/systems integration in order to give full effect to the conclusions of a Significant Code Review,
3. Cooperation for the purposes of condition 18(2) may include but not be limited to:
 - a) the sharing of such information as reasonable, and constructive participation in industry engagement in order to undertake appropriate planning of changes to IT systems or industry standard operational processes system changes pursuant to the conclusions of a Significant Code Review;
 - b) the provision of such data as may be identified and reasonably requested in order to undertake testing and/or the population of any new central systems;
 - c) the preparation and cleansing of such data as may reasonably be requested in order to facilitate live operation of the new central system;
 - d) the provision of test scripts and results of any testing as may be requested by any person appointed to assure the success of any testing;
 - e) all reasonable steps to:
 - i) meet key programme milestones for the completion of any action(s) assigned to the licensee;
 - ii) adhere to any remedial plan put in place to address any issues, delays or slippage that may impact the licensee's ability to meet programme milestones, to the extent that failure to do so may jeopardise the successful and timely implementation of the programme;
 - iii) identify any dependencies that the licensee may have upon agents or other third-parties and secure the necessary support from such parties; and,
 - iv) promptly escalate and/or resolve any disputes that if unresolved may jeopardise the fulfilment of these obligations,

Interpretation

4. In this condition:

Significant Code Review means a review of matters in relation to its principal objective and/or general duties (under section 3A of the Electricity Act or section 4AA of the Gas Act), statutory functions and/or relevant obligations arising under EU law, which the Authority considers are likely to relate to one or more of the documents referred to in this condition, or to which the licensee is required under this licence to be a party, and concerning which the Authority has consulted upon

and issued a Notice to the parties stating that the review will constitute a Significant Code Review.

Schedule 2: Relevant licence holders

Adrian Francis Associates Limited	Iberdrola Generacion Espana, S.A.U
AES Ballylumford Limited	Iberdrola Generacion S.A.U
Aikafour Limited	INEOS Energy Trading Limited
Alfa Smart Energy Ltd	Inovyn Energy Limited
Alpha Fuels Limited	Inspired Energy Solutions Limited
Alperg S.p.A.	International Power Fuel Company Limited
Alpig Ltd	International Power Ltd.
AMRECS LLC	IPM Energy Trading Limited
Antargaz	ISE Estates Limited
AOT Energy Switzerland AG	J Aron & Company LLC
Aughinish Alumina Limited	J.P. Morgan Markets Limited
Avanti Gas Limited	J.P. Morgan Securities plc
AvantiGas On Limited	J.P. Morgan Ventures Energy Corporation
Avro Commercial Shipping Limited	K O Brokers Limited
Axpo UK Limited	KAL-Energy Limited
Barclays Bank Plc	Koch Commodities Europe Limited
Barrow Shipping Limited	Koch Supply & Trading Sarl
Bayerngas Energy GmbH	LED ECO Lights Limited
Better Business Energy Limited	Locus Energy Limited
Better Energy Supply Limited	London Borough of Camden
BG Gas Services Limited	London Borough of Lambeth
BNP Paribas	Lourdes Associates Limited
Bord Gais Energy Limited	Macquarie Bank Limited
BP Exploration Operating Company Limited	Macquarie Commodities Finance (UK) Limited
BP Gas Marketing Limited	Macquarie Factoring (UK) Limited
Brighton Power Limited	Maersk Energy Marketing A/S
Britannia Gas Limited	Manx Utilities Authority
British Gas Trading Limited	Marathon Oil UK Limited
Brits Energy Limited	Marble Power Limited
Brook Green Trading Limited	Mercuria Energy Europe Trading Limited
Bulb Energy Ltd	Mercuria Energy Trading SA
Business Energy Solutions Limited	MET International AG
Calor Gas Limited	Metropolitan Housing Trust Limited
Castleton Commodities Merchant Europe Sarl	Mitsui Bussan Commodities Ltd
Celesto Enterprises Limited	Molgas Energy UK Limited
Cemcor Energy Trading GmbH	Mongoose Energy Supply Limited
Centrica Energy Limited	Mydas A.G.
Centrica Storage Limited	Nationwide Electricity Limited
Ceres Energy Limited	Nationwide Gas Limited
CEZ a.s.	Natwest Markets PLC
CFP Trading Limited	NEAS Energy A/S
Cheniere Marketing International LLP	Nephtin Energy Limited
Chevron North Sea Limited	New Work Trust Company Limited
Chevron Products UK Limited	North Sea Gas Limited
Chive Fuels Limited	Npower Commercial Gas Limited
Citigroup Global Markets Limited	Npower Direct Limited
COER2 Commodities	Npower Gas Limited
Cofathec Heatsave Limited	Npower Northern Limited
Commerzbank AG	Npower Yorkshire Limited
Concord Energy Limited	OMV Gas Marketing & Trading GmbH
Conocophillips (UK) Limited	Opus Energy Limited

Conocophillips Petroleum Company UK Limited	Opus Gas Limited
Contract Natural Gas 2 Limited	Orsted Sales (UK) Limited
Contract Natural Gas Limited	Orsted Salg & Service A/S
Co-Operative Energy Limited	Ovo Gas Limited
Corona Energy Retail 1 Limited	Palmetto Natural Gas Holdings LLC
Corona Energy Retail 2 Limited	Panda Power Limited
Corona Energy Retail 3 Limited	PetroChina International (London) Co., Limited
Corona Energy Retail 4 Limited	Petronas Energy Trading Limited
Corona Gas Management Limited	PFP Energy Limited
Coulomb Energy Supply Limited	PGNiG Supply & Trading GmbH
Credit Suisse International	Plus Shipping Services Limited
Crown Gas and Power Limited	PrePayPower Limited
Daligas Limited	PS Energy UK Limited
Danske Commodities A/S	PSE Kinsale Energy Limited
Data Energy Management Services Limited	Pure Planet Limited
Det Norske Oljeselskap AS	PZEM B.V.
Drax Power Limited	Qila Biogas Limited
Dual Energy Shipping Limited	Rabo Trading Netherlands B.V.
DXT Commodities SA	Railroad Energy Ltd
E (Gas and Electricity) Limited	Regent Gas Limited
E.ON Energy Gas (Eastern) Limited	Regent Park Energy Limited
E.ON Energy Gas (North West) Limited	RidgeEnergy Ltd
E.ON Energy Solutions Limited	RWE Generation UK Plc
E.ON UK Energy Markets Limited	RWE Supply and Trading GmbH
E.ON UK Industrial Shipping Limited	S. C. Isramart SRL
E.ON UK Plc	Scaffell Energy Limited
Eclipse Energy Supply Limited	SCMI Limited
Eco Green Management Limited	Scottish Power Energy Management Limited
Economy Energy Trading Limited	SembCorp Utilities (UK) Limited
Economy Gas Limited	Sharik Money Transfer Limited
Economy Power Limited	Shell Energy Europe Limited
EDF Energy Customers Limited	Shell Energy Supply UK Ltd.
EDF Energy Limited	SmartestEnergy Limited
EDF Trading Limited	So Energy Trading Limited
Electrabel n.v./s.a.	Societe Generale
Electrade S.p.A.	Société Valmy Défense 17
Electricite de France SA	Société Valmy Défense 17
Electricity Supply Board	Sonatrach Gas Marketing UK Limited
ElectroRoute Energy Trading Limited	South Hook Gas Company Ltd
Elektrizitats-Gesellschaft Laufenburg AG	Southern Electric Gas Limited
Eneco Energy Trade BV	Spalding Energy Company Limited
Enel Global Trading SPA	Spark Gas Shipping Limited
Energi Danmark A/S	SSE Airtricity Gas Supply (NI) Limited
Energy Logistics and Services GmbH	SSE Energy Supply Limited
Energy24 Limited	SSE Hornsea Limited
Energya VM Gestion de Energia S.L.	Star Energy Oil and Gas Limited
Engelhart CTP (Switzerland) SA	Star Energy Weald Basin Limited
ENGIE	Statkraft Energi AS
ENGIE Energy Management	Statkraft Markets GmbH
ENGIE Gas Limited	Statoil Energie AS
ENGIE Gas Shipper Limited	Storengy UK Limited
ENGIE Global Markets	Sumitomo Corporation Europe Limited
ENGIE Power Limited	Sutton Bridge (Transactions) Limited

ENGIE Supply Holding UK Limited	Sutton Housing Partnership Limited
ENI Gas & Power SA	SW9 Community Housing
ENI Trading & Shipping S.P.A	Swift Administration Limited
ENI UK Limited	The Energy Support Bureau Limited
ENOI SPA	The Gas & Electricity Supply Company Ltd
EP Commodities, a.s.	The Nuclear Decommissioning Authority
EP UK Investments Ltd	The People's Energy Company Limited
Equinor ASA	The Renewable Energy Company Limited
Equinor Energy Ireland Limited	Total E&P UK Ltd
Equinor UK Limited	Total Energy Gas Supplies Limited
ES FOR IN SE	Total Gas & Power Limited
ESB Independent Generation Trading Limited	Toto Energy Ltd.
Esso Exploration and Production UK Limited	Trafigura Beheer B.V.
European Commodity Clearing AG	Trafigura Nat Gas Limited
Evergreen Energy Ltd	Trafigura Trading (Europe) Sarl
Eversmart Energy Ltd	TrailStone GmbH
Exelon Generation Limited	TrailStone UK Ltd
ExxonMobil Gas Marketing Europe Limited	Tru Energy Limited
F B Energy Limited	Tullow Oil SK Limited
Fidelity Energy Limited	Tynagh Energy Limited
First Utility Limited	UK Healthcare Corporation Limited
Flexitricity Limited	Unigas Limited
Flogas Britain Ltd	Uniper Global Commodities SE
Flogas Natural Gas Limited	Uniper UK Limited
Flow Energy Limited	United Gas & Power Ltd
Freepoint Commodities Europe LLP	University of Keele
Gasrec Limited	University of Lincoln
GasTerra B.V.	Utilita Energy Limited
Gateway LNG Company Limited	Utility Professional Business Operations Ltd
Gazprom Marketing & Trading Limited	Uttily plc
GFP Trading Limited	Valero Energy UK Ltd
Gilmond Consulting Limited	Vattenfall Energy Trading GmbH
Glencore Energy UK Limited	Vattenfall Energy Trading Netherlands NV
Global Energy Trading SA Luxembourg, Zug Branch	Vayu Limited
Good Energy Gas Limited	Vermilion Energy Ireland Limited
Great Western Energy Ltd	Victory Energy Supply Limited
Green Energy (UK) plc	Viridian Energy Limited
Green Network UK PLC	Vitol S.A. Geneva
Gunvor International B. V.	VNG - Verbundnetz Gas Aktiengesellschaft
Halite Energy Group Limited	WINGAS GmbH
Hartree Partners Power & Gas Company (UK) Limited	Wingas UK Limited
Hudson Energy Supply UK Limited	Xcel Power Limited
I Supply Energy Limited	XLN Energy Limited
I.A.Z.F.S. Limited	Zenic Energy Ltd