

Annex 8. End of the transition period – Notice of proposed licence modifications to the licence conditions of the Gas Transporter Licence

To: All holders of a Gas Transporter Licence

Gas Act 1986

Section 23(2)

Notice of statutory consultation on a proposal to modify the standard conditions of all Gas Transporter Licences, the standard special conditions of all Gas Transporter Licensees and the special conditions of the Gas Transporter Licence held by National Grid Gas Plc.

1. The Gas and Electricity Markets Authority (the Authority) proposes to modify the standard conditions of all Gas Transporter Licences granted or treated as granted under section 7 of the Gas Act 1986 by amending Standard Licence Conditions under section 23(1)(b):

- SLC1 (Definitions and Interpretation)
- SLC29 (Disposal of Assets and restrictions on charges over Receivables)

set out in Annex 8.1.a and 8.1.b to this Notice.

2. Further, the Authority proposes to modify the standard special conditions of the Gas Transporter Licence, granted or treated as granted under section 7 of the Gas Act 1986, held by National Grid plc ('the NTS licence') and licences held by the following licensees in respect of the distribution networks ('DN Licence'): National Grid Gas Distribution Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales & West Utilities Limited, by amending standard special conditions Part A under section 23(1)(a):

- A3 (Definitions and Interpretation)
- A27 (Disposal of Assets and restrictions on charges over Receivables)

set out in Annex 8.2.a and 8.2.b to this Notice.

3. Further, the Authority proposes to modify the standard special conditions of the Gas Transporter NTS Licence granted or treated as granted under section 7 of the Gas Act 1986 by amending standard special conditions Part B under section 23(1)(a):

- B4 (Notification of changes that may affect eligibility for certification)

set out in Annex 8.2.a and 8.2.b to this Notice.

4. Further, the Authority proposes to modify the special conditions of the Gas Transporter NTS Licence granted under section 7 of the Gas Act 1986 by amending the special conditions under section 23(1)(a):

- SpC1A (Definitions)

set out in Annex 8.3.a and 8.3.b to this Notice.

5. The modifications we propose to make are to reflect the changes in the legislative framework that will be implemented after the transition period ends at 11pm on 31 December 2020.
6. The effect of these proposed modifications is to ensure that the references in the licence to EU law (e.g. Directives, Regulations and Commission decisions) shall be read as references to such EU law as it had effect immediately before IP completion day subject to any further amendments as may be contained in statutory instruments made under the European Union (Withdrawal) Act 2018. The modifications do not seek to change the current obligations and duties of licences, nor do they seek to change the current policy position.
7. The proposed modifications and the reasons why they are proposed are stated in Annex 8.2.a to 8.3.a to this Notice. The effect of the proposed changes are set out in paragraph 6 of this Notice. Further information concerning the proposed modifications is contained in the letter entitled 'Statutory consultation on consequential licence modifications due to the end of the transition period' which can be found at www.ofgem.gov.uk.
8. Any representations with respect to the proposed licence modification/modifications must be made on or before 24 December 2020 to EUExit@ofgem.gov.uk.
9. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication.
10. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

Kristian Marr

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Interim Head of European Wholesale Markets
Duly authorised on behalf of the
Gas and Electricity Markets Authority

26 November 2020

Annex 8.1.a. Gas Transporter Standard Conditions Modification Table

Licence condition	Current wording	Proposed change	Reasons for change
1	“Directive” means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC	“Directive” means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC <u>as it has effect immediately before IP completion day as read with the modifications set out in the Act.</u>	The licence refers to the Directive in a number of conditions. This proposal will ensure that the references to the Directive are to be interpreted on the basis of the Directive as it has effect immediately before IP completion day as read with the modifications inserted into section 4AA(5B) of the Gas Act 1986 by regulation 8 of the Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 ¹ (the “Regulations”).
1	New definition	<u>“IP completion day” has the same meaning as that given in section 39(1) of the European Union (Withdrawal Agreement) Act 2020.</u>	This new definition is required to give effect to the revised definition of “Directive”.
29.8	Notwithstanding paragraphs 1, 2, and 4 the licensee may dispose of or relinquish operational control over any transportation asset or storage asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required by or under any enactment, any	Notwithstanding paragraphs 1, 2, and 4 the licensee may dispose of or relinquish operational control over any transportation asset or storage asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required by or under any enactment, any provision of subordinate legislation within the meaning of the Interpretation Act 1978, or a regulation or directive of the Council or Commission of	This preserves the position so that the licensee is only required to comply where the transaction “is required by or under” retained EU regulations.

¹The Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 were published in draft on 17th December 2018 (<https://assets.publishing.service.gov.uk/media/5c17d12140f0b60c70c4ba79/Regulations.pdf>) and have been laid in draft before the sifting committees of both Houses of Parliament. The modifications that are proposed to the licence are on the assumption that the draft Regulations will be made and come into force in their published format before any proposed licence modification is to take effect. Cross references to the Regulations reflect the numbering in the published draft as at the date of this notice.

Licence condition	Current wording	Proposed change	Reasons for change
	<p>provision of subordinate legislation within the meaning of the Interpretation Act 1978, or a regulation or directive of the Council or Commission of the European Union.</p>	<p>the European Union <u>that has effect in EU law immediately before IP completion day.</u></p>	

Annex 8.1.b. Gas Transporter Standard Conditions Change marked Licence

We have included the sections of the licence conditions we propose to remove or amend below. Deletions are shown in strike through and new text is double underlined.

Condition 1: Definitions and Interpretation

1. In these standard conditions, unless the context otherwise requires -

“Directive”

means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC as it has effect immediately before IP completion day as read with the modifications set out in the Act.

“IP completion day”

has the same meaning as that given in section 39(1) of the European Union (Withdrawal) Act 2020.

Condition 29: Disposal of Assets and restrictions on charges over Receivables

1. The licensee shall not dispose of or relinquish operational control over any transportation asset or storage asset otherwise than in accordance with the provisions of this condition.

2. Subject to paragraph 3, the licensee must not, after 1 April 2013, grant any mortgage, charge, or other form of security over any receivable except in accordance with the provisions of this condition.

3. The licensee may permit any mortgage, charge, or other form of security over any receivable in effect at the date mentioned in paragraph 2 to remain in effect and may vary its terms so long as the variation does not have the effect of materially extending the scope of the mortgage, charge, or other form of security insofar as it applies to the licensee’s receivables.

4. Save as provided in paragraphs 5, 6, or 8, the licensee shall give to the Authority not less than two months’ prior written notice of:

(a) its intention to dispose of or relinquish operational control over any transportation asset or storage asset, together with such further information as the Authority may request relating to such asset or the circumstances of such intended disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset; or

(b) its intention to grant any mortgage, charge, or other form of security over any receivable or class or classes of receivables together with such further information as the

Authority may request relating to such receivable, class or classes of receivables or the circumstances of the intended grant of the mortgage, charge or other form of security.

5. Notwithstanding paragraphs 1 and 4(a), the licensee may dispose of or relinquish operational control over a transportation asset or storage asset where:

(a) the Authority has issued directions for the purposes of this condition generally containing a general consent (whether or not subject to conditions) to:

- (i) transactions of a specified description; or
- (ii) the disposal of or relinquishment of operational control over an asset of a specified description; and

(b) the transaction or the assets are of a description to which such directions apply and the disposal or relinquishment is in accordance with any conditions to which the consent is subject.

6. Notwithstanding paragraphs 2 and 4(b), the licensee may grant a mortgage, charge, or other form of security over a Receivable or class or classes of Receivables where:

(a) the indebtedness of the licensee which is to be secured represents the novation or rollover of existing indebtedness; and

(b) the proceeds of the indebtedness of the licensee which is to be secured are used to repay the existing indebtedness referred to in sub-paragraph (a).

7. For the purposes of paragraph 6, what is meant in any particular case by:

- (a) “existing indebtedness”; and
- (b) “proceeds of the indebtedness”

is to be treated as a question of fact.

8. Notwithstanding paragraphs 1, 2, and 4 the licensee may dispose of or relinquish operational control over any transportation asset or storage asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required by or under any enactment, any provision of subordinate legislation within the meaning of the Interpretation Act 1978, or a regulation or ~~directive~~ of the Council or Commission of the European Union [that has effect in EU law immediately before IP completion day](#).

9. Notwithstanding paragraphs 1 and 2, the licensee may dispose of or relinquish operational control over any transportation asset or storage asset or grant a mortgage, charge, or other

form of security over a receivable or class or classes of receivable as is specified in any notice given by the licensee under paragraph 4 where:

- (a) the Authority confirms in writing that it consents to such disposal or relinquishment or grant (which consent may be made subject to acceptance, by the licensee or any third party to the transaction in question, of such conditions as the Authority may specify);
or
- (b) the Authority does not inform the licensee in writing of any objection to such disposal, relinquishment or grant within the notice period referred to in paragraph 4.

10. If a transportation asset comprises a significant part of the gas conveyance system in Great Britain, notwithstanding that a disposal of or relinquishment of operational control over the asset is permitted under paragraph 5, 8 or 9, the licensee shall notify the Secretary of State at least 60 days in advance of the proposed disposal of or relinquishment of operational control over the asset; and if the Secretary of State directs the licensee, within 30 days of such notification, not to proceed with the disposal of or the relinquishment of operational control over the asset, the licensee shall comply with the direction.

11. In this condition -

“disposal” means:

- (a) in relation to disposal of a transportation asset or storage asset situated in England and Wales includes any sale, gift, exchange, assignment, lease, licence, loan, mortgage, charge, or grant of any other encumbrance or the permitting of any encumbrance to subsist or any other disposition;
- (b) in relation to disposal of a transportation asset or storage asset situated in Scotland includes the grant of any disposition, conveyance, contract of excambion, any lease, assignation, licence, the grant of any right of possession, loan, standard security, floating charge to a third party, or the grant of any servitude right, wayleave or any other transaction or event which is capable under any enactment or rule of law of affecting the title to a registered interest in land
and “dispose” and cognate expressions shall be construed accordingly;

“receivable” means a contractual right to receive any sum or sums or any other financial asset from another person;

“storage asset” means -

- (a) an offshore gas storage installation;

- (b) storage cavities in natural strata;
- (c) containers for the storage of gas in a liquid state,

or anything used in connection with the provision of such facilities;

“transportation asset” means any part of the licensee’s pipe-line system or any part of any facility being one -

- (i) used by the licensee only for the diurnal storage of gas or for the storage of gas in connection with the operation of its independent systems; and
- (ii) required for the proper performance of its duty under section 9(1) of the Act,

together with any estate or interest in land required for the utilisation of that system or of such a facility.

12. If the Authority, having regard, in particular, to any representations made to it by the licensee and other persons and to the extent to which there is competition in relation to the storage of gas in particular categories of the facilities mentioned in sub-paragraph (a), (b) or (c) of the definition of “storage asset” in paragraph 11, considers it appropriate that that definition should be modified by the omission of sub-paragraph (a), (b) or (c), then the sub-paragraph in question shall be omitted with effect from a date specified in a notice relating thereto published by the Authority for the purposes of this condition generally.

Annex 8.2.a. Gas Transporter Standard Special Conditions Modification Table

Licence condition	Current wording	Proposed change	Reasons for change
A3	the “Directive” means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC	the “Directive” means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC <u>as it has effect immediately before IP completion day as read with the modifications set out in the Act.</u>	The licence refers to the Directive in a number of conditions. This proposal will ensure that the references to the Directive are to be interpreted on the basis of the Directive as it has effect immediately before IP completion day as read with the modifications inserted into section 4AA(5B) of the Gas Act 1986 by regulation 8 of the Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 ² (the “Regulations”).
A3	New definition	<u>“IP completion day” has the same meaning as that given in section 39(1) of the European Union (Withdrawal) Act 2020.</u>	This new definition is required to give effect to the revised definition of “Directive”.
A27.9	Notwithstanding paragraphs 1 and 2, the licensee may dispose of or relinquish operational control over any transportation asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required	Notwithstanding paragraphs 1 and 2, the licensee may dispose of or relinquish operational control over any transportation asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required by or under any enactment, any provision of subordinate	This preserves the position so that the licensee is only required to comply where the transaction “is required by or under” retained EU regulations.

²The Electricity and Gas etc (Amendment etc) (EU Exit) Regulations 2019 were published in draft on 17th December 2018 (<https://assets.publishing.service.gov.uk/media/5c17d12140f0b60c70c4ba79/Regulations.pdf>) and have been laid in draft before the sifting committees of both Houses of Parliament. The modifications that are proposed to the licence are on the assumption that the draft Regulations will be made and come into force in their published format before any proposed licence modification is to take effect. Cross references to the Regulations reflect the numbering in the published draft as at the date of this notice.

Licence condition	Current wording	Proposed change	Reasons for change
	by or under any enactment, any provision of subordinate legislation within the meaning of the Interpretation Act 1978, or a regulation or directive of the Council or Commission of the European Union	legislation within the meaning of the Interpretation Act 1978, or a regulation or directive of the Council or Commission of the European Union <u>that has effect in EU law immediately before IP completion day.</u>	
B4.3	“If at any time from 3 March 2013 the licensee knows or reasonably should know that any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the licensee is or may become a person from a third country, or that a person from a third country has or may take control of the licensee, the licensee shall as soon as reasonably practicable notify the Authority in writing.	If at any time from 3 March 2013 the licensee knows or reasonably should know that, <u>on or after IP completion day,</u> any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the licensee is or may become a person from a third <u>country outside the United Kingdom</u> , or that a person from a third <u>country outside the United Kingdom</u> has or may take control of the licensee, the licensee shall as soon as reasonably practicable notify the Authority in writing.	Propose deletion of “from 3 March 2013” to reflect the amendments to sections 8D and 8K of the Gas Act made by regulations 12(a) and 18(2)(a) of the Regulations. Updated reference to "third country" to "country outside the United Kingdom" to reflect the amendments to section 8Q of the Gas Act made by regulation 22(b) and (c) of the Regulations. This is to reflect the fact that post EU Exit, the EU will become a “third country”.
B4.5	(b) whether any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the licensee has become a person from a third country, or a person from a third country has taken control of the licensee, in the previous 12 month period or such part of	(b) whether, <u>on or after IP completion day,</u> any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the licensee has become a person from a third <u>country outside the United Kingdom</u> , or a person from a third <u>country outside the United Kingdom</u> has taken control of the licensee, in	Updated reference to "third country" to "country outside the United Kingdom" to reflect the amendments to section 8Q of the Gas Act made by regulation 22(b) and (c) of the Regulations. This is to reflect the fact that post EU Exit, the EU will become a “third country”.

Licence condition	Current wording	Proposed change	Reasons for change
	that 12 month period since the licensee was certified, providing that the licensee is only required to provide a written declaration under this paragraph (b) in relation to a period that occurs after 3 March 2013; and	the previous 12 month period or such part of that 12 month period since the licensee was certified, providing that the licensee is only required to provide a written declaration under this paragraph (b) in relation to a period that occurs after 3 March 2013; and	Propose deletion of “from 3 March 2013” to reflect the amendments to sections 8D and 8K of the Gas Act made by regulations 12(a) and 18(2)(a) of the Regulations.

Annex 8.2.b. Gas Transporter Standard Special Conditions Change Marked Licence

We have included the sections of the licence conditions we propose to remove or amend below. Deletions are shown in strike through and new text is double underlined.

1. Standard Special Condition A3: Definitions and Interpretation

the “Directive”

means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC as it has effect immediately before IP completion day as read with the modifications set out in the Act;

“IP completion day”

has the same meaning as that given in section 39(1) of the European Union (Withdrawal) Act 2020;

Standard Special Condition A27: Disposal of Assets and restrictions on charges over Receivables

1. The licensee shall not dispose of or relinquish operational control over any transportation asset except in accordance with the provision of this condition.
2. Subject to paragraph 3, the licensee must not, after 1 April 2013, grant any mortgage, charge, or other form of security over any receivable except in accordance with the provisions of this condition.
3. The licensee may permit any mortgage, charge, or other form of security over any receivable in effect at the date mentioned in paragraph 2 to remain in effect and may vary its terms so long as the variation does not have the effect of materially extending the scope of the mortgage, charge, or other form of security insofar as it applies to the licensee's receivables.
4. Save as provided in paragraphs 6, 7 or 9, the licensee shall give to the Authority not less than two months' prior written notice of:
 - (a) its intention to dispose of or relinquish operational control over any transportation asset, together with such further information as the Authority may request relating to such asset or the circumstances of such intended disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset; or
 - (b) its intention to grant any mortgage, charge, or other form of security over any receivable or class or classes of receivables together with such further information as the Authority may request relating to such receivable, class or classes of receivables or the circumstances of the intended grant of the mortgage, charge or other form of security.
5. The following provisions of this paragraph shall apply where the transportation asset comprises a significant part of an independent system operated by the licensee on the appointed day which remains an independent system:
 - (a) Save where the Secretary of State otherwise agrees, the licensee shall neither agree to dispose of, nor dispose of, its right to operate such a transportation asset unless it has put in place or procured, or will with effect from no later

than the date of such disposal put in place or procure, a suitable alternative arrangement and any question arising under this sub-paragraph as to whether an alternative arrangement is or will be suitable shall be determined by the Secretary of State.

- (b) The licensee shall notify the Secretary of State no less than 60 days in advance of the proposed disposal and if the Secretary of State directs the licensee within 30 days of such notification, not to proceed with the disposal on grounds that it, and / or **the person to whom the independent system will be disposed of**, will not comply with such suitable alternative arrangement as the Secretary of State shall determine, the licensee shall comply with the direction.
 - (c) The licensee shall at all times comply with the alternative arrangements in respect of independent systems operated by the licensee.
6. Notwithstanding paragraphs 1 and 4(a), the licensee may dispose of or relinquish operational control over a transportation asset where:
- (a) the Authority has issued directions for the purposes of this condition generally containing a general consent (whether or not subject to conditions) to:
 - (i) transactions of a specified description; or
 - (ii) the disposal of or relinquishment of operational control over an asset of a specified description; and
 - (b) the transaction or the assets are of a description to which such directions apply and the disposal or relinquishment is in accordance with any conditions to which the consent is subject.
7. Notwithstanding paragraphs 2 and 4(b), the licensee may grant a mortgage, charge, or other form of security over a receivable or class or classes of receivables where:
- (a) the indebtedness of the licensee which is to be secured represents the novation or rollover of existing indebtedness; and

- (b) the proceeds of the indebtedness of the licensee which is to be secured are used to repay the existing indebtedness referred to in sub-paragraph (a).
- 8. For the purposes of paragraph 7, what is meant in any particular case by:
 - (a) “existing indebtedness”; and
 - (b) “proceeds of the indebtedness”is to be treated as a question of fact.
- 9. Notwithstanding paragraphs 1 and 2, the licensee may dispose of or relinquish operational control over any transportation asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable where the transaction in question is required by or under any enactment, any provision of subordinate legislation within the meaning of the Interpretation Act 1978, or a regulation ~~or directive~~ of the Council or Commission of the European Union [that has effect in EU law immediately before IP completion day](#).
- 10. Notwithstanding paragraphs 1 and 2, the licensee may dispose of or relinquish operational control over any transportation asset or grant a mortgage, charge, or other form of security over a receivable or class or classes of receivable as is specified in any notice given by the licensee under paragraph 4 where:
 - (a) the Authority confirms in writing that it consents to such disposal or relinquishment or grant (which consent may be made subject to acceptance, by the licensee or any third party to the transaction in question, of such conditions as the Authority may specify); or
 - (b) the Authority does not inform the licensee in writing of any objection to such disposal, relinquishment or grant within the notice period referred to in paragraph 4.
- 11. If a transportation asset comprises a significant part of the gas conveyance system in Great Britain, notwithstanding that a disposal of or relinquishment of operational control over the asset is permitted under paragraphs 6, 9 or 10, the licensee shall notify the Secretary of State at least 60 days in advance of the proposed disposal of or

relinquishment of operational control over the asset; and if the Secretary of State directs the licensee, within 30 days of such notification, not to proceed with the disposal of or the relinquishment of operational control over the asset, the licensee shall comply with the direction.

12. In this condition-

“alternative arrangements” means, in respect of relevant premises, arrangements for the conveyance of gas to protect the interests of consumers at such premises, as determined by the Secretary of State as suitable under sub-paragraph 5(a) of this condition in this licence or the equivalent condition in the licence of any other relevant gas transporter.

“appointed day” means 1 March 1996.

“disposal” means

- (a) in relation to disposal of a transportation asset situated in England and Wales includes, any sale, gift, exchange, assignment, lease, licence, loan, mortgage, charge, or the grant of any other encumbrance, or the permitting of any encumbrance to subsist or any other disposition to a third party;
- (b) in relation to disposal of a transportation asset situated in Scotland, includes the grant of any disposition, conveyance, contract of excambion, any lease, assignation, licence, the grant of any right of possession, loan, standard security, floating charge to a third party or the grant of any servitude right, wayleave or any other transaction or event which is capable under any enactment or rule of law of affecting the title to a registered interest in land;

and “dispose” and “cognate” expressions shall be construed accordingly.

- “receivable”** means a contractual right to receive any sum or sums or any other financial asset from another person.
- “relevant premises”** means
- (a) any premises connected to a system to which this licence relates which was an independent system on the appointed day and which remains an independent system; and
 - (b) any premises of domestic customers subsequently connected, in pursuance of section 10 of the Act, to a system to which this licence relates which was an independent system on the appointed day and which remains an independent system.
- “relinquishment of operational control”** includes, without limitation, entering into any agreement or arrangement whereby operational control of a transportation asset or transportation assets is not or ceases to be under the sole management of the licensee.
- “transportation asset”** means any part of the pipe-line system to which this licence relates or any part of any facility being one –
- (a) used by the licensee only for the diurnal storage of gas or for the storage of gas in connection with the operation of its independent systems; and
 - (b) required for the proper performance of its duty under section 9(1) of the Act,
- together with any estate or interest in land required for the utilisation of that system or of such a facility.

Condition B4. Notification of changes that may affect eligibility for certification

1. Where the licensee has made or makes an application for certification under section 8D of the Act, if at any time prior to the Authority notifying the licensee of its ~~final~~ certification decision under section 8F(~~74~~) of the Act the licensee knows or reasonably should know of any event or circumstance that has occurred or is likely to occur that may affect its eligibility for certification, the licensee shall as soon as reasonably practicable notify the Authority in writing of the event or circumstance and the reasons it considers that the event or circumstance may affect its eligibility for certification.
2. Where the licensee has been certified, if at any time the licensee knows or reasonably should know of any event or circumstance that has occurred or is likely to occur that may affect its eligibility for certification, the licensee shall as soon as reasonably practicable notify the Authority in writing of the event or circumstance and the reasons it considers that the event or circumstance may affect its eligibility for certification.
3. If at any time ~~from 3 March 2013~~ the licensee knows or reasonably should know that, on or after IP completion day, any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the licensee is or may become a person from a ~~third~~ country outside of the United Kingdom, or that a person from a ~~third~~ country outside of the United Kingdom has or may take control of the licensee, the licensee shall as soon as reasonably practicable notify the Authority in writing.
4. If at any time from the relevant date the licensee exercises or is likely to exercise any shareholder right or right of appointment in the circumstances described in section 8O of the Act, the licensee shall as soon as is reasonably practicable notify the Authority in writing of the right that has been or is likely to be exercised and the effect of exercising that right.
5. Where the licensee has been certified, by 31 July of each year following certification the licensee shall provide the Authority with a written declaration, approved by a resolution of the board of directors of the licensee and signed by a director of the licensee pursuant to that resolution, setting out:
 - (a) whether any event or circumstance has occurred in the previous 12 month period, or such part of that 12 month period since the licensee was certified, that may affect the licensee's eligibility for certification, and if so, the reasons it considers that the event or circumstance may affect its eligibility for certification;
 - (b) whether, on or after IP completion day, any event or circumstance has occurred, or is likely to occur, that may cause the Authority to think that the licensee has become a person from a ~~third~~ country outside of the United Kingdom, or a person from a ~~third~~ country outside of the United

[Kingdom](#) has taken control of the licensee, in the previous 12 month period or such part of that 12 month period since the licensee was certified; and

(c) whether the licensee has exercised any shareholder right or right of appointment in the circumstances described in section 8O of the Act in the previous 12 month period or such part of that 12 month period since the licensee was certified and if so the effect of exercising that right; ~~providing that the licensee is only required to provide a written declaration under this paragraph (c) where it has been certified on the certification ground in section 8G(3) of the Act and in relation to a period that occurs after the relevant date.~~

6. In this condition:

“certified” has the same meaning as in section 8Q of the Act;

“control” has the same meaning as in section 8Q of the Act;

“person from a ~~third~~ country [outside of the United Kingdom](#)” has the same meaning as in section 8Q of the Act;

“relevant date” has the same meaning as in section 8O of the Act;

“shareholder right” has the same meaning as in section 8Q of the Act.

Annex 8.3.a. Gas Transporter NTS Special Conditions Parts C (NGG) Modification Table

Licence condition	Current wording	Proposed change to text	Reasons for change
1	<p>Industrial Emissions Costs: means costs incurred, or expected to be incurred, by the Licensee in relation to works triggered as a result of emissions related legislation, such as Directive 2008/1/EC of the European Parliament and of the Council of 15 January 2008 concerning integrated pollution prevention and control, and Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control);</p>	<p>Industrial Emissions Costs: means costs incurred, or expected to be incurred, by the Licensee in relation to works triggered as a result of emissions related legislation, such as Directive 2008/1/EC of the European Parliament and of the Council of 15 January 2008 concerning integrated pollution prevention and control, <u>as it has effect immediately before IP completion day</u>, and Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) <u>as it has effect immediately before IP completion day</u>, as read with the <u>Environmental Permitting (England and Wales) Regulations 2016/1154 and Pollution Prevention Control (Scotland) Regulations 2012</u>;</p>	<p>The references to both EU directives need to remain applicable as on the day immediately before IP completion day to maintain the status quo.</p> <p>However, in the case of the Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control), this directive must be read in the light of the UK legislation.</p>

Annex 8.3.b. Gas Transporter NTS Standard Conditions Parts C (NGG) Change Marked Licence

We have included the sections of the licence conditions we propose to remove or amend below. Deletions are shown in strike through and new text is double underlined.

Definitions in alphabetical order

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

“Industrial Emissions Costs” means costs incurred, or expected to be incurred, by the Licensee in relation to works triggered as a result of emissions related legislation, such as Directive 2008/1/EC of the European Parliament and of the Council of 15 January 2008 concerning integrated pollution prevention and control, as it has effect immediately before IP completion day, and Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) as it has effect immediately before IP completion day, as read with the Environmental Permitting (England and Wales) Regulations 2016/1154 and Pollution Prevention Control (Scotland) Regulations 2012;