

To:
National Grid Gas Plc (NTS)
Cadent Gas Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales & West Utilities Limited

Gas Act 1986
Section 23(2)

Notice of statutory consultation on a proposal to modify the Special Conditions and Standard Special Conditions of the Gas Transporter licence held by the licensees listed above

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the Special Conditions and Standard Special Conditions (SSCs) of the Gas Transporter licence held by each of the above licensees ('the licensees') granted or treated as granted under section 7 of the Gas Act 1986 by:
 - a. removing the existing Special Conditions;
 - b. inserting new Special Conditions;
 - c. amending the SSCs set out in Annex 1;
 - d. inserting new SSCs set out in Annex 2; and
 - e. removing existing SSCs set out in Annex 3.
2. We are proposing these modifications to give effect to our RIIO-2 Final Determinations for Gas Transmission and Gas Distribution companies. The proposals also aim to improve the clarity of the licence and its relationship with the Price Control Financial Instruments established by the licence.
3. The reasons and effects of the proposed modifications, together with the full text of the proposed modifications can be found at <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>, alternatively they are available from foi@ofgem.gov.uk.
4. In addition, further details and background on these proposed changes are set out in the following documents:
 - a. RIIO-2 informal licence drafting consultation for Transmission, Gas Distribution and Electricity System Operator licences;²
 - b. RIIO-2 Draft determinations for Transmission and Gas Distribution companies and the Electricity System Operator;³ and
 - c. RIIO-2 Final Determinations for Transmission and Gas Distribution companies and the Electricity System Operator.⁴

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

² <https://www.ofgem.gov.uk/publications-and-updates/riio-2-informal-licence-drafting-consultation-transmission-gas-distribution-and-electricity-system-operator-licences>

³ <https://www.ofgem.gov.uk/publications-and-updates/riio-2-draft-determinations-transmission-gas-distribution-and-electricity-system-operator>

⁴ <https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

5. Our responses to issues raised by stakeholders as part of the RIIO-2 informal licence drafting consultation for Transmission, Gas Distribution and Electricity System Operator licences can be found at <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>.
6. Any representations with respect to the proposed licence modification/modifications must be made on or before 19 January 2021 to: Eilidh Alexander, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Eilidh.alexander@ofgem.gov.uk.
7. 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. We prefer to receive responses in an electronic form so they can be placed easily on our website.
8. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

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

17/12/2020

Annex 1: SSCs we are proposing to amend

Condition	Licensees applicable to
Standard Special Condition A3: Definitions and Interpretation (Schedule 1 only shows definitions we propose to remove or amend).	All listed above
Standard Special Condition A8: Emergency Services and Enquiry Service Obligations	All listed above
Standard Special Condition A14: Availability of Data Formats	All listed above
Standard Special Condition A15. Central Data Service Provider (previously numbered Standard Special Condition A15A)	All listed above
Standard Special Condition A28. Gas Network Innovation Strategy	All listed above
Standard Special Condition A31: Supply Point Information Service	All listed above
Standard Special Condition A36: Restriction on Activity and Financial Ring Fencing	All listed above
Standard Special Condition A37: Availability of Resources	All listed above
Standard Special Condition A38: Credit rating of the licensee and resulting obligations	All listed above
Standard Special Condition A39: Indebtedness	All listed above
Standard Special Condition A40: Regulatory Instructions and Guidance	All listed above
Standard Special Condition A48: Last Resort Supply: Payment Claims	All listed above
Standard Special Condition A55: Data Assurance Requirements	All listed above
Standard Special Condition D10. Quality of service standards	Cadent Gas Limited Northern Gas Networks Limited Scotland Gas Networks plc Southern Gas Networks plc Wales & West Utilities Limited
Standard Special Condition D12. Requirement to offer terms for the provision of gas entry points, and to respond to green gas entry applications	Cadent Gas Limited Northern Gas Networks Limited Scotland Gas Networks plc Southern Gas Networks plc Wales & West Utilities Limited

Annex 2: SSCs we are proposing to insert

Condition	Licensees applicable to
Standard Special Condition A56: Housekeeping licence modifications	All listed above
Standard Special Condition A57. Exit Capacity Planning	All listed above
Standard Special Condition D21. Treating Domestic Customers Fairly	Cadent Gas Limited Northern Gas Networks Limited Scotland Gas Networks plc Southern Gas Networks plc Wales & West Utilities Limited
Standard Special Condition D22. Modifications to Standard Conditions	Cadent Gas Limited Northern Gas Networks Limited Scotland Gas Networks plc Southern Gas Networks plc Wales & West Utilities Limited

Annex 3: SSCs we are proposing to remove

Condition	Licensees applicable to
SSC A15 Agency	All listed above
SSC A49 Designated Registrar of Pipes	All listed above
SSC A51 Information to be Provided to a Designated Registrar of Pipes	All listed above
SSC D5: Licensee's procurement and use of constraint management services	Cadent Gas Limited Northern Gas Networks Limited Scotland Gas Networks plc Southern Gas Networks plc Wales & West Utilities Limited