GAS SHIPPERS LICENCE: STANDARD CONDITIONS

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PART II. THE STANDARD CONDITIONS

SECTION A. INTERPRETATION AND PAYMENTS

Condition 1. Definitions and Interpretation

"the Act"

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

"acquisition" or "disposal" in relation to gas, means acquisition

or disposal by way of sale, loan or otherwise, and cognate expressions shall be construed accordingly;

"amount" in relation to gas, means the energy

content thereof expressed in

means the Gas Act 1986;

kilowatt hours;

"the Authority" means the Gas and Electricity

Markets Authority established under section 1 of the Utilities Act

2000;

"balancing" in relation to a relevant transporter

and its pipe-line system and in relation to each day, means the taking of such measures as may be available to it, in particular,

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measures affecting the relationship between deliveries of gas to and offtakes of gas from its system on the day in question, to maintain pressures within the system at levels which will not, in its reasonable opinion, prejudice the interests of safety or efficiency on that day or on subsequent days;

"business day"

for the purposes of standard condition 8 (Information as Respects Premises Served) only, has the meaning given in that condition;

"Citizens Advice"

means the National Association of

Citizens Advice Bureaux;

"Citizens Advice Scotland"

means the Scottish Association of Citizens Advice Bureaux;

"contract"

in relation to the supply of gas, does not include a deemed contract but does include a contract which by virtue of paragraph 19(2) of Schedule 5 to the Gas Act 1995 is deemed to have been made, and contractual shall be construed accordingly;

"the court"

means, in relation to England and Wales, the High Court and, in

relation to Scotland, the Court of Session:

"customer"

means any person supplied or requiring to be supplied with gas at any premises in Great Britain;

"day"

means a period beginning at 5am on one day and ending immediately before 5am on the following day, and "daily" shall be construed accordingly;

"delivery point"

means each point at which gas is introduced into a relevant transporter's system, except where-

- (a) gas is conveyed to the point by another gas transporter; or
- (b) the Authority has accepted that the point should not be treated as a delivery point;

"deemed contract"

means a contract which by virtue of paragraph 8 of Schedule 2B to the Act is deemed to have been made but does not include a contract which by virtue of paragraph 19(2) of Schedule 5 of the Gas Act 1995 is deemed to have been made;

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"domestic customer"

means a customer supplied or requiring to be supplied with gas at domestic premises (but excluding such customer in so far as he is supplied or requires to be supplied at premises other than domestic premises);

"domestic premises"

means premises at which a supply is taken wholly or mainly for domestic purposes;

"estimated costs"

for the purposes of standard condition 2 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;

"industry framework document"

for the purposes of standard condition 18 (Change Co-ordination for the Utilities Act 2000) only, has the meaning given in that condition;

"information"

shall include any documents, accounts, estimates, returns, records or reports and data in written, verbal or electronic form and information in any form or medium whatsoever (whether or not prepared specifically at the request of the

Authority or Citizens Advice or Citizens Advice Scotland) of any description specified by the Authority;

"last resort supplier"

for the purposes of standard condition 12 (Provisions Relating to Continuity of Supply) only, has the meaning given in that condition;

"meter inspection agent"

for the purposes of standard condition 11 (Supply and Return of, and Information etc Relating to Gas Meters) only, has the meaning given in that condition;

"Network Code"

in relation to a relevant transporter's pipe-line system, means the code prepared by the transporter for the purposes of its licence and for the time being designated by the Authority for the purposes of this condition generally, as from time to time amended;

"non-domestic customer"

means a customer who is not a domestic customer;

"owned"

in relation to a gas meter or other property, includes leased and

cognate expressions shall be construed accordingly;

"primary sub-deduct premises"

means premises to which gas is conveyed by a gas transporter before being conveyed to secondary subdeduct premises;

"proposed supplier transfer"

for the purposes of standard condition 14 (Provisions Relating to Transfer of Customers) only, has the meaning given in that condition;

"quantity" and "volume"

in relation to gas, are synonymous;

"related person" means

- (a) in relation to an undertaking within the meaning of section 259 of the Companies Act 1985 ("the principal undertaking"), a parent or subsidiary undertaking of the principal undertaking or a subsidiary undertaking of a parent undertaking of the principal undertaking, in each case within the meaning of section 258 of that Act, and
- (b) in relation to any person (including such an undertaking), a connected person of that person

> within the meaning of section 286 of the Taxation of Chargeable Gains Act 1992;

"relevant criteria"

for the purposes of standard condition 6 (Conveyance of Gas Otherwise than on Network Code or Similar Terms) only, has the meaning given in that condition;

"relevant direction"

for the purposes of standard condition 12 (Provisions Relating to Continuity of Supply) only, has the meaning given in that condition;

"relevant payment"

for the purposes of standard condition 15 (Payments Received in Relation to Standards of Performance) only, has the meaning given in that condition;

"relevant premises"

for the purposes of standard condition 12 (Provisions Relating to Continuity of Supply) only, has the meaning given in that condition;

"relevant proportion"

for the purposes of standard condition 2 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;

"relevant shipper"

means, in relation to any premises, a gas shipper which has made arrangements in pursuance of which gas is conveyed to those premises and, in relation to any secondary sub-deduct premises, such arrangements shall be deemed to have been made where, in pursuance of arrangements made by a gas shipper, gas is taken out of the pipeline system of a gas transporter at the relevant primary sub-deduct premises with a view to its conveyance to those secondary subdeduct premises;

"relevant supplier"

means, in relation to any premises, a gas supplier which supplies to those premises gas which is conveyed thereto (or, where the premises are secondary sub-deduct premises, to the relevant primary sub-deduct premises) by a relevant transporter and in relation to which the licensee is a relevant shipper;

"relevant terminal operator"

for the purposes of standard condition 17 (Release of Terminal Operators from Certain Liabilities)

only, has the meaning given in that condition;

"relevant transporter"

means, in relation to any premises or to a customer supplied with gas at any premises, the gas transporter which conveys gas through pipes to those premises or, where those premises are secondary sub-deduct premises, the gas transporter which conveys gas to the relevant primary sub-deduct premises;

"relevant year"

for the purposes of standard condition 2 (Payments by the Licensee to the Authority) only, has the meaning given in that condition;

"secondary sub-deduct premises"

means premises to which gas is conveyed, in pursuance of an exemption from section 5(1)(a) of the Act granted under section 6A thereof, for supply by a gas supplier;

"security standards"

in relation to the arrangements entered into by the licensee with a relevant transporter to secure rights to use its pipe-line system for the conveyance of gas, means arranging those rights so as to enable there to be met a rate of offtakes by the licensee from that transporter's pipe-line system which would equal the peak aggregate daily demand for gas by the relevant supplier's customers at premises in relation to which the licensee is currently the relevant shipper -

- (a) which might reasonably be expected if the supply of gas to each such customer were interrupted or reduced (otherwise than during a pipe-line system emergency within the meaning of paragraph 1(b) of standard condition 5 (Obligations as Respects Emergencies etc) and at the request of the relevant transporter or the person holding this licence acting as the relevant shipper, and otherwise than in pursuance of a direction under section 2(1)(b) of the Energy Act 1976 prohibiting or restricting the supply of gas to specified persons) -
 - (i) where the person holding this licence was the relevant supplier of the customer, by him and to the extent that he was entitled to do so under his contract with the customer, or

(ii) in any other case, by the relevant supplier of the customer, to the extent that, under the contract between them, the licensee was entitled to require the supplier to do so, and

(b) which, (subject to paragraph 3) having regard to historical weather data derived from at least the previous 50 years and other relevant factors, is likely to be exceeded (whether on one or more days) only in 1 year out of 20 years,

and, for the purposes of this definition, "year" means a period of 12 months beginning with 1st October.

- 2. In these standard conditions, except where the context otherwise requires -
 - (a) any reference to "the relevant primary sub-deduct premises", in relation to any secondary sub-deduct premises, is a reference to the primary subdeduct premises to which gas was conveyed before its conveyance to those secondary sub-deduct premises;
 - (b) any reference to "sub-deduct arrangements", in relation to any secondary sub-deduct premises, is a reference to arrangements which a gas shipper makes with a gas transporter in pursuance of which gas is taken out of the pipe-line system of that transporter at the relevant primary sub-deduct

premises with a view to its conveyance to those secondary sub-deduct premises;

- (c) any reference to "consumer" shall, notwithstanding paragraph 4, include a person who is supplied with gas at secondary sub-deduct premises.
- 3. If, after consultation with all gas suppliers, gas shippers and gas transporters, with the Health and Safety Executive and with Citizens Advice and Citizens Advice Scotland, the Authority is satisfied that security standards would be adequate if sub-paragraph (b) of the definition of "security standards" in paragraph 1 were modified by the substitution of a reference to data derived from a period of less than the previous 50 years or by the substitution of some higher probability for the probability of 1 year in 20 years, the Authority may make such modifications by a notice which -
 - (a) is given and published by it for the purposes of this condition generally,and
 - (b) specifies the modifications and the date on which they are to take effect;

but sub-paragraph (b) of that definition shall only be modified if the Authority, at the same time, makes similar modifications to -

- paragraph 2(b) of standard condition 16 (Pipe-line System Security Standards) of the standard conditions of gas transporters' licences, and
- (ii) paragraph 6(b) of standard condition 14 (Security and Emergency Arrangements) and paragraph 4(a) of standard condition 32A
 (Security of Supply – Domestic Customers) of the standard conditions of gas suppliers' licences.
- Any words or expressions used in the Utilities Act 2000 or Part I of the Act shall, unless the contrary intention appears, have the same meanings when used in the standard conditions.

- 5. Except where the context otherwise requires, any reference to a numbered standard condition (with or without a letter) or Schedule is a reference to the standard condition (with or without a letter) or Schedule bearing that number in this licence, and any reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the standard condition or Schedule in which the reference occurs, and reference to a Section is a reference to that Section in these standard conditions.
- 6. These standard conditions shall have effect as if, in relation to a licence holder who is a natural person, for the words "it", "its" and "which" there were substituted the words "she", "her" "hers", and "whom", and cognate expressions shall be construed accordingly.
- 7. Except where the context otherwise requires, a reference in a standard condition to a paragraph is a reference to a paragraph of that condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.
- 8. Any reference in these standard conditions to -
 - (a) a provision thereof;
 - (b) a provision of the standard conditions of gas suppliers' licences, or
 - (c) a provision of the standard conditions of gas transporters' licences,

shall, if these conditions or the standard conditions in question come to be modified, be construed, so far as the context permits, as a reference to the corresponding provision of these or the other standard conditions in question as modified.

In construing these standard conditions, the heading or title of any standard condition or paragraph shall be disregarded.

- 10. Any reference in a standard condition to the purposes of that condition generally is a reference to the purposes of that condition as incorporated in this licence and as incorporated in each other licence under section 7A(2) of the Act (whenever granted) which incorporates it.
- 11. Where any obligation of the licence is required to be performed by a specified date or time, or within a specified period, and where the licensee has failed so to perform, such obligation shall continue to be binding and enforceable after the specified date or time, or after the expiry of the specified period (but without prejudice to all the rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or time, or within that period).
- 12. Anything required by or under these standard conditions to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case -
 - (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first-class post as soon as is reasonably practicable, and
 - (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument.

Condition 2. Payments by the Licensee to the Authority

Not used.

SECTION B. GENERAL

<u>Condition 3.</u> General Obligations in Respect of Use of Relevant Transporter's Pipe-<u>Line System</u>

- 1. The licensee shall act in a reasonable and prudent manner in the use it makes of a relevant transporter's pipe-line system for the purpose of the conveyance of gas.
- Without prejudice to the generality of paragraph 1, the licensee shall not knowingly or recklessly pursue any course of conduct (either alone or with some other person) which is likely to prejudice -
 - (a) the safe and efficient operation, from day to day, by a relevant transporter of its pipe-line system;
 - (b) the safe, economic, and efficient balancing by that transporter of its system; or
 - (c) the due functioning of the arrangements provided for in its Network Code.
- 3. The licensee shall not knowingly or recklessly act in a manner likely to give a false impression to a relevant transporter as to the amount of gas to be delivered by the licensee on a particular day to that transporter's pipe-line system or as to the amount of gas to be comprised in its offtakes therefrom on that day.
- Subject to paragraph 5, as respects each delivery point at which the licensee introduces gas into a relevant transporter's pipe-line system, the licensee shall use its reasonable endeavours to make arrangements with –

- (a) all other gas shippers which, as respects that point, are subject to the requirements of this condition as incorporated in their licences; and
- (b) such other persons as may be expedient,

for the purpose of securing the provision to the relevant transporter of prompt and accurate information in respect of the licensee's deliveries of gas to the transporter's pipe-line system at the delivery point in question.

- 5. The requirements of paragraph 4 shall be treated as satisfied in respect of a particular delivery point if the licensee enters into an agreement, in respect of that delivery point, which has been designated by the Authority for the purposes of this paragraph.
- So far as may be necessary or expedient in connection with the purpose mentioned in paragraph 4, the licensee shall apply to the Secretary of State for appropriate directions under section 12 of the Gas Act 1995.

Condition 4. Policies of Dominant Shippers

1. Paragraph 2 applies where -

- (a) a relevant transporter operates a market in accordance with its Network Code for the purpose of facilitating the balancing of its pipe-line system, being a market in which the transporter acquires gas from, or disposes of gas to, other participants therein, and
- (b) the licensee, whether
 - (i) alone;
 - (ii) taken with any other gas shipper which is a related person of the licensee; or
 - (iii) taken with any other person with whom the licensee is acting in concert, enjoys, or within the preceding twelve months has enjoyed, a dominant position in that market.
- 2. Where this paragraph applies, the licensee shall, if so requested by the Authority, furnish it with -
 - (a) a statement of the licensee's policies as respects its participation in the market referred to in paragraph 1; and
 - (b) where this paragraph applies by virtue of sub-paragraph (b)(iii) of paragraph 1 (whether or not it would apply by virtue of any other provision of that paragraph), a statement of the policies of the persons acting in concert as respects their participation in that market, so far as it is aware of those policies,

and (without prejudice to the Authority's ability to call for a further statement at any time) if a statement furnished under this paragraph no longer adequately or accurately describes the policies to which it relates, the licensee shall, as soon as

is reasonably practicable, give the Authority a statement of any change in those policies or of any new policies.

3. Any question arising under this condition as to whether the licensee falls within sub-paragraph 1(b) shall, for the purposes of this condition, be determined by the Authority, after consulting the licensee and considering any representations made to it (whether by the licensee or others).

Condition 5. Obligations as Respects Emergencies etc

- 1. Paragraph 2 of this condition shall apply -
 - (a) in the case of an escape, or suspected escape, of gas; or
 - (b) in the case of a pipe-line system emergency, that is to say, where the circumstances are such that, in the opinion of the relevant transporter -
 - (i) the safety of its pipe-line system is significantly at risk;
 - (ii) the safe conveyance of gas by that system is significantly at risk; or
 - (iii) gas conveyed by that system is at such a pressure or of such a quality as to constitute, when supplied to premises, a danger to life or property, and that opinion is not manifestly unreasonable.
- Where this paragraph applies, the licensee shall use its best endeavours to comply with all requests made by the relevant transporter (save any which are manifestly unreasonable) for the purpose of, as may be appropriate -
 - (a) averting or reducing danger to life or property; or
 - (b) securing the safety of the pipe-line system or the safe conveyance of gas thereby or reducing the risk thereto.
- 3. When the relevant transporter pays over a sum to the licensee, by reason of the failure of the transporter to convey gas to domestic premises or, in relation to any secondary sub-deduct premises of a domestic customer, any such failure to convey gas in accordance with the sub-deduct arrangements applicable to those secondary sub-deduct premises, the licensee shall pay that sum over to the relevant supplier (unless the holder of this licence is itself that supplier or is the consumer at those premises).

Condition 6. Conveyance of Gas Otherwise than on Network Code or Similar Terms

- 1. Subject to paragraph 5, paragraphs 6 to 9 shall apply where the licensee has such an arrangement, in relation to gas which consists wholly or mainly of methane, with a relevant transporter as is referred to in section 7A(2) of the Act, if, and only if, the case does not fall within paragraph 2 or 3.
- 2. Paragraphs 6 to 9 shall not apply if the arrangement is one which provides for the licensee to comply with the relevant transporter's Network Code and the licensee complies therewith.
- 3. Paragraphs 6 to 9 shall not apply, notwithstanding that the arrangement does not provide as aforesaid, if -
 - (a) the terms of the arrangement (including those terms as supplemented or varied by agreement between the licensee and the relevant transporter) include such terms as are mentioned in paragraph 4; or
 - (b) the licensee, having taken all reasonable steps to secure that the arrangement be supplemented or varied so as to include such terms as are referred to in paragraph 4 and having failed to obtain the relevant transporter's agreement thereto, has given an undertaking to the relevant transporter which includes such terms as aforesaid,

and the licensee complies with the arrangement or undertaking.

- 4. The terms referred to in paragraph 3 are ones accepted in writing by the Authority, following consultation with the relevant transporter, as -
 - (a) having the like effects and consequences (including financial consequences for the licensee or for the relevant transporter) as the relevant transporter's Network Code as respects -

- (i) any imbalance between the amounts of deliveries of gas to, and of offtakes of gas from, the relevant transporter's pipe-line system;
- (ii) where the arrangement with the relevant transporter permits the licensee to secure rights to use its pipe-line system for the conveyance of gas by that system, the arranging of those rights or failure to arrange such rights;
- (iii) the nomination of proposed deliveries of gas to, or offtakes of gas from, that system;
- (iv) the balancing by the relevant transporter of its pipe-line system, and
- (v) the acquisition, or disposal, of gas by the licensee from, or to, the relevant transporter; and
- (b) enabling the relevant transporter to monitor, on a daily basis, the licensee's compliance with the terms having the effects and consequences mentioned in sub-paragraph (a).
- 5. Where, in pursuance of paragraph 3, paragraphs 6 to 9 do not apply then, subject as hereinafter provided, so long as the licensee continues to comply with the terms of the arrangement or undertaking referred to in paragraph 3, paragraphs 6 to 9 shall continue not to apply notwithstanding a material change in the relevant transporter's Network Code such that the existing terms no longer meet the criteria set out in sub-paragraphs (a) and (b) of paragraph 4 ("the relevant criteria") but, in such case -
 - (a) the licensee shall, if it is aware that the existing terms no longer meet the relevant criteria, so notify the Authority specifying the reasons why;
 - (b) whether or not the licensee has so notified the Authority, it shall comply with any directions given by the Authority which specify why the existing terms no longer meet the relevant criteria and requiring the licensee to take all reasonable steps to supplement or vary those terms so as to secure that they do meet the relevant criteria; and

(c) if the Authority has given such directions and, within 6 weeks (or such longer period not exceeding 10 weeks as it may allow in the circumstances of the case) of their having been received by the licensee, it has not supplemented or varied the existing terms as aforesaid then, unless the Authority accepts that paragraphs 6 to 9 should continue not to apply, the licensee shall comply with those paragraphs.

6. Where this paragraph applies -

- (a) the licensee shall take all requisite steps both before and in the course of a particular day, to secure, as nearly as may be, that the amounts of its offtakes of gas on that day from the relevant transporter's pipe-line system and of its deliveries of gas thereto on that day are equal;
- (b) where its arrangement with the relevant transporter permits it to secure rights to use the transporter's pipe-line system for the conveyance of gas by that system, the licensee shall exercise that power in conformity with security standards; and
- (c) where its arrangement with the relevant transporter empowers it to nominate, in advance of, or during, a particular day or both, its proposed offtake of gas on that day from that transporter's pipe-line system or its deliveries of gas thereto on that day or both, the licensee shall exercise that power and, in doing so, shall use its best endeavours to secure that its nominations correspond to its offtake or, as the case may be, its deliveries of gas on the day in question,

and the licensee shall furnish the Authority with such information at such time or times or at such intervals as it requests for the purpose of enabling the Authority to monitor the licensee's compliance with sub-paragraphs (a), (b) and (c) and, without prejudice as aforesaid, in the event of the licensee failing on any occasion to comply with any of those sub-paragraphs, the licensee shall immediately, and without any request from the Authority, inform it of the failure and the reasons therefor.

- 7. For the purpose of determining whether the requirements of paragraph 6 are satisfied -
 - (a) no account shall be taken of any gas -
 - (i) acquired by the licensee from the relevant transporter, or
 - (ii) acquired by the relevant transporter from the licensee, and
 - (b) where the actual offtake of gas from an exit point is not ascertained each day, the offtake of gas from that exit point on a particular day shall be taken to be of an amount determined as provided in the relevant transporter's Network Code, if that code contains provision in that behalf.
- 8. Without prejudice to the generality of sub-paragraph 6(a), for the purpose of complying with that provision as respects a particular day, the licensee shall in particular -
 - (a) acquire any available gas (otherwise than from the relevant transporter) for delivery on that day to the relevant transporter's pipe-line system or restrict its offtake of gas from that system on that day by procuring persons supplying gas to premises in relation to which the licensee is the relevant shipper (or, in relation to premises in respect of which the holder of this licence is the relevant supplier, by itself taking action) to interrupt, or reduce, the supply of gas to one or more of those premises (in pursuance of contracts providing for such interruption or reduction) or do both;
 - (b) dispose of gas (otherwise than to the relevant transporter) which it would otherwise deliver on that day to the relevant transporter's pipe-line system; or
 - (c) take advantage of any provision of a contract for the acquisition of gas for such delivery which permits it to reduce or increase the amount it has contracted to buy for delivery on that day,

or do a combination of those things.

9. Where the licensee has more than one arrangement with a relevant transporter, paragraphs 6 to 8 shall apply separately in relation to each arrangement, that is to say, in the case of each arrangement as if it were the only arrangement between the licensee and the relevant transporter, provided that an arrangement which is no more than incidental or supplemental to a previous arrangement shall, for the purposes of this paragraph, be treated as if it were a part of that previous arrangement.

Condition 7. Information in Respect of Licence to be Given to Gas Transporters

- On the coming into force of this licence (unless it has already done so) the licensee shall give notice to all gas transporters -
 - (a) of the grant of the licence and the date of its coming into force;
 - (b) as to whether it is a general or a limited licence, that is to say, whether the licensee is authorised to make such arrangements as are referred to in section 7A(2) of the Act generally or for purposes limited to those connected with the supply of gas to any premises specified in the licence; and
 - (c) if it is a limited licence, of the premises specified therein.
- 2. If the Authority extends or restricts the licence by giving a direction under section 7A(4)(a) or (6) of the Act, the licensee shall forthwith give notice to all gas transporters -
 - (a) of the extension or restriction of the licence and the date from which it has effect; and
 - (b) of the premises specified in the Authority's direction.
- In this condition, references to premises specified in a licence or a direction include references to premises of a description, or situated in an area, so specified.

Condition 8. Information as Respects Premises Served

- This condition shall apply where the licensee has made arrangements in pursuance of which gas is conveyed to particular premises.
- 2. The licensee shall keep the relevant transporter conveying gas to those premises informed, in such manner and at such times as are provided in its Network Code or, in default of such provision or where paragraph 3, paragraph 5 or paragraphs 6 to 9 of standard condition 6 (Conveyance of Gas Otherwise than on Network Code or Similar Terms) apply, as may be designated by the Authority for the purposes of this condition -
 - (a) (Not used) of the name of the gas supplier, if any, from time to time supplying gas to the premises in question;
 - (b) if from time to time there is no gas supplier supplying gas to the premises in questionsuch supplier, as to the circumstances which render it unnecessary that the gas supplied to the premises in question be supplied by such a supplier; and
 - (c) of such information as the licensee may from time to time obtain as to the volumes or amounts of gas conveyed to the premises in question.
- 3. The licensee shall transmit to the relevant transporter conveying gas to the premises in question, in an appropriate form, such information as any gas supplier supplying gas or about to commence a supply of gas to the premises in question may, in pursuance of an obligation in its licence, request the licensee so to transmit.

4.____(<u>Not used</u>).

The licensee shall transmit the relevant transporter's meter point reference number or code to the relevant supplier (unless the holder of this licence is that supplier).

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- 5. (Not used). The licensee shall, in each case where it proposes to become the relevant shipper in respect of particular premises, give the relevant transporter confirmation that it will so become, in such manner as the transporter may reasonably require, not less than 14 business days (or any lesser period which may be permitted in the particular circumstances by or under the relevant transporter's Network Code) in advance of the date on which it is to become the relevant shipper and, for the purposes hereof, "business day" means a day other than one beginning
- (a) on a Saturday or Sunday;
- (b) on a day which is a bank holiday in England and Wales; or
- (c) on the first day after the New Year bank holiday which (this sub-paragraph apart) would be a business day.
- 6. Where, in pursuance of paragraph 10 of standard condition 5 (System Development Obligations) of the standard conditions of gas transporters' licences, as incorporated in a relevant transporter's licence, the licensee is informed as to whether or not the transporter has information recorded in pursuance of paragraph 8(e) of that standard condition 5 which relates to particular premises, the licensee shall inform the gas supplier which is, or is about to become, the relevant supplier as to whether or not the transporter has such information unless the holder of this licence is or, as the case may be, is about to become, the relevant supplier.
- This condition shall have effect in relation to any sub-deduct arrangements made by the licensee as if -
 - (a) the premises in respect of which the obligations imposed by this condition applied were the secondary sub-deduct premises in question; and
 - (b) references to the relevant transporter conveying gas to the premises were references to the relevant transporter conveying gas to the relevant primary sub-deduct premises.

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<u>Condition 9. Provision of Information Requested by Relevant Transporter or Relating</u> to Gas Illegally Taken

- 1. Subject to paragraphs 3 to 5, the licensee shall provide information in its possession, or readily available to it, which is reasonably requested by a relevant transporter either -
 - (a) for the purpose of enabling the transporter to fulfil its licence obligations to draw up plans for the safe operation of its pipe-line system, or
 - (b) for the purpose of preventing or detecting the taking of a supply of gas where-
 - (i) paragraph 1 or 2 of standard condition 7 (Provision of Information Relating to Gas Illegally Taken) of the standard conditions of gas transporters' licences, as incorporated in the transporter's licence, would apply or applies, or
 - (ii) paragraph 5 of that standard condition 7 would apply or applies by virtue of paragraph 4 thereof.
- 2. Subject to paragraphs 3 and 4, the licensee shall -
 - (a) notify the relevant transporter, in such form and manner as it may reasonably require, of the particulars (including, so far as is reasonably practicable, a reasonable estimate of the volume or, failing that, of the amount of gas taken) of any case of which it has become aware of the actual or suspected taking of a supply of gas as mentioned in sub-paragraph 1(b) where the gas had been conveyed to premises in relation to which the licensee is the relevant shipper or was in the course of being so conveyed through a service pipe by which any such premises are connected to a relevant main, and
 - (b) except where the holder of this licence is the relevant supplier or in the circumstances of the case it would be inappropriate to do so, notify the relevant supplier of such particulars.

- 3. The licensee shall be entitled to refuse to provide an item of information on the grounds that its disclosure would seriously and prejudicially affect the commercial interests of the licensee unless and until the Authority, by notice in writing given to the licensee, directs it to provide that item of information on the ground that the provision thereof is necessary or expedient for any of the purposes mentioned in paragraph 1.
- 4. This condition shall not require the licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before the court.
- 5. Sub-paragraph 1(a) shall not apply in respect of any gas transporter which has not established, whether in pursuance of a licence condition or otherwise, effective arrangements designed to secure that information provided in pursuance of this condition is not communicated, directly or indirectly, to another gas shipper or any gas supplier (other than the holder of this licence).

Condition 10. Provision of Information to the Authority

- 1. Subject to paragraphs 2 and 4 below, the licensee shall furnish to the Authority, in such manner and at such times as the Authority may reasonably require, such information and shall procure and furnish to it such reports, as the Authority may reasonably require or as may be necessary for the purpose of performing -
 - (a) the functions conferred on it by or under the Act; and
 - (b) any functions transferred to or conferred on it by or under the Utilities Act 2000.
- The licensee shall not be required by the Authority to furnish it under this
 condition with information for the purpose of the exercise of its functions under
 section 34 of the Act.
- 3. The licensee shall, if so requested by the Authority, give reasoned comments on the accuracy and text of any information or advice (so far as relating to its activities as holder of a gas shipping licence) which the Authority proposes to publish pursuant to section 35 of the Act.
- 4. This condition shall not require the licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before a court.
- 5. The power of the Authority to call for information under this condition is in addition to the power of the Authority to call for information under or pursuant to any other condition. There shall be a presumption that the provision of information in accordance with any other condition is sufficient for the purposes of that condition, but that presumption shall be rebutted, if the Authority states in writing that in its opinion such further information is, or is likely to be, necessary to enable it to exercise functions under the condition in question.

<u>Condition 11. Supply and Return of, and Information etc</u> Relating to, Gas Meters

- 1. Subject to paragraph 2, the licensee shall, at the request of a relevant supplier (or of a gas supplier which is about to become such a supplier), request the relevant transporter to provide and install a gas meter of the kind specified by the supplier at the domestic premises in respect of which the licensee is (or is about to be) a relevant shipper.
- 2. The obligation in paragraph 1 shall be subject to the supplier agreeing, if the licensee so requests, to pay to the licensee the amount of any charges made by the transporter, in relation to the meter, for which the licensee may be liable.

3. Where the licensee -

- (a) comes into possession or control of a gas meter which is owned by a gas transporter, it shall promptly inform that transporter and shall hold the meter to the transporter's order in the condition in which it was received and with the index unaltered for a period of one month; or
- (b) obtains information that some other person has come into possession or control of such a meter, following its disconnection from a service pipe and all other pipes at premises in respect of which the licensee is (or is about to become or has, within the past six months, been) a relevant shipper, it shall promptly notify the transporter of the relevant facts.

4. The licensee shall promptly -

- (a) at the request of a relevant supplier (or a gas supplier which has been such a supplier), transmit to the relevant transporter
 - (i) a copy of such notice of a proposed connection or disconnection of any meter as is mentioned in sub-paragraph (1) of paragraph 12 of Schedule 2B to the Act as has been received by the supplier or a

- copy of any such information as is mentioned in sub-paragraph (3) of that paragraph as has been so received; or
- (ii) a copy of a like notice or like information which has been given to the licensee by the supplier in pursuance of paragraph 7 of standard condition 16 (Exchange of Information between Licensee and Relevant Transporter and Shipper for Operation, Development or Maintenance of Pipe-line System and Detection and Prevention of Theft) of the standard conditions of gas suppliers' licences as incorporated in that supplier's licence;
- (b) at the request of the relevant transporter, transmit to the relevant supplier a copy of such a notice of a proposed connection or disconnection of any meter as is mentioned in sub-paragraph (1) of paragraph 12 of Schedule 2B to the Act as has been received by the transporter or a copy of any such information as is mentioned in sub-paragraph (3) of that paragraph as has been so received;
- (c) at the request of a relevant supplier (or a gas supplier which has been, or is about to become, such a supplier) seek from the relevant transporter such information in relation to the connection or disconnection of a meter as is requested and transmit to the supplier any such information which is so obtained;
- (d) at the request of the relevant transporter -
 - seek from a relevant supplier (or such a gas supplier as aforesaid)
 such information as aforesaid and transmit to the transporter any
 such information which is so obtained; or
 - (ii) if the holder of this licence is a relevant supplier (or such a gas supplier as aforesaid), transmit to the relevant transporter such information as aforesaid as the holder may possess;
- (e) at the request of a relevant supplier (or gas supplier which has been such a supplier) or relevant transporter, transmit to the transporter such

information as the supplier provides in accordance with paragraph 2 or 9 of standard condition 16 (Exchange of Information between Licensee and Relevant Transporter and Shipper for Operation, Development or Maintenance of Pipe-line System and Detection and Prevention of Theft) of the standard conditions of gas suppliers' licences as incorporated in the supplier's licence;

- (f) at the request of the relevant transporter, transmit to a relevant supplier (other than the holder of this licence) any notification of that supplier, for the purposes of paragraph 1 of standard condition 17 (Reading, Inspection and Testing of Meters) of the standard conditions of gas suppliers' licences as incorporated in its licence, in respect of the intervals at which meters are to be inspected and which the transporter has furnished;
- (g) transmit to the relevant transporter any information it may have received from a relevant supplier as respects arrangements made by a customer of that supplier for the ordinary reading of the meter through which he is supplied with gas which have been accepted by that supplier;
- (h) transmit to the relevant transporter a copy of any request made by a customer of a relevant supplier that it should agree that a meter inspection be carried out by a named person chosen by the customer ("the meter inspection agent"), and of any information relating to that person, which has been given to it by that supplier in pursuance of paragraph 10(a) of standard condition 17 (Reading, Inspection and Testing of Meters) of the standard conditions of gas suppliers' licences as incorporated in the supplier's licence;
- (i) if, having transmitted to the relevant transporter a copy of such a request, the licensee is notified by the transporter that it is of the opinion that there are not reasonable grounds for believing that the agent possesses the appropriate expertise and would accurately and efficiently carry out the

relevant tasks, notify the relevant supplier that the transporter is of that opinion;

- (j) at the request of a relevant supplier, transmit to the relevant transporter any request for the repositioning of a meter which has been forwarded to the licensee in pursuance of arrangements made by the supplier for the purposes of paragraph 2(b)(iii) of standard condition 37 (Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick) of the standard conditions of gas suppliers' licences as incorporated in its licence; and
- (k) transmit to the relevant gas transporter any meter reading received from a relevant supplier.
- 5. Where the licensee has transmitted to the relevant transporter such a request as is mentioned in paragraph 4(j), or the holder of this licence, being a relevant supplier, has transmitted to that transporter such a direct request as is mentioned in the said paragraph 2(b)(iii) of standard condition 37 (Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick) as incorporated in the licence in question, the licensee shall pay the transporter any reasonable expenses incurred thereby in complying with the request.
- 6. In this condition, where the relevant transporter is Transco plc, paragraphs 1 and 2 shall not apply. In this paragraph "Transco plc" means the company (registered in England and Wales under company registration number 02006000) which had that name on 1 October 2001 whether or not it previously had a different name and that name is subsequently changed.

Condition 12. Provisions Relating to Continuity of Supply

- 1. Where the Authority has given a direction to a gas supplier (the "last resort supplier") in pursuance of a condition of its licence requiring it to make available a supply of gas to any premises previously supplied by another gas supplier and in respect of which the licensee is or was the relevant shipper (the "relevant premises"), the licensee shall comply with any relevant directions given by the Authority in order to facilitate -
 - (a) the commencement of the supply of gas to the relevant premises by the last resort supplier; or
 - (b) the making of arrangements by the gas shipper chosen by the last resort supplier for the conveyance of gas to the relevant premises (or, where the relevant premises are secondary sub-deduct premises, the making by that shipper of sub-deduct arrangements).
- 2. If the Authority gives notice to the licensee of the revocation of its licence, the licensee shall comply with any relevant directions given by the Authority in order to facilitate the continuity of the conveyance and supply of gas to any premises in respect of which the licensee is a relevant shipper.
- 3. In this condition, a "relevant direction" is -
 - (a) in the case of paragraph 1, one requiring the licensee to furnish the last resort supplier or the gas shipper chosen by that supplier with information relating to the conveyance of gas to the relevant premises which the licensee has or may obtain by taking reasonable steps for the purpose;
 - (b) one requiring the licensee to terminate arrangements with a relevant transporter, in the case of paragraph 1, in respect of the conveyance of gas to the relevant premises (or, where the relevant premises are secondary

sub-deduct premises, the applicable sub-deduct arrangements) or, in the case of paragraph 2, generally; or

(c) in the case of paragraph 2, one requiring the licensee to release all relevant suppliers from any obligation as respects gas conveyed to premises on or after the date of the direction or such later date as may be specified in or determined in accordance with the direction.

Condition 13. Meter Point Information Furnished by a Gas Transporter Not Used

Commented [AW5]: Ref 5 Switching SCR

1. Where, in pursuance of a request for the purposes of paragraph 2(c) of standard condition 31 (Supply Point Information Service) of the standard conditions of gas transporters' licences, as incorporated in a gas transporter's licence, that transporter has furnished the licensee with a copy of a part of, or information contained in, the register kept by the transporter in pursuance of the said standard condition 31 (Supply Point Information Service), the licensee shall restrict the use or disclosure it makes of the copy or information furnished in such manner, and to such extent, as may be designated, for the purposes of this condition generally, by the Authority so, however, that such designation may make different provision in relation to copies of part of the register, or information, furnished by different gas transporters.

Commented [AW6]: Ref 6 Switching SCR

- Subject to paragraph 3, the licensee shall permit a proposed supplier transfer in relation to any premises in respect of which it is the relevant shipper if, and only if –
 - (a) it has not been requested, in the particular case, to prevent the proposed supplier transfer -
 - by the relevant supplier (or a person who would, if licensed as a gas supplier, be the relevant supplier but is not required to be so licensed), or
 - (ii) except where another supplier has become the relevant supplier, by a gas supplier which has cut off the supply of gas to the premises in pursuance of paragraph 7 of Schedule 2B to the Act or, where the premises are secondary sub-deduct premises, in pursuance of any like right of that supplier to cut off that supply(not used); or
 - (b) it has been so requested, in the particular case, to prevent the proposed supplier transfer, but knows, or has reasonable cause to believe -
 - (i) that the request was made in breach of paragraph 1 of standard condition 30 (Debt Blocking) of the standard conditions of gas suppliers' licences as incorporated in the supplier's licence (not used), or
 - (ii) <u>iof</u> the person making the request was not- a gas supplier, that the request would have been made in breach of <u>paragraph 1 of S</u>-tandard <u>Ceondition 1430</u> (<u>Customer Transfer Debt</u> Blocking—) of the standard conditions of gas suppliers' licences had the person in question been a gas supplier bound thereby.
- 2. Where the holder of this licence is, in respect of any premises, not only the relevant shipper but also the relevant supplier (or a person who would, if licensed as a gas supplier, be the relevant supplier but is not required to be so licensed), subject to paragraph 3, it shall not prevent a proposed supplier transfer in relation to any such premises except for so long as the circumstances are such as are mentioned

Note: Consolidated conditions are not formal Public Register documents and should not be relied on.

Gas Shipper Licence: Standard Conditions – Consolidated to 01 February 2019
in paragraph 1 of Standard Ceondition 1430 (Customer Transfer Debt Blocking)
of the standard conditions of gas suppliers' licences.

- 3. This condition shall not apply if the licensee itself consumes the gas at the premises in question, or in such other circumstances as may, from time to time, be approved by the Authority.
- 4. In this condition, "proposed supplier transfer" in relation to any premises means the proposed implementation of arrangements whereunder gas would no longer fall to be supplied to premises by one supplier but would fall to be supplied to those premises by another supplier (whether or not those suppliers are licensed under section 7A(1) of the Act).

Condition 15. Payments Received in Relation to Standards of Performance

- Any relevant payment made to the licensee by the relevant transporter shall be paid, as soon as reasonably practicable after its receipt, to the relevant supplier (unless the holder of this licence is that supplier).
- In this condition a "relevant payment" is a compensation payment made in relation to a customer of a relevant supplier pursuant to standard condition 20 (Standards of Performance) of the standard conditions of gas transporters' licences or to any provision of Regulations made under section 33AA of the Act.

Condition 15A. Payments Received in Relation to Demand Side Response

- Any DSR Payment made to the licensee shall be paid, as soon as reasonably practicable after its receipt, to the relevant supplier.
- 2. On receipt of evidence from the relevant supplier pursuant to standard condition 19D paragraph 19D.4 of the gas supply licence, the licensee shall provide the same evidence to the relevant transporter as soon as reasonably practicable.
- 3. On receipt of evidence from the relevant supplier pursuant to standard condition 19D paragraph 19D.6 of the gas supply licence, the licensee shall provide the same evidence to National Grid NTS as soon as reasonably practicable.

4. In this condition:

DSR Payment means a credit made by National Grid NTS to the licensee:

- a. for the provision of an involuntary demand side response service provided by a customer to a relevant supplier; and
- b. made pursuant to Transportation Principal Document Section Q of the Uniform Network Code;

Firm Load Shedding has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

involuntary demand side response service means the curtailment of gas as a result of Firm Load Shedding due to a Gas Deficit Emergency;

National Grid NTS has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

Uniform Network Code means the document of that title required to be prepared pursuant to Standard Special Condition A11 (Network Code and

Uniform Network Code) of licences granted under section 7 of the Act (as from time to time modified pursuant to that condition).

Condition 16. Arrangements in Respect of Powers of Entry

- The licensee shall, in respect of both domestic and non-domestic premises, prepare and submit to the Authority for its approval a statement of its proposed arrangements in respect of the steps mentioned in standard condition 16A (Authorisation of Officers).
- 2. Where, before the expiry of the period of 30 days after submitting the statement mentioned in paragraph 1, the Authority notifies the licensee that, in its opinion, the arrangements are not sufficient for the purposes of satisfying standard condition 16A (Authorisation of Officers), the licensee shall forthwith make such changes in the arrangements as are requisite for those purposes and are specified in directions given by the Authority. On the expiry of the said period of 30 days, or, if earlier, on being notified by the Authority that it does not intend to give directions, the licensee shall make such arrangements in the terms originally proposed or, as the case may be, in those terms as changed in pursuance of directions given by the Authority.
- 3. In the case of an extension of this licence, the licensee shall ensure that the arrangements remain sufficient for the purposes of satisfying standard condition 16A (Authorisation of Officers), and shall make, subject to paragraph 4, any necessary changes.
- 4. Except in the case of changes reasonably consequential upon an extension or a restriction of this licence which are made with effect from the effective date of the extension or restriction, the licensee shall not make any material change in the arrangements except with the consent of the Authority.

5. The licensee shall use its best endeavours to ensure, so far as is reasonably practicable, that it conducts itself in conformity with the arrangements made in pursuance of paragraph 1.

Condition 16A. Authorisation of Officers

- 1. The arrangements referred to in standard condition 16 (Arrangements in Respect of Powers of Entry) shall provide for the taking of all reasonable steps
 - (a) for the purpose of securing compliance with paragraph 28(1) of Schedule 2B to the Act;
 - (b) for the purpose of securing that any officer authorised for the purpose of any provision of Schedule 2B to the Act possesses appropriate expertise to perform the particular tasks that he will be required to undertake which are mentioned in the provision in question;
 - (c) for securing that a member of the public may readily confirm the identity or authority of an officer so authorised;
 - (d) for securing that identity cards, uniforms, liveried vehicles and other things carried, worn or used by an officer so authorised which confirm or suggest that he may be such an officer are not misused;
 - (e) for securing that all officers so authorised by the licensee comply with the provisions of the Rights of Entry (Gas and Electricity Boards) Act 1954; and
 - (f) for securing that where, in relation to any premises -
 - a power of entry would be conferred on the licensee by Schedule
 2B to the Act but for the fact that the premises in question are secondary sub-deduct premises; but
 - (ii) rights have been obtained by the relevant supplier which provide, as nearly as may be, for the licensee to enter the

premises in question on the same basis as where such a power would be so conferred,

the licensee complies, in relation to any entry of the premises in accordance with those rights, with the requirements imposed on gas shippers by paragraph 28(1) of the said Schedule 2B, and the requirements of sub-paragraphs (b) to (d) are complied with in relation to any officer authorised by the licensee to enter the premises as if the officer were authorised for the purposes of the appropriate provision of that Schedule.

2. If, in respect of any premises, any officer authorised for the purpose of any provision of Schedule 2B to the Act, or by the licensee as mentioned in paragraph 1(f) in respect of any premises, or premises of any description or situated in any area, is an officer or servant of an agent of the licensee, or if the relevant transporter provides like information to the licensee in relation to the transporter's agents, the licensee shall inform each relevant supplier (other than the holder of this licence if it is a relevant supplier), naming the agent in question.

Condition 16B. Exercise of Powers of Entry

1. As respects the powers of entry conferred on its authorised officers by Schedule 2B to the Act or such rights obtained as mentioned in paragraph 1(f) of standard condition 16A (Authorisation of Officers), the licensee shall use its reasonable endeavours to avoid undue disturbance to owners or occupiers of premises as a result of visits being made to their premises by authorised officers of different licence holders exercising powers of entry for like purposes.

Condition 17. Release of Terminal Operators from Certain Liabilities

- 1. The licensee shall execute, in relation to each relevant terminal operator (within the meaning of paragraph 4), a deed in terms approved by the Authority for the purposes of this condition generally, releasing that operator from any such liability to the licensee as is mentioned in paragraph 2 and shall execute and deliver such deed to the relevant terminal operator concerned -
 - (a) in the case of one which is a relevant terminal operator at the date on which this licence comes into force, as soon as is reasonably practicable within a month of that date, or
 - (b) in the case of any other relevant terminal operator, as soon as is reasonably practicable within a month of the date on which it notifies the licensee that it has become such an operator,

so, however, that, if on the date referred to in sub-paragraph (a) or (b) the form of the deed has not been designated by the Authority, the sub-paragraph in question shall have effect as if it referred to the date of such designation.

- 2. The liability referred to in paragraph 1 is any liability which a relevant terminal operator has, or may have, to the licensee arising out of the provision to a relevant transporter, or to a gas transporter which conveys gas directly or indirectly to a relevant transporter, of such information as is mentioned in paragraph 3 -
 - (a) including (subject to sub-paragraph (b)) any such liability which arises in consequence of negligence or the breach of a statutory duty on the part of the operator, but
 - (b) excluding any such liability which arises in consequence of -
 - (i) a wilful or reckless misstatement; or
 - (ii) bad faith, fraud or dishonesty.

- 3. The information referred to in paragraph 2 is information relating to the calorific value or to the total quantity of gas expected to be conveyed or which could be conveyed through pipes, over a particular period, by the relevant terminal operator to the pipe-line system of a relevant transporter, or of a gas transporter which conveys gas directly or indirectly to a relevant transporter, being information which -
 - (a) is relevant to the operation of the relevant transporter's pipe-line system; and
 - (b) either -
 - (i) is specified or described in a direction given by the Secretary of State under a condition subject to which the exemption under section 6A of the Act, in pursuance of which the relevant terminal operator so conveys gas, was granted; or
 - (ii) could have been so specified or described and is specified or described in an arrangement between the relevant terminal operator and the gas transporter to which the operator conveys gas in pursuance of the exemption.
- 4. In this condition, "relevant terminal operator" means a person who conveys gas through pipes to the pipe-line system of a relevant transporter (whether directly or indirectly) from a point which is immediately upstream from a delivery point of any gas transporter.

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:
 - 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:
 - meet key programme milestones for the completion of any action(s) assigned to the licensee;
 - adhere to any remedial plan put in place to address any issues, delays or slippage that may impact the licensees 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.

<u>Condition 19. Energy Administration and Energy Supply Company</u> <u>Administration: Shortfall Contribution Obligations</u>

- Pursuant to Chapter 3 of Part 3 of the Energy Act 2004 and Chapter 5 of Part
 2 of the Energy Act 2011 and in accordance with this condition, the licensee
 shall, for the purpose of raising any sums specified in a shortfall direction, pay
 to the NTS operator such monies as result from any modification or
 modifications to the charges of the NTS operator made pursuant to Special
 Condition 11D (Energy Administration: NTS Shortfall Contribution
 Obligations) of the NTS operator's gas transporter licence.
- 2. For the avoidance of doubt, the modified charges to be paid by the licensee in accordance with paragraph 1 above shall be payable in accordance with the licensee's obligations governing the payment of those charges to the NTS operator, except insofar as required by the shortfall direction and so notified to the licensee by the NTS operator.
- 3. If it does not make the payment or payments required by this condition on or before the date required in accordance with paragraph 2 above, the licensee shall pay to the NTS operator an amount representing the rate or rates of interest applicable to any part or parts of the amount to be raised by the NTS operator, specified in the shortfall direction issued to the NTS operator pursuant to Special Condition 11D (Energy Administration and Energy Supply Company Administration: NTS Shortfall Contribution Obligations) of the NTS operator's licence and set out in the notice given to the licensee by the NTS operator, which interest payment shall be made by the licensee as soon as possible after, and in any event within 28 days, of the date of the invoice from the NTS operator for such payment.
- 4. In this condition:

- (a) any words or expressions used in Chapter 3 of Part 3 of the Energy Act 2004 shall, unless the contrary intention appears, have the same meaning as they do in that Chapter when used in this condition;
- (b) any words or expressions used in Chapter 5 of Part 2 of the Energy Act 2011 shall, unless the contrary intention appears, have the same meaning as they do in that Chapter when used in this condition;
- (c) "NTS operator" shall have the same meaning as in Standard Special Condition A3 of National Grid Gas plc's gas transporter licence in respect of the NTS; and
- (d) "shortfall direction" shall have the same meaning as in the Special Condition 11D (Energy Administration and Energy Supply Company Administration: NTS Shortfall Contribution Obligations) of National Grid Gas plc's gas transporter licence in respect of the NTS.