

**To: Cadent Gas Limited  
Northern Gas Networks Limited  
Scotland Gas Networks Limited  
Southern Gas Networks Limited  
Wales and West Utilities Limited**

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

**Modification of Special Condition 1A of the gas transporter licences held by the licensees listed above**

1. The licensees listed above are each the holder 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 20 December 2018 ('the Notice') that we propose to modify Special Condition 1A of the Licence.<sup>2</sup> We stated that any representations to the modification proposal must be made on or before 22 January 2019.
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 two responses to the Notice, which we carefully considered. We have placed these responses on our website. Our response to the comments received is set out in the letter accompanying this notice.
5. It is necessary to make a minor alteration to the modifications set out in the Notice in order to correct a typographical error in the publication date of the Workbooks. This alteration is shown in yellow highlight in the attached Schedule 1.
6. We are making these licence modifications in order to change the definition of 'Workbook' in SpC 1A.4 to refer to Workbooks which better align with our RIIO-GD1 Final Proposals, as published by the Authority on 19 December 2018.<sup>3</sup>
7. The effect of the modifications will be that:
  - the definition of 'Workbook' will refer to those "as published by the Authority on 19 December 2018", and
  - the text in the 'Workbook title' column of the table will be:

"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent EOE – Final"

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

<sup>2</sup> <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposal-modify-special-condition-1a-gas-transporter-licences-held-gas-distribution-network-operators>

<sup>3</sup> <https://www.ofgem.gov.uk/publications-and-updates/decision-alignment-gas-distribution-networks-gdns-workbooks-final-proposal-decisions>

"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent Lon – Final"  
"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent NW – Final"  
"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent WM – Final"  
"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – NGN – Final"  
"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Scottish Gas Networks – Final"  
"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Southern Gas Networks – Final"  
"Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – WWU – Final"

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 Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>4</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. 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'.

Pursuant to section 23(1)(a) of the Act, we hereby modify Special Condition 1A of the Licence of the licensees listed above in the manner specified in attached Schedule 1. This decision will take effect from 28 March 2019.

This document is notice of the reasons for the decision to modify the Licence held by the licensees listed above 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**



**Min Zhu  
Duly authorised on behalf of the  
Gas and Electricity Markets Authority**

**30 January 2019**

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<sup>4</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 – Licence drafting

### Key

Deletions are shown in strike-through; new text is double-underlined; yellow-highlighted text is an alternation to the modifications set out in the Notice.

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

#### Transportation Activity: definitions

Workbook

means in respect of the relevant Distribution Network the excel spreadsheet as set out in the table below for each relevant Distribution Network, as published by the Authority on ~~19 December 2018~~ 1 February 2013.

<b>Distribution Network</b>	<b>Workbook title</b>
East of England	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent EOE – Final</u> <del>Schedule 2 Appx to SC4H _Spec_of_NOMs_NGGD_EOE</del>
London	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent Lon – Final</u> <del>Schedule 2 Appx to SC4H _Spec_of_NOMs_NGGD_LON</del>
North West	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent NW – Final</u> <del>Schedule 2 Appx to SC4H _Spec_of_NOMs_NGGD_NW</del>
West Midlands	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Cadent WM – Final</u> <del>Schedule 2 Appx to SC4H _Spec_of_NOMs_NGGD_WM</del>
Northern	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – NGN – Final</u> <del>Schedule 2 Appx to SC4H_Spec_of_NOMs_NGN</del>
Scotland	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Scottish Gas Networks – Final</u> <del>Schedule 2 Appx to SC4H _Spec_of_NOMs_SGN_SC</del>
Southern	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – Southern Gas Networks – Final</u> <del>Schedule 2 Appx to SC4H _Spec_of_NOMs_SGN_SO</del>
Wales & West	<u>Schedule 2: Appendix to Special Condition 4H Specification of Network Outputs – WWU – Final</u> <del>Schedule 2 Appx to SC4H_Spec_of_NOMs_WWU</del>

## Schedule 2 – Relevant Licence Holders<sup>5</sup>

Cadent Gas Limited	10080864	Gas Transporter	Ashbrook Court Prologis Park	Central Boulevard	Coventry		CV7 8PE
Northern Gas Networks Limited	05167070	Gas Transporter	1100 Century Way	Thorpe Park Business Park	Colton	Leeds	LS15 8TU
Scotland Gas Networks Plc	SC264065	Gas Transporter	Axis House	5 Lonehead Drive	Newbridge	Edinburgh	EH28 8TG
Southern Gas Networks Plc	05167021	Gas Transporter	St Lawrence House	Station Approach	Horley	Surrey	RH6 9HJ
Wales & West Utilities Limited	05046791	Gas Transporter	Wales and West House	Spooner Close	Coedkernew, Newport	South Wales	NP10 8FZ

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<sup>5</sup> Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-gas-licensees-registered-addresses>