

Gas Transporter Licence

Standard Special Conditions

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Standard Special Conditions – Part A

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 underlined. Highlighted text is being consulted on through our Statutory consultation on consequential licence modifications due to the end of the transition period.¹

Standard Special Condition A3: Definitions and Interpretation

1. Unless the context otherwise requires, words and expressions used in Part A: Standard Special Conditions applicable to both NTS and DN licensees, Part B: Standard Special Conditions applicable to all NTS licensees, Part C: Special Conditions applicable to the licensee (NTS), Part D: Standard Special Conditions applicable to all DN licensees, and/or Part E: Special Conditions applicable to the licensee (DN) of this licence shall bear the same meaning as set out in this paragraph, to the extent that they apply to the licensee:

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.

the Regulation

means Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009 ~~concerning on~~ conditions for access to the national gas transmission networks and repealing Regulation 2005/1775/EC, as amended by ~~the 2010 Amending~~

¹ <https://www.ofgem.gov.uk/publications-and-updates/preparing-end-transition-period-statutory-consultation-consequential-licence-modifications-due-end-transition-period>

~~Decision~~Commission Decision

2010/685/EU of 10 November 2010.

Accurate Quotation

means a correct charge in accordance with the licensee's published Gas Connection charging statement.

Annual Report

means a report of that name published by the Authority under Standard Special Condition A40 (Regulatory Instructions and Guidance).

Appropriate Auditor

means:

(a) in the case of a licensee ~~which-that~~ is a company within the meaning of section 1 of the Companies Act 2006, a person appointed as auditor under Chapter 2 of Part 16 of that Act ;

(b) in the case of any other licensee ~~which-that~~ is required by the law of a country or territory within the European Economic Area to appoint an auditor under provisions analogous to those of Chapter 2 of Part 16 of the Companies Act 2006, a person so appointed; and

(c) in any other case, a person who is eligible for appointment as a company auditor under ~~sections 1212 and 1216~~ Part 42 of the Companies Act 2006, ~~or in relation to auditors appointed for financial years beginning before 6 April 2008, a person who is eligible for appointment as a company auditor under~~

	sections 25 and 26 of the Companies Act 1989.
<u>Controlled Gas Escape or Other Controlled Gas Emergency</u>	<u>means a gas escape or other gas emergency where the person reporting the escape or other emergency, after carrying out (or causing to be carried out) the actions advised by the telephone service, advises the operator that the escape of gas or other emergency appears to have ceased.</u>
Customer	<p>means any person supplied or requiring to be supplied with gas at any premises by a gas supplier;</p> <p><u>means domestic and non-domestic customers and prospective customers of licensed gas suppliers, gas shippers, gas suppliers, Independent Gas Connection Providers, licensed gas transporters or any other person requesting Gas Connection services specified under paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards).</u></p>
<u>Customer Objective</u>	<u>means the Fair treatment of each Domestic Customer, including each Domestic Customer in a Vulnerable Situation by the Licensee and any Representative.</u>
<u>Disconnection</u>	<u>means an isolation of a service pipe or pipes and, where required, mains feeding multiple properties.</u>

Diversion

means chargeable and non-chargeable work to relocate existing assets connected to the Transportation System.

Domestic Customer

means a person supplied or requiring to be supplied with gas at ~~domestic~~ Domestic ~~premises~~ Premises (but excluding such a person in so far as he is supplied or requires to be supplied at premises other than ~~domestic~~ Domestic ~~premises~~ Premises).

Emergency Service Provider

shall have the same meaning as in the Gas Safety (Management) Regulations 1996.

ECP Guidance

means the document issued by the Authority in accordance with Standard Special Condition A57 (Exit Capacity Planning).

Examiner

means, in relation to the RIGs, a person whose degree of knowledge and experience of the matters that are the subject of the RIGs will enable them to properly carry out and complete the tasks required of them under the terms of their nomination by the Authority pursuant to the provisions of the RIGs.

Fair

The licensee or any representative would not be regarded as treating a Domestic Customer fairly if their actions or omissions give rise to a likelihood of detriment to the Domestic

	<u>Customer, unless the detriment would be reasonable in all the relevant circumstances.</u>
<u>Fair Treatment Guidance</u>	<u>means the document of that name published on the Authority's Website.</u>
<u>Flow Rate</u>	<u>means the rate at which energy is or may be delivered to the pipe-line system to which this licence relates expressed in GW.</u>
<u>Gas Connection</u>	<u>means the Gas Connection of a service (or any part thereof) under sections 9(1)(b) and 10(2) of the Act for:</u> <ul style="list-style-type: none"> (i) <u>the establishment of a new Gas Connection; or</u> (ii) <u>the alteration of an existing Gas Connection to premises on the transportation system;</u> <u>where a service means a pipe (if any) installed or to be installed between any main and any emergency control valve at the relevant premises.</u>
<u>Gas Entry Agreement</u>	<u>means an agreement made between the licensee and another person for connection to the pipe-line system to which this licence relates at a gas entry point for the purpose of introducing gas into that pipe-line system and/or the delivery of gas onto that pipe-line system.</u>

Gas Entry Point

means a point at which gas may be introduced into the pipe-line system to which this licence relates, but does not include any point at which such pipe-line system is connected to the pipe-line system of either the NTS operator or another DN operator.

Independent Gas Connection Provider

means any person that provides consultancy and/or engineering services in relation to Gas Connections on behalf of customers, gas shippers, gas suppliers and gas transporters.

Instrument Credit Rating

means:

(a) a Long-Term Issue Credit Rating by Standard & Poor's Ratings Group or any of its subsidiaries;

(b) a Long-Term Corporate Obligation Rating by Moody's Investors Services Inc. or any of its subsidiaries;

(c) a rating on the Structured, Project & Public Finance Obligations Long Term Ratings Scale by Fitch Ratings Ltd or any of its subsidiaries;

(d) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (a), (b), or (c) and issued by:

(i) any of the credit rating agencies as referred to in sub-paragraphs (a), (b), or (c); or

Investment Grade

(ii) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.

~~for the purposes of Standard Special Conditions A38 (Credit Rating of the Licensee) and A39 (Indebtedness) only, has the meaning given in Standard Special Condition A38 (Credit Rating of the Licensee);~~

means in relation to any Issuer Credit Rating or Instrument Credit Rating unless otherwise directed:

(a) one of the following:

(i) a rating of not less than BBB- by Standard & Poor's Ratings Group or any of its subsidiaries;

(ii) a rating of not less than Baa3 by Moody's Investors Service Inc. or any of its subsidiaries;

(iii) a rating of not less than BBB-by Fitch Ratings Ltd or any of its subsidiaries;

(iv) in relation to Issuer Credit Ratings only, a rating of not less than BBB (low) by DBRS Ratings Limited or any of its affiliates; or

(v) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (i), (ii), (iii) and (iv) issued by:

(aa) any of the credit rating agencies referred to in sub-paragraphs (i), (ii), (iii) or (iv); or

(bb) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America; or

(b) such higher rating as may be specified by those agencies from time to time as the lowest investment grade credit rating.

IP completion day

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

Issuer Credit Rating

~~for the purposes of Standard Special Condition A38 (Credit rating of the licensee) and Standard Special Condition A39 (Indebtedness) only, has the meaning given in Standard Special Condition A38 (Credit rating of the licensee);~~

means:

(a) an issuer credit rating by Standard & Poor's Ratings Group or any of its subsidiaries;

(b) an issuer credit rating by Moody's Investors Service Inc. or any of its subsidiaries;

(c) an issuer credit rating by Fitch Ratings Ltd or any of its subsidiaries;

(d) an issuer credit rating by DBRS Ratings Limited or any of its affiliates;
or

(e) a rating which, the Authority directs, is equivalent to those referred to in sub-paragraphs (a), (b), (c) or (d) and issued by:

(i) any of the credit rating agencies as referred to in sub-paragraphs (a), (b), (c) or (d); or

(ii) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.

Land Enquiry

means:

- (i) a request by a customer for an indication of the availability of gas, an estimate of pressure that is or may become available, an
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estimate of the cost of the relevant Gas Connection; and

- (ii) where appropriate, the approval of a design for the provision of a new Gas Connection, alteration of an existing Gas Connection, or a Disconnection.

Maximum Flow Rate means the highest rate at which energy is or may be delivered to the pipe-line system to which this licence relates expressed in GW.

Negative Rating Action means a rating agency placing a rating on Negative Watch or a rating agency downgrading a rating to a lower rating.

Negative Watch means the mechanism or mechanisms used by the relevant credit rating agency to identify an issuer that is at risk of a credit rating downgrade in the short or long term, including but not limited to negative designations of S&P CreditWatch, S&P Outlook, Fitch Rating Watch, Fitch Outlook, Moody's Watchlist, or Moody's Rating Outlook.

Non-Standard Quotation means a quotation other than a standard quotation (but excluding a self-quote).

Potential Mitigating Actions means actions designed to improve the Issuer Credit Rating and/or financial resilience, including but not limited to:

(a) dividend restraint;

	<p><u>(b) equity injection or other additional sources of finance;</u></p> <p><u>(c) profiling of investment within the Price Control Period;</u></p> <p><u>(d) cost reduction;</u></p> <p><u>(e) profiling of financial liabilities within the Price Control Period; and</u></p> <p><u>(f) if relevant, negotiations with lenders regarding covenants and possible exemptions.</u></p>
<u>Priority Services Codes</u>	<p><u>means the codes of that name defined in the 'Market Domain Data' document of the industry code titled 'Supply Point Administration Agreement' that relates to transferring data about Vulnerable Customers.</u></p>
<u>Published Rating Report</u>	<p><u>means a rating action announcement, credit opinion report, rating report, research update or transaction update which:</u></p> <p><u>(a) specifically relates to the licensee; and</u></p> <p><u>(b) is published by any rating agency that is paid by the licensee (or a company in the licensee's group) to provide either an Issuer Credit Rating or a Significant Instrument Credit Rating.</u></p>
<u>Regulatory Period</u>	<p><u>means each period of 12 months starting on 1 April.</u></p>
<u>Renewable Source</u>	<p><u>has the meaning given to that term in the Utilities Act 2000.</u></p>

Representative

in relation to the licensee, means any person directly or indirectly authorised to represent the licensee in its dealings with Domestic Customers.

Self-Quote

means a quotation produced by the customer for the provision of a new or alteration of an existing Gas Connection in accordance with any conditions published by the licensee to enable the customer to calculate the cost of the relevant works.

Significant Instrument Credit Rating

means an Instrument Credit Rating relating to debt issued by the licensee or a funding vehicle of the licensee which represents more than 10% of the licensee's total debt.

Specified Information

means as a minimum:

(a) the number of requests which the licensee has received for each of the services referred to in paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards);

(b) the number of requests for each of the services referred to in paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards) in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(a)-(f) of Standard Special Condition D10 (Quality of Service Standards);

(c) the number of requests for each of the services referred to in paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards) in respect of which the licensee has not provided the requested service within the timescales set out in paragraph 2(a)-(f) of Standard Special Condition D10 (Quality of Service Standards);

(d) the amount (if any) paid for the purposes of refunding customers for failure to provide an accurate quotation;

(e) the amount of compensation (if any) paid by the licensee for the purpose of compensating customers entitled to compensation under regulations made under section 33AA of the Act;

(f) the number of times any payment caps specified under regulations made under section 33AA of the Act have been reached;

(g) the results of any audit carried out under paragraph 7- of Standard Special Condition D10 (Quality of Service Standards).above;

(h) the number of Gas Connection, Disconnection and Diversion requests under paragraph 1(a) of Standard Special Condition D10 (Quality of Service Standards) that the licensee has identified as falling within the categories

set out in paragraph 8 of Standard Special Condition D10 (Quality of Service Standards);

(i) the number of calls received under paragraph 1(b) of Standard Special Condition D10 (Quality of Service Standards) and the number of calls in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(g)(i) and 2 (g)(ii) of Standard Special Condition D10 (Quality of Service Standards);

(j) the number of reports received under paragraph 1(c) of Standard Special Condition D10 (Quality of Service Standards) that the licensee has identified as falling within the category set out in paragraph 2(h)(i)(a) or 2(h)(i)(b) of Standard Special Condition D10 (Quality of Service Standards) and the number of reports in respect of which the licensee has provided the requested service within the timescales set out in paragraph 2(h)(i)(a) and 2(h)(i)(b) of Standard Special Condition D10 (Quality of Service Standards) respectively.

Standard Quotation

means a standard quotation (excluding a self-quote) that does not require a site visit.

<u>Standards of Conduct</u>	<u>means the standards set out in paragraph 4 of Standard Special Condition D21.</u>
<u>Substantial Completion</u>	<u>means that the Gas Connection and the emergency control valve to the premises has been installed and commissioned.</u>
<u>Vulnerable Situation</u>	<u>means a situation resulting from a combination of the personal circumstances and characteristics of a Domestic Customer with aspects of the market so that that the Domestic Customer in question is:</u> <u>(a) significantly less able than a typical Domestic Customer to protect or represent their interests; or</u> <u>(b) significantly more likely to suffer detriment or more substantial detriment than a typical Domestic Customer.</u>

2. Where a single legal entity holds more than one licence granted or treated as granted under section 7 of the Gas Act 1986, the provisions of these Standard Special Conditions apply in relation to the relevant licence; except Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources) and Standard Special Condition A39 (Indebtedness) which apply to the single legal entity that holds the licences.

Standard Special Condition A8: Emergency Services and Enquiry Service Obligations

1. The licensee shall:-

- (a) establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, in co-ordination with all other gas transporters a single continuously manned telephone service for use by any person, with the facilities mentioned in paragraph 2, for the receipt of reports and the offering of information, guidance or advice about any matter or incident that:
 - (i) causes danger or requires urgent attention, or is likely to cause danger or require urgent attention, in relation to the supply of gas conveyed through pipes; or
 - (ii) involves the escape of gas from a network or from a gas fitting supplied with gas from a network (where the reference to an escape of gas from a gas fitting includes a reference to an escape or emission of carbon monoxide gas resulting from incomplete combustion of gas in such a fitting);
- (b) arrange with other gas transporters for the information contained in reports received by that service of escapes of gas in respect of which the licensee may have any obligations to be given without delay to the licensee; and
- (c) secure adequate publicity for the service and its telephone number, having regard, in particular, to the special needs of blind or partially sighted persons.

2. The facilities referred to in paragraph 1(a) shall include facilities for deaf or partially hearing persons which will assist them (if they have the equipment enabling them to take advantage thereof) to use the service.

3. The service established by the licensee in accordance with paragraph 1(a) shall:

- (a) except for any charge applied by a user's telephone operator to 0800 numbers, be provided without charge by the licensee to the user at the point of use; ~~and~~
- (b) ensure that all reports and enquiries are processed in a prompt and efficient manner; ~~and~~
- (c) be available to receive and process telephone reports and enquiries at all times on every day of each year.

4. In the establishment and operation of the service in accordance with paragraph 1 the licensee shall not discriminate between any persons or class or classes thereof.
5. In the establishment and operation of the service in accordance with paragraph 1 the licensee shall not restrict, distort or prevent competition in the supply of gas.
6. The licensee shall prepare and submit a statement setting out details of the service to be provided in accordance with paragraph 1, and the licensee shall give or send a copy of such statement to any person requesting it.
7. The licensee shall take steps to inform users of the service of any change to the telephone number of the service established in accordance with paragraph 1 as soon as is practicable prior to such change becoming effective.
8. Subject to paragraph 9, the licensee shall make arrangements which will secure that in preventing an escape of gas in any premises to which it conveys gas (or, where it conveys gas to any primary sub-deduct premises, in any secondary sub-deduct premises to which the gas is subsequently conveyed):
 - (a) the prevention is effected, so far as it is reasonably practicable and safe to do so:
 - (i) in such a way as to maintain the supply of Gas to those premises and to appliances designed for use by domestic customers for heating or cooking; and
 - (ii) by carrying out any appropriate minor repairs to appliances;
 - (b) the prevention is effected, so far as is reasonably practicable, by a person adequately trained to recognise signs of leakage of carbon monoxide and instructed to report any such signs to the owner or occupier of the premises; and
 - (c) if further repair work is required, information is given to the owner or occupier of the premises or, in their absence, left at the premises, as to persons in the locality who are members of a class of persons permitted pursuant to regulations under the Health and Safety at Work etc Act 1974 to perform repairs on gas fittings.
9. Nothing in paragraph 8(a) shall oblige the licensee to carry out any work which cannot be completed within 30 minutes of entering the premises for the purpose of preventing the escape or would use materials costing more than £4.65, adjusted in accordance with standard condition 27 (Adjustment of Amounts by Reference to the Retail Price Index) by reference to the day on which the premises were entered for that purpose.

10. NOT USED

11. NOT USED

12. Except in the case of changes reasonably consequential upon an extension or a restriction of its licence, which are made with effect from the effective date of the extension or the restriction, the licensee shall not make any material change in the arrangements referred to in paragraph 8 except with the consent of the Authority.

13. The licensee shall use its best endeavours to ensure, so far as is reasonably practicable, that it conducts itself towards domestic customers in conformity with the arrangements referred to in paragraph 8.

14. Paragraph 15 shall apply in relation to relevant customers (defined in paragraph 21) and the premises of relevant customers.

15. The licensee shall ensure, so far as is reasonably practicable in the circumstances, having regard to the over-riding importance of safety, that where for reasons of safety (not being reasons relating solely to particular premises or a particular locality), the supply of gas to any relevant customer or the conveyance of gas to that customer's premises needs to be interrupted, reduced or restricted, the licensee shall:

(a) when making such a request of a relevant supplier or shipper as is mentioned in paragraph 1 of standard condition 16 (Pipe-Line System Security Standards) of the standard conditions of gas suppliers' licences or paragraph 2 of standard condition 5 (Obligations as Respects Emergencies etc) of the standard conditions of gas shippers' licences;

(b) when telling a relevant customer that he should refrain from using gas, in pursuance of such a term of that customer's contract for the supply of gas as is mentioned in paragraph 4(b) of standard condition 16 (Security and emergency arrangements) of the standard conditions of Gas Suppliers' licences; or

(c) when interrupting, reducing or restricting the conveyance of gas,

give priority to the maintenance of the supply of gas to, and the conveyance of gas to the premises of, relevant customers or classes of relevant customers in accordance with, and to the extent specified in the list required by paragraph 17, and (to the extent that they supersede

or supplement such list) such directions as may from time to time have been given by the Secretary of State under paragraph 19 or 20.

16. Where the reasons of safety referred to in paragraph 15 relate to the whole or a substantial part of Great Britain or there is a significant shortage of gas affecting the whole or a substantial part of Great Britain, the licensee shall so far as is reasonably practicable in the circumstances having regard to the over-riding importance of safety:

- (a) (i) consult the network emergency co-ordinator; or
- (ii) where the licensee is the network emergency co-ordinator, inform and if appropriate consult the Secretary of State,

on the taking of any such steps as are mentioned in sub-paragraph (a) or (b) of that paragraph; and

- (b) shall do so before taking any such steps.

17. The licensee, if licensed under section 7(2)(a) of the Act, shall:

- (a) unless it has done so before being so licensed, establish a list of relevant customers who should be given priority as respects the maintenance of a supply of gas and the maintenance of the conveyance of gas to their premises; and
- (b) as often as is appropriate, review the list, and so far as appears appropriate, amend it, after consultation with all relevant shippers which appear to the licensee to have an interest in the proposed amendment, and, without prejudice as aforesaid, shall conduct such a review and make any such amendments on being directed so to do by the Secretary of State.

18. When the licensee establishes, reviews or amends any list established under paragraph 17, it shall comply with any direction given by the Secretary of State as to:

- (a) the classes of relevant customers on which the list is to be based;
- (b) any other criteria on which the list is to be based;
- (c) any other customers or classes of customers specifically required to be included in the list; and
- (d) the nature and extent of any priority which will be given to any relevant customer or class of relevant customer as specified in the list.

19. The licensee shall comply with any directions given by the Secretary of State for the purposes of this condition generally requiring priority to be given, in such manner and to such extent as may be specified in the directions, to the maintenance of the supply of gas to, and the conveyance of gas to the premises of, one or more relevant customers or classes of relevant customers.

20. Any question arising under this condition as to whether a particular relevant customer is required to be included in the list established, reviewed or amended under paragraph 17 shall be determined by the Secretary of State.

21. In this condition:

(a) “network emergency co-ordinator” shall be construed in the same manner as that term is construed in the Gas Safety (Management) Regulations 1996; and

(b) “relevant customer” includes:

(i) any person who is supplied by a relevant supplier with gas conveyed to a particular supply point at a rate which is reasonably expected to exceed 732,000 kilowatt hours a year, to the extent that the terms on which that person is supplied permit such supply to be interrupted or reduced only in pursuance of such a term as is mentioned in paragraph 4 of standard condition 16 (Pipe-Line System Security Standards) of the standard conditions of gas suppliers’ licences or in pursuance of directions given under section 2(1)(b) of the Energy Act 1976; and

(ii) any person mentioned in any direction given by the Secretary of State in relation to paragraph 18(c) of this condition.

22. References in this condition to the maintenance of supply or conveyance of gas include references to the resumption of such supply or conveyance following its interruption or reduction.

23. Charges for the provision of services under this condition shall be set at a level which will allow the licensee to recover no more than its reasonable costs and a reasonable profit in providing this service.

Standard Special Condition A14: Availability of Data Formats

1. Where the licensee uses standard file formats for transferring data, for any purposes set out in the network code, between any persons identified in such network code as appropriate persons for the receipt of the data, it shall:
 - (a) make those standard file formats and associated definitions of data items available, free of charge, to gas shippers and other gas transporters for their use in connection with their licensed activities; and
 - (b) comply with its obligations under the network code and ~~the AS agreement (as defined in Standard Special Condition A15 (Agency)) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and~~ the CDSP Service Agreement (as defined in Standard Special Condition A15A (Central Data Services Provider) ~~from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A)~~ in this regard.

Standard Special Condition A15A. Central Data Service Provider

Introduction

1. The purpose of this condition is to provide for the continued appointment of a “central data service provider” (“CDSP”) and to set out the obligations with which the licensee must comply with respect to the ~~establishment and the~~ ongoing operation of the CDSP.

~~2. This condition sets out:~~

- ~~(a) the minimum obligations of the licensee with respect to the appointment of the CDSP (Part A);~~
 - ~~(b) the minimum obligations of the licensee with respect to the CDSP being in place by 1 April 2017 (or such later date as the Authority may direct) (Part B); and~~
 - ~~(c) the minimum obligations of the licensee with respect to the appointment and the ongoing operation of the CDSP (Part C). Part C of this condition comes into effect on 1 April 2017 (or such later date as the Authority may direct).~~
- ~~3. The licensee shall, together with other gas transporters with this condition in effect in their licence (“Relevant Gas Transporters”), ensure that the CDSP is appointed in accordance with Part A below. The licensee shall, together with Relevant Gas Transporters, also ensure that the CDSP is established and is operated in accordance with Part B of this condition by 1 April 2017 (or such later date as the Authority may direct). On that date, Standard Special Condition A15 (Agency) will cease to have effect in accordance with paragraph 1A of that condition.~~

Part A: Obligations of the licensee in appointing the CDSP ensuring the continued appointment of ~~the~~ CDSP

- ~~4.2.~~ The licensee ~~shall~~must, together with Relevant Gas Transporters, ~~appoint~~ ensure that there is in post at all times a person appointed as the CDSP to provide CDSP services and systems (together referred to as “CDSP Services” in compliance with the minimum requirements set out in this Part. Part A of this condition. ~~This appointment shall be made and the CDSP shall be operational from 1 April 2017 (or such later date as the Authority may direct).~~

- ~~5.3.~~ ~~By 1 April 2017 (or such later date as the Authority may direct), the~~The licensee ~~shall~~must, together with Relevant Gas Transporters, ensure that:

- (a) the CDSP’s constitution ~~includes a provision for~~requires the appointment of directors nominated by Relevant Users of CDSP Services other than Relevant Gas Transporters (such users being “Non-RGT Users”);
- (b) Non-RGT Users’ representatives are given the opportunity to participate in the contract management and change management process related to the CDSP

Services and are given the opportunity to participate in the decision making process in respect of matters that will have an effect on the continued appointment and ongoing operation of the CDSP ~~from 1 April 2017 (or such later date as the Authority may direct);~~;

- (c) the CDSP consults with, and takes due regard of responses by Non-RGT Users in respect of ~~theits~~ business plan and budget for CDSP Services ~~in respect of the financial year commencing 1 April 2017 and subsequent years thereafter.~~

~~6.4.~~ The licensee ~~shall~~must, together with Relevant Gas Transporters, ~~raise and progress modifications to the UNC so ensure~~ that the UNC sets out ~~from 1 April 2017 (or such later date as the Authority may direct);~~;

- (a) a requirement that the licensee, each Relevant Gas Transporter and (as a condition of being a party to the UNC) each other user of CDSP Services as such users may be defined in the UNC (to the extent such other users of the CDSP Services are bound by the UNC) be party to a service agreement with the CDSP (“the CDSP Service Agreement”);
- (b) a classification of CDSP Services, including those which are required to be used by Relevant Gas Transporters, gas shippers and other parties to the UNC;
- (c) obligations on the licensee and other users of CDSP Services, to the extent such other users of the CDSP Services are required to be party to the CDSP Service Agreement (the licensee and such other users collectively being “Relevant Users of CDSP Services”) to:
 - (i) jointly control and govern the CDSP on an economic and efficient basis;
 - (ii) use or procure the use of CDSP Services, as set out in the UNC from the CDSP;
 - (iii) keep the CDSP Service Agreement under review to ensure it continues to comply with the relevant sections of the UNC; and
 - (iv) pay for CDSP Services in accordance with the charging statement prepared by the CDSP (“the CDSP Charging Statement”); and
- (d) a process enabling a Relevant User of CDSP Services to appeal the CDSP Annual Budget (as defined in paragraph ~~86~~86(c)) by issuing a notice to the Authority in writing. The circumstances under which such notice can be issued are to be limited to where that party considers the CDSP Annual Budget to not be fit for purpose for the CDSP to be able to fulfil its obligation specified in paragraph ~~75~~75(b) of this condition.

Part B: Minimum obligations relating to the CDSP

~~7.5.~~ The licensee ~~shall~~must, together with Relevant Gas Transporters, ensure that ~~by 1 April 2017 (or such later date as the Authority may direct)~~ the CDSP ~~shall~~is:

- (a) ~~be~~ a company under the joint ownership of the licensee and of Relevant Gas Transporters;
- (b) a company the purpose of which (except where the Authority consents otherwise in writing) is to provide CDSP Services and which shall not return a profit (except where the Authority consents otherwise in writing) (whether income or capital) through its share capital and shall set out within its articles of association a prohibition on the distribution of profits and declaration of dividends (save for dividends in respect of profits relating to periods prior to 1 April 2017 ~~or such later date as the Authority may direct~~); and
- (c) ~~be~~ a company jointly controlled and governed by the licensee and by Relevant Users of CDSP Services. ~~This must be, where this is~~ reflected in the ~~CDSP's company's~~ articles of association, which at a minimum ~~shall require~~ must contain:
 - (v) a provision for the appointment and removal of directors of the CDSP by the licensee and by other Relevant Users of CDSP Services on a transparent and equitable basis;
 - (vi) a provision for the licensee, together with Relevant Gas Transporters, to require the CDSP to make changes to the CDSP Annual Budget where the Authority requires such changes to be made pursuant to the powers given to the Authority in paragraph ~~12~~ 10 of this condition.

8.6. The licensee ~~shall~~ must, together with Relevant Gas Transporters, ensure that ~~by 1 April 2017 (or such later date as the Authority may direct)~~ the CDSP Service Agreement includes obligations on the CDSP to:

- (a) provide or otherwise procure CDSP Services which shall include services required in the UNC for Relevant Gas Transporters, gas shippers and other Relevant Users of CDSP Services;
- (b) provide or otherwise procure CDSP Services effectively to help facilitate the efficient and integrated operation of the gas industry;
- (c) produce, in consultation with Relevant Users of CDSP Services, and publish an annual budget in respect of the delivery of CDSP Services (“the CDSP Annual Budget”);
- (d) publish and keep under review a charging methodology, as required by the UNC, and publish and keep under review the CDSP Charging Statement, setting out its charges calculated in accordance with the charging methodology, both of which must:
 - (vii) ~~shall~~ aim to recover the CDSP Annual Budget (as amended pursuant to any direction from the Authority)
 - (viii) ~~shall~~ facilitate the objective of economic, efficient and transparent charging for the provision of the CDSP Services and ~~will~~ achieve the “Charging Methodology Objectives”;
- (e) The “Charging Methodology Objectives” means the following objectives:

- (i) that compliance with the charging methodology results in charges which reflect the costs incurred by the CDSP for the provision of the CDSP Services;
 - (ii) that, so far as is consistent with sub-paragraph (i), the charging methodology properly takes account of developments in the provision of CDSP Services;
 - (iii) that, so far as is so consistent, compliance with the charging methodology facilitates effective competition between gas shippers, between gas suppliers and between Gas Transporters;
 - (iv) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.
- (f) notify the Authority in writing if it increases its charges during a financial year; and
 - (g) amend the CDSP Annual Budget when directed to do so by the licensee, together with Relevant Gas Transporters, where the Authority requires such changes to be made pursuant to the powers given to it in Part C of this condition.

~~9.7.~~ Except as otherwise provided for within the UNC and/or the CDSP Service Agreement, any modification of the charging methodology shall, where relevant, comply with the requirements of the network code modification procedures as defined in Standard Special Condition A11 (Network Code and Uniform Network Code).

Part C: ~~Obligations of the licensee with respect~~ Appeals to the ongoing operation of Authority on the CDSP Annual Budget

~~10.8.~~ Where the Authority receives a notification under paragraph ~~64~~(d) of this condition it ~~shall~~will decide whether there are grounds for appeal.

~~11.9.~~ While the Authority is considering whether there are grounds for appeal the CDSP Annual Budget under appeal ~~shall~~will continue to be in effect.

~~12.10.~~ If having made its assessment the Authority decides that the appeal should be allowed, it ~~shall~~will issue a direction to every licensee in whose licence this condition has effect requiring the licensee to require the CDSP to make changes to the CDSP Annual Budget as set out in its direction.

~~13.11.~~ The direction, issued under paragraph ~~12.10~~, will state:

- (a) the value of the amended CDSP Annual Budget that is to apply;
- (b) the years in respect of which the amended CDSP Annual Budget applies; and
- (c) any other conditions relating to the CDSP Annual Budget that the Authority deems appropriate to impose on the relevant licensees.

~~14.12.~~ Prior to issuing a direction under paragraph ~~12.10~~ of this condition the Authority ~~shall~~will:

- (a) give notice to all licensees, in whose licence this condition has effect, and other users of CDSP Services that it proposes to issue the direction:
 - (i) specifying the date on which it proposes that it should have effect;
 - (ii) setting out the text of the proposed direction and the Authority's reasons for proposing it; and
 - (iii) specifying the time (which ~~must~~will not be a period of less than 28 days from the date of the notice) within which representations or objections with respect to the proposal may be made; and
- (b) consider any representations or objections in response to the notice that are duly received and not withdrawn.

Standard Special Condition A28. Gas Network Innovation Strategy

Introduction

A28.1. The purpose of this condition is to ~~oblige~~~~set an obligation on~~ the licensee to work with other parties to develop a Gas Network Innovation Strategy. This ~~obligation~~~~requirement~~ is intended to ensure that Relevant Network Licensees ~~work together in relation~~ take a joined up approach to innovation, ~~to take which results in~~ coordinated action on priority areas that offer significant potential benefit, shared learning and ~~in~~ the avoidance ~~minimising~~ of unnecessary duplication.

A28.2. This condition does not prevent the licensee from undertaking Innovation Projects that are not specifically outlined within the Gas Network Innovation Strategy.

Part A: Requirement to create and maintain a Gas Network Innovation Strategy

A28.3. The licensee must develop and maintain a Gas Network Innovation Strategy and must use reasonable endeavours to cooperate with all other Relevant Network Licensees in the development of the Gas Network Innovation Strategy.

~~A28.4. The Relevant Network Licensees must prepare a plan for the development of the first Gas Network Innovation Strategy by 31 August 2017. The first Gas Network Innovation Strategy must be published by 31 March 2018.~~

A28.~~54~~. The licensee must use ~~all~~ reasonable endeavours to work with all other Relevant Network Licensees to ensure the Gas Network Innovation Strategy is reviewed every two years and where necessary, in the majority view of Relevant Network Licensees, is also updated.

Part B: Gas Network Innovation Strategy

A28.~~65~~. The Gas Network Innovation Strategy must:

- (a) set out the procedures for updating it (which must include the requirement to consult with Interested Parties in accordance with Part C below and the biennial review referred to in paragraph A28.~~54~~);
- (b) be kept up to date in accordance with the procedures referred to in paragraph A28.~~65~~(a); and

- (c) be readily accessible to the public from the licensee's ~~W~~website.

A28.76. The Gas Network Innovation Strategy must include:

- (a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the gas network over different time periods that could be addressed through innovative projects;
- (b) a description of the innovative projects and plans the Relevant Network Licensees intend to ~~pursue~~~~make~~ in order to address the challenges referred to in paragraph A28.76(a) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the ~~Gas Network Innovation Strategy~~~~strategy~~ will help to address those challenges;
- (c) a description of the challenges, which the Relevant Network Licensees consider are pertinent to the gas network over different time periods ~~and~~ which are not currently being addressed through projects or plans, including but not limited to projects or plans made by the Relevant Network Licensees and Interested Parties;
- (d) a description of the innovative projects and plans the Relevant Network Licensees intend to ~~pursue~~~~make~~ in relation to the challenges identified in paragraph A28.76(c) of this condition, with particular regard to how future Innovation Projects, which Relevant Network Licensees will seek to initiate over the period of the ~~strategy~~~~Gas Network Innovation Strategy~~, will help to address those challenges. Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to any challenge identified in paragraph A28.76(c), a reason should be provided as part of this description;
- (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort; ~~and~~

- (f) -a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and
- (g) any directions related to the Gas Network Innovation Strategy issued by the Authority.

Part C: Consultation

~~A28.8. The licensee must consult Interested Parties prior to publication, or revision, of the Gas Network Innovation Strategy in cooperation with Relevant Network Licensees and must include a consideration of any representations received in response to the consultation within the Gas Network Innovation Strategy.~~

A28.7. The licensee must, in cooperation with Relevant Network Licensees, have regard to whole system considerations and use reasonable endeavours to consult with Interested Parties and with stakeholders in other sectors prior to publication, or revision, of the Gas Network Innovation Strategy. This includes stakeholders in the following sectors:

- (a) electricity;
- (b) gas;
- (c) heat
- (d) refuse
- (e) telecoms;
- (f) transport; and
- (g) water and wastewater.

A28.8. The licensee must include in the Gas Network Innovation Strategy:

- (a) a description of those Interested Parties and stakeholders referred to in paragraph A28.7, with whom it has consulted; and
- (b) its analysis of any representations relevant to the requirements set out in paragraph A28.6, received in response to the consultation.

Part D: Interpretation

A28.9. For the purposes of this condition:

Gas Network Innovation Strategy

means a document, or suite of documents, published by Relevant Network Licensees that complies, or together comply ~~complies~~ with the requirements of this condition.

Innovation Project

means a project funded by the Network Innovation Competition or, ~~or~~ the Network Innovation Allowance as established by Special Conditions 11 of the Gas Transporter Licence as in as in force on 31 March 2021 and Special Condition 5.2 of the Gas Transporter Licence.

Interested Parties

~~interested parties~~ include, but are not limited to, the Engineering and Physical Sciences Research Council, the Department of Business, Energy and Industrial Strategy, Innovate UK and their successor bodies and holders of a Gas Transporter Licence not regulated through the RIIO model.

Relevant Network Licensee

means the holder of a Gas Transporter Licence with condition A28 in effect in its licence.

Standard Special Condition A31: Supply Point Information Service

1. The licensee shall establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, an information service (the “**supply point information service**”) consistent with its obligations under ~~Standard Special Condition A15 (Agency) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A).~~
2. The licensee shall ensure that the supply point information service fulfils, for all premises connected to the pipe-line system to which this licence relates, including secondary sub-deduct premises, the following functions:
 - (a) the maintenance of a register containing the data set out in paragraph 3 (“**relevant data**”);
 - (b) the amendment of relevant data to reflect changes of supplier in respect of any such premises;
 - (c) in respect of domestic customers or persons acting on their behalf, other than gas shippers or their agents, the provision, in a timely and efficient manner, of such of the relevant data as is referred to in sub-paragraphs 3(a)(iii), 3(b)(iii) and 3(b)(iv) as is reasonably required and requested by that person;
 - (d) in respect of the following applicants:
 - (i) any relevant shipper or agent thereof;
 - (ii) any person identified in the network code as an appropriate person for the receipt of data for balancing and change of supplier purposes; and
 - (iii) any customer (other than a domestic customer) of a gas supplier or person acting on his behalf entitled to such data for the purpose of facilitating changes of supplier in respect of that customer’s premises;

the provision, in a timely and efficient manner, of such of the relevant data as is reasonably required and requested by the applicant;

- (e) the maintenance, subject to sub-paragraphs 6(a), 6(c) and paragraph 7, of an enquiry service for the provision to any customer of a gas supplier, on request and free of charge at the point of use to domestic customers, of such of the relevant data in respect of the supply of gas to premises which are (or which are about to be) owned or occupied by that customer; and
- (f) the taking of such steps as will in the opinion of the licensee secure adequate publicity for the operation of the enquiry service mentioned in sub-paragraph 2(e).

3. The data referred to in sub-paragraph 2(a) above is:

- (a) such technical and other data as is necessary to facilitate supply by any gas supplier to any premises connected to the pipe-line system to which this licence relates, including secondary sub-deduct premises, and to meet the reasonable requirements of gas shippers in respect of such premises for information for balancing and change of supplier purposes, including (where so required):
 - (i) the identity of the gas shipper responsible under the network code for the supply point at such premises;
 - (ii) the type of metering equipment installed at each such premises where the licensee has been supplied with details of such equipment; and
 - (iii) a unique and accurate address of each such premises so far as is reasonably practicable, having regard to the nature and source of the information provided to the licensee; and
- (b) such information which is in the possession of the licensee as may be necessary and which is reasonably required for the purpose of –
 - (i) managing the supply of gas to the premises of the customer;
 - (ii) assessing the accuracy of those components of the charges relating to the conveyance of gas to such premises which are specific to the premises of that customer;

- (iii) enabling that customer to contract with another supplier for the supply of gas; or
 - (iv) identifying the supplier to the customer's premises.
- 4. In fulfilling its obligation in accordance with paragraph 1 the licensee shall not restrict, distort or prevent competition in the provision of meter services or gas supply.
- 5. Subject to paragraphs 6 and 7 below, the licensee shall provide to owners or occupiers of premises or sites on which premises are to be constructed or to persons acting on their behalf, who may require a connection to the pipe-line system to which this licence relates on request:
 - (i) such information as is in the possession of the licensee regarding predicted gas pressures on the pipe-line system to which this licence relates as is necessary for the purpose of the design, construction or maintenance of a connecting pipe-line by or on behalf of the connecting party; and
 - (ii) such information as may be required by the requesting party to verify the licensee's requirement to reinforce the pipe-line system to which this licence relates where the requesting party is required to contribute to the cost of that reinforcement.
- 6. The licensee shall be entitled to refuse to provide information on the grounds that-
 - (a) its disclosure would seriously and prejudicially affect the commercial interests of the licensee, and any question as to whether such interests would be so affected shall be determined by the Authority;
 - (b) a person to whom information is to be provided has refused to enter into an agreement with the licensee that that person will not use the information in question other than for the purpose of facilitating those activities referred to in paragraph 5 above, nor further disclose the information; or
 - (c) in relation to sub-paragraph 2(e), save where the request is made by or on behalf of a domestic customer for the purposes of that customer, the person requesting

the information has declined to pay the licensee, having been requested in writing to do so, a fee equal to the reasonable cost to the licensee of complying with the request save to the extent that such reasonable cost is recoverable from elsewhere. The licensee shall publish, in such manner as shall be appropriate to bring it to the attention of persons likely to be affected by it, a statement setting out the circumstances in which a fee is payable and the amount of any such fee.

7. Paragraph 5 shall not require the licensee to produce any documents or provide any information which it could not be compelled to produce or give in evidence in civil proceedings before the court.

Standard Special Condition A36: Restriction on Activity and Financial Ring Fencing

1. Subject to paragraph 1A, and save as provided by paragraphs 3 and 4, the licensee shall not conduct any business or carry on any activity other than any business carried on by the licensee for a purpose within sub-paragraphs (a), (b), and (c) of the definition of “**permitted purpose**” in Standard Special Condition A3 (Definitions and Interpretation).
 - 1A. Nothing in this condition prevents the licensee from carrying out gas production if the licensee:
 - (a) conveys gas to less than 100,000 premises; and
 - (b) is not the NTS operator.
2. The licensee shall not without the prior written consent of the Authority hold or acquire shares or other investments of any kind except:
 - (a) shares or other investments in a body corporate the sole activity of which is to carry on business for a permitted purpose;
 - (b) shares or other investments in a body corporate which is a subsidiary of the licensee and incorporated by it solely for the purpose of raising finance for any purpose falling within sub-paragraphs (a), (b) or (c) of the definition of permitted purpose contained in Standard Special Condition A3 (Definitions and Interpretation) of this licence and any other licence held by the licensee in the same legal entity; or
 - (c) investments acquired in the usual and ordinary course of the licensee’s treasury management operations, subject to the licensee maintaining in force, in relation to those operations, a system of internal controls which complies with best corporate governance practice as required (or, in the absence of any such requirement, recommended) by the UK Listing Authority (or a successor body) from time to time for listed companies in the United Kingdom.
3. Subject to the provisions of paragraph 2, nothing in this condition shall prevent:

- (a) any affiliate in which the licensee does not hold shares or other investments from conducting any business or carrying on any activity;
- (b) the licensee from holding shares as, or performing the supervisory or management functions of, an investor in respect of any body corporate in which it holds an interest consistent with the provisions of this licence;
- (c) the licensee from performing the supervisory or management functions of a holding company in respect of any subsidiary; or
- (d) the licensee from carrying on any business or conducting any activity to which the Authority has given its consent in writing.

4. Nothing in this condition shall prevent the licensee or an affiliate or related undertaking of the licensee in which the licensee holds shares or other investments (a “**relevant associate**”) from conducting de minimis business as defined in this paragraph so long as the limitations specified in this paragraph are complied with:

- (a) For the purpose of this paragraph, “**de minimis business**” means any business or activity carried on by the licensee or a relevant associate or relevant associates other than:
 - (i) the business or activities falling within sub-paragraph (a), (b), or (c) of the definition of “permitted purpose” contained in Standard Special Condition A3 (Definitions and Interpretation);
 - (ii) any other business activity to which the Authority has given its consent in writing in accordance with paragraph 3(d); and
 - (iii) gas production.
- (b) The licensee or a relevant associate may carry on de minimis business provided that neither of the following limitations is exceeded, namely:
 - (i) the aggregate turnover of all the de minimis business carried on by the licensee and the equity share of the aggregate turnover of all the de minimis business carried on by all its relevant associates does not in any period of twelve months commencing on 1 April of any year exceed 2.5 per cent of the aggregate turnover of the transportation business, the

metering business and the meter reading business (excluding the turnover on transactions which each of those businesses make with each other) as shown by the most recent audited regulatory accounts of the licensee prepared under Standard Special Condition A30 (Regulatory Accounts); and

- (ii) the aggregate amount (determined in accordance with sub-paragraph (d) below) of all investments made by the licensee in de minimis business, carried on by the licensee and all relevant associates, does not at any time after the date at which this condition takes effect in this licence exceed 2.5 per cent of the sum of the share capital in issue, the share premium and the consolidated reserves (including retained earnings) of the licensee as shown by the most recent audited regulatory accounts of the licensee prepared under Standard Special Condition A30 (Regulatory Accounts) then available. i
- (c) For the purpose of sub-paragraph (b) above, “**investment**” means any form of financial support or assistance given by or on behalf of the licensee for the de minimis business whether on a temporary or permanent basis and including (without limiting the generality of the foregoing) any commitment to provide any such support or assistance in the future.
- (d) At any relevant time, the amount of an investment shall be the sum of:
 - (i) the value at which such investment was included in the audited historical cost balance sheet of the licensee as at its latest accounting reference date to have occurred prior to 13 December 1999 (or, where the investment was not so included, zero);
 - (ii) the aggregate gross amount of all expenditure (whether of a capital or revenue nature) howsoever incurred by the licensee in respect of such investment in all completed accounting reference periods since such accounting reference date; and
 - (iii) all commitments and liabilities (whether actual or contingent) of the

licensee relating to such investment outstanding at the end of the most recently completed accounting reference period,

less the sum of the aggregate gross amount of all income (whether of a capital or revenue nature) howsoever received by the licensee in respect of such investment in all completed accounting reference periods since the accounting reference date referred to in sub-paragraph (d)(i).

5 For the purposes of paragraph 4, “**equity share**”, in relation to any shareholding, means the nominal value of the equity shares held by the licensee in a relevant associate, as a percentage of the nominal value of the entire issued equity share capital of that relevant associate.

5A. For the purposes of this condition, “**gas production**” means the production of gas for the purpose of its conveyance through pipes to premises, or through a pipeline system operated by a gas transporter or a transmission system operator, including where a licence is held under section 3 of the Petroleum Act 1998 for that purpose but not where such a licence is held for a different purpose.

~~6. —Where the holder of this licence owns one or more relevant gas transporters, the licences for which are held in a single legal entity, references in this condition to “**licensee**” shall mean this legal entity.~~

Standard Special Condition A37: Availability of Resources

1. The licensee shall at all times act in a manner calculated to secure that it has available to itself such resources, including (without limitation) management and financial resources, personnel, fixed and moveable assets, rights, licences, consents, and facilities, on such terms and with all such rights, as shall ensure that it is at all times able:
 - (a) to properly and efficiently carry on the transportation business of the licensee; and
 - (b) to comply in all respects with its obligations under this licence and such obligations under the Act as apply to those activities authorised by this licence including, without limitation, its duty to develop and maintain an efficient, co-ordinated and economical system of gas transportation.

Certificates for the Authority in relation to financial resources

2. The licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee's board of directors and signed by a director of the licensee pursuant to that resolution and is in one of the following forms:
 - (a) Certificate 1F

“After making enquiries and having taken into account in particular (but without limitation) any dividend or other distribution that might reasonably be expected to be declared or paid by the licensee, the licensee's directors have a reasonable expectation that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”
 - or
 - (b) Certificate 2F

“After making enquiries, and subject to what is explained below, having taken into account in particular (but without limitation) any dividend or other distribution which might reasonably be expected to be declared or paid

by the licensee, the licensee's directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.

However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee's ability to carry on the transportation business [followed by a description of the factors concerned].”

or

(c) Certificate 3F

“In the opinion of the licensee's directors, the licensee will not have sufficient financial resources and financial facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

Statement of factors and report by auditors in relation to financial resources certificate

3. The licensee must ensure that the certificate given to the Authority under paragraph 2 is accompanied by:

(a) a statement of the main factors that the licensee's directors have taken into account in giving that certificate including reference to:

(i) the main financial resources and financial facilities available to the licensee;

(ii) the most recent cash flow statement prepared for the licensee;

and

(b) a report prepared by its auditors and addressed to the Authority which states whether or not the auditors are aware of any inconsistencies between, on the one hand, that certificate and the statement submitted with it under sub-paragraph (a), and, on the other hand, any information that they obtained

during their audit work under Standard Special Condition A30 (Regulatory Accounts) on the licensee's regulatory accounts.

Certificates for the Authority in relation to operational resources

4. With effect from 1 August 2013, the licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee's board of directors and signed by a director of the licensee pursuant to that resolution and is in one of the following forms:

(a) Certificate 1R

“After making enquiries the licensee's directors have a reasonable expectation that the licensee will have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents and facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

or

(b) Certificate 2R

“After making enquiries, and subject to what is explained below, the licensee's directors have a reasonable expectation, subject to what is explained below, that the licensee will have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents and facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.

However, the directors of the licensee would like to draw attention to the following factors, which may cast doubt on the licensee's ability to carry on the transportation business [followed by a description of the factors concerned].”

or

(c) Certificate 3R

“In the opinion of the licensee’s directors, the licensee will not have sufficient operational resources including management, personnel, fixed and moveable assets, rights, licences, consents, and facilities available to itself to enable the licensee to carry on the transportation business for a period of 12 months from the date of this certificate.”

Statement of factors in relation to operational resources certificate

5. The licensee must ensure that the certificate given to the Authority under paragraph 4 is accompanied by a statement of the main factors that the licensee’s directors have taken into account in giving that certificate.

Certificate for the Authority in relation to compliance with certain Standard Special Licence Conditions

6. With effect from 1 August 2013, the licensee must by 31 July each year give the Authority a certificate that has been approved by a resolution of the licensee’s board of directors and signed by a director of the licensee pursuant to that resolution and is in one of the following forms:

- (a) Certificate 1C

“After making enquiries the licensee’s directors consider that, at the time of their approval of this certificate, the licensee is in compliance in all material respects with all of the obligations imposed on it by Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Condition 45 (Undertaking from Ultimate Controller), Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and Standard Special Condition A39 (Indebtedness).”

or

- (b) Certificate 2C

“In the opinion of the licensee’s directors, the licensee is not at the time of their approval of this certificate in compliance in all material respects with all of the obligations imposed on it by Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Condition 45 (Undertaking from Ultimate Controller), Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and Standard Special Condition A39 (Indebtedness).”

Obligation to report any adverse circumstances

7. The licensee must inform the Authority in writing immediately if:
 - (a) the directors of the licensee become aware of any circumstance that causes them no longer to have the reasonable expectations expressed in the most recent certificate given under paragraph 2(a), 2(b), 4(a) or 4(b); or
 - (b) the directors of the licensee consider that any adverse circumstances that caused them to give the Authority a certificate in the form of Certificate 3F under paragraph 2(c) or Certificate 3R under paragraph 4(c) have materially worsened.

Certificates for the Authority in relation to dividends

8. Subject to paragraph 11, the directors of the licensee must not declare or recommend a dividend, and the licensee must not make any other form of distribution within the meaning of sections 829, 830, 849 and 850 of the Companies Act 2006, or redeem or repurchase any share capital of the licensee, unless before declaring, recommending, or making the distribution, redemption, or repurchase (as the case may be) the licensee has given the Authority a certificate that complies in all respects with the three requirements set out in paragraphs 9 and 10 below.
9. The first requirement is that the certificate must be in the following form:

“After making enquiries, the directors of the licensee are satisfied:

- (a) that, at the time of their approval of this certificate, the licensee is in compliance in all material respects with all of the obligations imposed on it by Standard Special Condition A26 (Provision of Information to the Authority), Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing), Standard Special Condition A37 (Availability of Resources), Standard Condition 45 (Undertaking from Ultimate Controller), Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and Standard Special Condition A39 (Indebtedness); and
 - (b) that the making of a distribution, redemption, or repurchase of [value] on [date] will not, either alone or when taken together with other circumstances reasonably foreseeable at the date of this certificate, cause the licensee to be in breach to a material extent of any of those obligations in the future.”
- 10. The second and third requirements are that the certificate:
 - (a) must have been approved by a resolution of the licensee’s board of directors passed not more than 14 days before the date on which the declaration, recommendation, or payment is to be made; and
 - (b) must be signed by a director of the licensee.
- 11. The licensee need not give the Authority a certificate of the type referred to in paragraph 8 in circumstances where:
 - (a) during the three months preceding the declaration or recommendation of a dividend, the making of any other form of distribution or the redemption or repurchase of share capital, it has given the Authority a certificate in the form of Certificate 1C under the requirement set out in paragraph 6 of this condition; and
 - (b) that certificate includes an appropriate addendum using the form of the wording given at paragraph 9(b) of this condition.
- 12. Where the certificate given under paragraph 8, or relied upon under paragraph 11, relates to the declaration or recommendation of a dividend, the licensee is under no obligation to issue a further certificate before paying that dividend so long as such payment is made within six months of the date on which the certificate was given.

Requirement to maintain an intervention plan

13. The licensee must prepare by 1 April 2014, or within 12 months of this condition coming into effect in respect of the licensee, whichever is the later, and thereafter, maintain an intervention plan fulfilling the criteria described in the definition of intervention plan in paragraph 1~~5~~⁶ below.
14. The requirement for the information described in any of sub-paragraphs (a) to (k) in the definition of intervention plan in paragraph 1~~5~~⁶ below to be included in the intervention plan will be satisfied if the plan provides details of other documents or records (including electronic records) where that information can be readily obtained and those documents or records are either maintained by the licensee itself or are available to the licensee at all times under a legal or contractual right.

Interpretation

~~15. —Where the holder of this licence owns one or more relevant gas transporters, the licences for which are held in a single legal entity, references in this condition to “licensee” shall mean this legal entity.~~

~~16~~¹⁵. In this condition:

“associate” means:

- (a) an affiliate or related undertaking of the licensee;
- (b) an ultimate controller of the licensee;
- (c) a participating owner of the licensee; or
- (d) a common control company.

“common control company” means any company, any of whose ultimate controllers (applying the definition set out in Standard Special Condition A3 (Definitions and Interpretation) but substituting that company for the licensee) is also an ultimate controller of the licensee.

“intervention plan” means a document or set of documents (which may be in a suitably secure electronic format) containing information that would be sufficient to allow an energy administrator (within the meaning of Chapter 3 of Part 3 of the Energy Act 2004) readily to obtain information on:

- (a) the financial assets, resources, and facilities of the licensee;
- (b) the non-financial assets, rights, and resources of the licensee including information on key management and operational personnel and information technology systems;
- (c) the liabilities of the licensee, including contingent and contractual liabilities, with counterparty and maturity information;
- (d) the tax affairs of the licensee;
- (e) the personnel of the licensee and any pension schemes sponsored or administered by the licensee;
- (f) any mortgages, charges, or other forms of security over the licensee's assets;
- (g) the systems and processes by which the licensee carries on the transportation business with information on any significant contractual arrangements, including those that impose obligations on the licensee;
- (h) any arrangements under which the licensee has relinquished operational control over transportation assets (as that term is defined in Standard Special Condition A27 (Disposal of Assets and restrictions on charges over Receivables)) to an associate of the licensee;
- (i) any contractual rights to receive cash or other financial assets from any associate of the licensee;
- (j) any contractual obligations to deliver cash or other financial assets to any associate of the licensee; and
- (k) the licensee's arrangements and procedures for ensuring compliance with legislative requirements and with its obligations under this licence, including price control reporting requirements.

“participating owner” - For the purposes of the definition of associate above, a person is subject to a participating interest by another person (a participating owner) if:

- (a) that other person holds a participating interest in the person; or
- (b) the person is subject to a participating interest by a person who is himself subject to a participating interest by that other person.

“participating interest” has the meaning given in section 421A of the Financial Services and Markets Act 2000.

~~47~~16. NOT USED.

Standard Special Condition A38: Credit rating of the licensee and resulting obligations

~~1. The licensee shall take all appropriate steps to ensure that the licensee maintains at all times an investment grade issuer credit rating.~~

~~2. In this condition:~~

~~“issuer credit rating” means:~~

~~—— (a) — an issuer credit rating by Standard & Poor’s Ratings Group or any of its subsidiaries;~~

~~—— (b) — an issuer credit rating by Moody’s Investors Service Inc. or any of its subsidiaries;~~

~~—— (c) — an issuer credit rating by Fitch Ratings Ltd or any of its subsidiaries;~~

~~—— (d) — an issuer credit rating by DBRS Ratings Limited or any of its affiliates; or~~

~~(e) — a rating which, in the opinion of the Authority, notified in writing to the licensee, is equivalent to those referred to in sub-paragraphs (a), (b), (c) or (d) issued by:~~

~~—— (i) — any of the credit rating agencies referred to in sub-paragraphs~~

~~—— (a), (b), (c) or (d); or~~

~~—— (ii) — any other reputable credit rating agency which, in the~~

~~—— opinion of the Authority, notified in writing to the licensee, has~~

~~—— comparable standing in both the United Kingdom and the~~

~~—— United States of America.~~

~~In relation to any issuer credit rating, “investment grade” means:~~

~~—— (a) — unless sub-paragraph (b) below applies:~~

~~—— (i) — an issuer credit rating of not less than BBB by Standard & Poor’s Ratings Group or any of its subsidiaries;~~

~~—— (ii) — an issuer credit rating of not less than Baa3 by Moody’s Investors Service Inc. or any of its subsidiaries;~~

~~—— (iii) — an issuer credit rating of not less than BBB by Fitch Ratings Ltd or any of its subsidiaries;~~

~~—— (iv) — an issuer credit rating of not less than BBB (low) by DBRS Ratings Limited or any of its affiliates; or~~

~~—— (v) a rating which, in the opinion of the Authority, notified in writing to the licensee, is equivalent to those referred to in sub-paragraphs (i), (ii), (iii) and (iv) and issued by:~~

~~—— (aa) any of the credit rating agencies referred to in sub-paragraphs (i), (ii), (iii) or (iv); or~~

~~—— (bb) any other reputable credit rating agency which, in the opinion of the Authority, notified in writing to the licensee, has comparable standing in both the United Kingdom and the United States of America.~~

~~—— (b) such higher rating as may be specified by those agencies from time to time as the lowest investment grade issuer credit rating.~~

~~3. Where the holder of this licence owns one or more relevant gas transporters, the licences for which are held in a single legal entity, references in this condition to “licensee” shall mean this legal entity.~~

Introduction

1. The purpose of this condition is to place obligations on the licensee in respect of credit ratings, Published Rating Reports, Negative Rating Actions and Financial Resilience Reports.

Part A: Obligation to maintain an Investment Grade Issuer Credit Rating

2. The licensee must use reasonable endeavours to maintain an Investment Grade Issuer Credit Rating at all times.

Part B: Obligation to provide Published Rating Reports

3. Where a Negative Rating Action occurs in respect of the licensee or the licensee’s credit rating is withdrawn, it must within a period of ten Working Days beginning with the date of the related Published Rating Report:
 - a. notify the Authority; and
 - b. if permitted by the relevant rating agency, provide the Authority with a copy of the Published Rating Report, or where the Published Rating Report relates to the wider group provide such parts as are relevant to the licensee.

Part C: Obligation to provide Financial Resilience Reports

4. The licensee must provide the Authority with a Financial Resilience Report within 60 days of the date of a Negative Rating Action relating to the licensee, if :
 - a. the licensee’s highest rating held for an Issuer Credit Rating or Significant Instrument Credit Rating is one notch higher than the lowest Investment Grade and that Issuer Credit Rating or Significant Instrument Credit Rating is on Negative Watch;

- b. the licensee's Issuer Credit Rating or Significant Instrument Credit Rating is downgraded to the lowest Investment Grade or lower, or
- c. the licensee has a debt covenant linked to a specific Issuer Credit Rating or Significant Instrument Credit Rating and that rating is one notch above the minimum covenant requirement and is on negative watch or the rating is lower than one notch above the minimum rating requirement.

5. The Financial Resilience Report must include:

- a. an assessment of the licensee's current and forecast financial standing, including an assessment of resilience to downside scenarios relating to either operational performance or macro-economic events;
- b. financial projections for the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period, whichever is longer; and
- c. details of Potential Mitigating Actions the licensee could take to improve its financial resilience and an indication of whether such actions are planned.

6. The financial projections required by paragraph 5(b) must include:

- a. a forecast balance sheet;
- b. income statements;
- c. cashflow statements;
- d. key financial metric projections; and
- e. results of any stress tests that the licensee considered appropriate.

Standard Special Condition A39: Indebtedness

1. In addition to the requirements of Standard Special Condition A27 (Disposal of Assets and restrictions on charges over Receivables), the licensee shall not without the prior written consent of the Authority (following the disclosure by the licensee of all material facts):
 - (a) create or continue or permit to remain in effect any mortgage, charge, pledge, lien or other form of security or encumbrance whatsoever, undertake any indebtedness to any other person or enter into any guarantee or any obligation otherwise than:
 - (i) on an arm's length basis;
 - (ii) on normal commercial terms;
 - (iii) for a permitted purpose; and
 - (iv) (if the transaction is within the ambit of Standard Special Condition A27 (Disposal of Assets and restrictions on charges over Receivables)) in accordance with that condition;
 - (b) transfer, lease, license or lend any sum or sums, asset, right or benefit to any associate of the licensee otherwise than by way of:
 - (i) a dividend or other distribution out of distributable reserves;
 - (ii) repayment of capital;
 - (iii) payment properly due for any goods, services or assets provided on an arm's length basis and on normal commercial terms;
 - (iv) a transfer, lease, licence or loan of any sum or sums, asset, right or benefit on an arm's length basis, on normal commercial terms and made in compliance with the payment condition referred to in paragraph 2;
 - (v) repayment of or payment of interest on a loan not prohibited by sub-paragraph (a);
 - (vi) payments for group corporation tax relief calculated on a basis not exceeding the value of the benefit received; or

(vii) an acquisition of shares or other investments in conformity with paragraph 2 of Standard Special Condition A36 (Restriction on Activity and Financial Ring Fencing) made on an arm's length basis and on normal commercial terms,

provided, however, that the provisions of paragraph 3 below shall prevail in any of the circumstances described or referred to therein;

(c) enter into an agreement or incur a commitment incorporating a cross-default obligation or continue or permit to remain in effect any agreement or commitment incorporating a cross-default obligation,

provided, however, that the provisions of sub-paragraph (c) shall not prevent the licensee from giving any guarantee permitted by and compliant with the requirements of sub-paragraph (a).

2. The payment condition referred to in paragraph 1(b)(iv) is that the consideration due in respect of the transaction in question is paid in full when the transaction is entered into unless either:

(a) the counter-party to the transaction has and maintains until payment is made in full an Investment Grade Issuer Credit Rating; or

(b) the obligations of the counter-party to the transaction are fully and unconditionally guaranteed throughout the period during which any part of the consideration remains outstanding by a guarantor which has and maintains an Investment Grade Issuer Credit Rating.

3. Except with the prior consent of the Authority, the licensee shall not enter into or complete any transaction of a type referred to or described in paragraph 1(b) save in accordance with paragraph 9, if any of the circumstances set out in paragraphs 4 to 8 applies.

4. The circumstance described by this paragraph is that the licensee does not hold an investment grade issuer credit rating.

5. The circumstance described by this paragraph is that the licensee holds more than one issuer credit rating and one or more of the ratings so held is not investment grade.

6. The circumstance described by this paragraph is that any Issuer Credit Rating held by the licensee is BBB- by Standard & Poor's Ratings Group or Fitch Ratings Ltd or Baa3 by Moody's Investors Service, Inc. or BBB (low) by DBRS Ratings Ltd or any of its affiliates (or such higher Issuer Credit Rating as may be specified by any of

these

credit rating agencies from time to time as the lowest investment grade issuer credit rating), or is an equivalent rating from another agency that has been notified to the licensee by the Authority as of comparable standing for the purposes of Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations) and:

- (a) is on review for possible downgrade; or
- (b) is on Credit Watch or Rating Watch with a negative designation;
or, where neither (a) nor (b) applies:
- (c) the rating outlook of the licensee as specified by any credit rating agency referred to in this paragraph 6 which at the relevant time has assigned the lower or lowest ~~I~~investment ~~G~~rade ~~I~~ssuer ~~C~~redit ~~R~~ating held by the licensee has been changed from stable or positive to negative.

7. The circumstance described by this paragraph is that the licensee has:

- (a) given the Authority a certificate in the form of Certificate 3F under the requirement set out in paragraph 2 of Standard Special Condition A37 (Availability of Resources) and has not subsequently given the Authority a certificate in the form of Certificate 1F or Certificate 2F as set out in the same condition; or
- (b) given the Authority a certificate in the form of Certificate 3R under the requirement set out in paragraph 4 of Standard Special Condition A37 (Availability of Resources) and:
 - (i) the opinion expressed in the certificate arises in whole or in part from circumstances affecting an associate of the licensee, and
 - (ii) the licensee has not subsequently given the Authority a certificate in the form of Certificate 1R or Certificate 2R as set out in the same condition;

or

- (c) informed the Authority of any circumstance of the type set out in paragraph 7 of Standard Special Condition A37 (Availability of Resources) and:
 - (i) the circumstances giving rise to the licensee's report relate to the licensee's financial resources and the licensee has not subsequently given the Authority a certificate in the form of Certificate 1F or 2F as set out in the same condition; or
 - (ii) the circumstances giving rise to the licensee's report relate to the licensee's operational resources and:
 - (aa) relate in whole or in part to circumstances affecting an

associate

of the licensee; and

- (bb) the licensee has not subsequently given the Authority a certificate in the form of Certificate 1R or 2R as set out in the same condition.

8. The circumstance described by this paragraph is that the licensee has, after 1 April 2013, materially breached any formal covenant contained in any loan agreement, commercial paper, bond issue or committed facility that it has entered into with a counterparty, unless one of the following applies:

- (a) the licensee has remedied the breach to the satisfaction of the counterparty concerned;
- (b) the licensee has renegotiated the covenant or arrangement to the satisfaction of the counterparty concerned;

and in either case (a) or (b) the remedy or renegotiation has been notified in writing to the Authority;

or

- (c) in response to a written request from the licensee, either the Authority has confirmed in writing, before the breach occurs, that the breach in question shall not trigger the provisions of paragraphs 3 and 9, or the Authority has not provided a substantive response to such a written request within seven days of receiving it.

9. Where under the provisions of paragraph 3, the licensee is prohibited from entering into or completing any transaction of a type referred to or described in paragraph 1(b), the licensee may not without the prior written consent of the Authority (following disclosure of all material facts) transfer, lease, license or lend any sum or sums, asset, right or benefit to any associate of the licensee as described or referred to in paragraph 1(b), otherwise than by way of:

- (a) payment properly due for any goods, services or assets in relation to commitments entered into prior to the date on which the prohibiting circumstances arose, and which are provided on an arm's length basis and on normal commercial terms;
- (b) a transfer, lease, licence or loan of any sum or sums, asset, right or benefit on an arm's length basis, on normal commercial terms and where the value of the consideration due in respect of the transaction in question is payable wholly in cash and is paid in full when the transaction is entered into;
- (c) repayment of, or payment of interest on, a loan not prohibited by paragraph 1(a) and which was contracted prior to the date on which the prohibiting

circumstances arose, provided that such payment is not made earlier than the original due date for payment in accordance with its terms; and

- (d) payments for group corporation tax relief calculated on a basis not exceeding the value of the benefit received, provided that the payments are not made before the date on which the amounts of tax thereby relieved would otherwise have been due.

10. In this condition:

“associate”

means:

- a) an affiliate or related undertaking of the licensee;
- b) an ultimate controller of the licensee;
- c) a participating owner of the licensee; or
- d) a common control company.

“common control company”

means any company, any of whose ultimate controllers (applying the definition set out in Standard Special Condition A3 (Definitions and Interpretation) but substituting that company for the licensee) is also an ultimate controller of the licensee.

“cross-default obligation”

means a term of any agreement or arrangement whereby the licensee’s liability to pay or repay any debt or other sum arises or is increased or accelerated or is capable of arising, of increasing or of being accelerated by reason of a default (howsoever such default may be described or defined) by any person other than the licensee, unless:

- (i) that liability can arise only as the result of a default by a subsidiary of the licensee;

- (ii) the licensee holds a majority of the voting rights in that subsidiary and has the right to appoint or remove a majority of its board of directors; and
- (iii) that subsidiary carries on business only for a purpose within sub-paragraphs (a), (b), (c) or (d) of the definition of permitted purpose set out in Standard Special Condition A3 (Definitions and interpretation).

“indebtedness”

means all liabilities now or hereafter due, owing or incurred, whether actual or contingent, whether solely or jointly with any other person and whether as principal or surety, together with any interest accruing thereon and all costs, charges, penalties and expenses incurred in connection therewith.

“investment grade”

~~has the meaning given in paragraph 2 of Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations).~~

“issuer credit rating”

~~has the meaning given in paragraph 2 of Standard Special Condition A38 (Credit Rating of the Licensee and resulting obligations).~~

“participating owner”

For the purposes of the definition of associate above, a person is subject to a participating interest by another person (a **“participating owner”**) if:

- a) that other person holds a participating interest in the person; or
- b) the person is subject to a participating interest by a person who

is himself subject to a participating interest by that other person.

“participating interest”

has the meaning given in section 421A of the Financial Services and Markets Act 2000.

~~11. —Where the holder of this licence owns one or more relevant gas transporters, the licences for which are held in a single legal entity, references in this condition to “licensee” shall mean this legal entity.~~

Standard Special Condition A40: ~~Regulatory Instructions and Guidance~~ (RIGs)

Introduction

~~1. The purpose of this~~ This condition ~~is to set~~ sets out the scope, contents, and common governance arrangements for the ~~Regulatory Instructions and Guidance~~ (“RIGs”) ~~published by the Authority pursuant to this condition.~~

1. The RIGs are the primary means by which the Authority directs the licensee to collect and provide the information to the Authority that the Authority needs to enable it to administer the ~~Special Conditions~~ special conditions of this licence and, where not referenced in the licence, the ~~final proposals.~~ Final Determinations.

~~Part A: Licensee’s obligations under this condition~~

~~2. Unless and so far as the Authority otherwise consents, the licensee must have in place and maintain appropriate systems, processes, and procedures to enable it:~~

- ~~(a) to estimate, measure, and record the information detailed in the RIGs (“specified information”); and~~

- ~~2. to provide such information to the~~ The Authority also uses this information in preparation of an Annual Report.

Part A: The RIGs

- ~~(b) The Authority in respect of such periods and within such timeframes as are specified in~~ will issue and amend the RIGs.

~~2.3. To facilitate compliance with paragraph 3 of this condition, the accounting records and other records kept by the licensee with respect to the specified information must:~~ direction.

- ~~(a) be so arranged as to ensure that such information can be separately identified and reasonably attributed as between the licensee’s business and the business of any affiliate or related undertaking of the~~

licensee; and

(b) ~~be maintained for a period of eight years, or such shorter period as set out in the RIGs, from the date that they are made.~~

~~Part B: Scope and content of the RIGs~~

4. The Authority will maintain a current version of the RIGs on the Authority's Website.

~~3.5.~~ Subject to paragraphs 6 and 7 of this condition, the ~~matters that may be included, or for which RIGs will make provision may be made, in the RIGs are~~for:

- a) ~~instructions and guidance on the establishment of systems, processes, procedures, and ways for recording and providing specified information~~Specified Information;
- b) instructions and guidance on the standards of accuracy and reliability that are applicable to the recording of ~~specified information~~Specified Information (including different classes of such information);
- c) a timetable for the development of such systems, processes, and procedures as are required to achieve such standards;
- d) the methodology for calculating or deriving numbers comprising ~~specified information~~Specified Information;
- e) provision with respect to the meaning of words and phrases used in ~~defining specified information~~Specified Information;
- f) requirements as to the form and manner in which, or the frequency with which, ~~specified information~~Specified Information must be recorded;

g) requirements as to the form and manner in which, or the frequency with which, ~~specified information~~Specified Information must be provided to the Authority;

h) requirements as to which (if any) of the ~~specified information~~Specified Information is to be subject to audit, the terms on which an auditor is to be appointed by the licensee for that purpose, and the nature of the audit to be carried out by that person;

i) requirements as to the circumstances in which the Authority may appoint an ~~examiner~~Examiner to examine the recording of the ~~specified information~~Specified Information by the licensee;

a statement on whether and to what extent each category of the ~~specified information~~Specified Information is required for the purposes of the RIGs; and

j) provision about how the Authority intends to monitor, assess, and —enforce compliance with the RIGs—(as; and

j) instructions and guidance on the standards of accuracy and reliability that are applicable to which, see also Part E of this condition). the commentary that supports the information provided by licensees under the RIGs (to enable the Authority to assess efficiency and delivery of value to consumers).

4.6. The provisions of the RIGs ~~must~~will not exceed what is reasonably required to achieve the purposes of this condition, having regard to the materiality of the costs likely to be incurred by the licensee in complying with those provisions.

5.7. —No ~~specified information may~~Specified Information will exceed what could be requested from the licensee by the Authority under paragraph 1 of ~~standard special~~

~~condition~~ Standard Special Condition A26 (Provision of information to the Authority) excluding any reference to paragraph 85 of that condition.

~~Part C: Development and modification of the RIGs~~

~~3. The Authority may issue~~ Before issuing new RIGs or ~~modify any existing RIGs by issuing a direction for that purpose to every licensee in whose licence this condition has effect.~~

~~4. Data collected in relation to amending the RIGs the formula year commencing~~ Authority will publish on 1 April 2012 must be reported according to the relevant reporting requirements provided for in these standard conditions as they were in force as at 31 March 2013.

~~5. A direction issued by the Authority under paragraph 8 of this condition will be of no effect unless the Authority has first:~~

~~(a) given notice to all licensees in whose licence this condition has effect that it proposes to issue new RIGs or (as the case may be) to modify the RIGs:~~

~~(i) specifying the date on which it proposes that the provisions of the document to be issued or modified should take effect;~~

~~6.8. setting out the text of the RIGs to be issued or (as the case may be) modified and the Authority's reasons for proposing to issue or modify it; and~~ Website:

~~specifying (a) the time~~ (proposed text of the new or amended RIGs;

~~(b) the date on which will not be less than the Authority intends the new or amended RIGs to come into effect;~~

~~(c) the reasons for the new or amended RIGs; and~~

~~(d) a period of 28 days from the date of the notice) within~~ during which representations in response to such proposals may be made; and on the new or amended RIGs which will not be less than 28 days.

~~(b) — considered any representations in response to the notice that are duly made and not withdrawn.~~

~~7.9.~~ The requirements ~~for the issuing of new RIGs or modification paragraphs 8 of existing RIGS set out in paragraph 10 of~~ this condition may be satisfied by actionsaction taken by the Authority before, as well as by action taken after ~~the coming into effect of this condition, 1 April 2021.~~

Part D: Requirements for new or more detailed information

~~6. — This Part D applies if any modified or new RIGs have the effect of introducing a requirement to provide:~~

~~(a) — a new category of specified information; or~~

~~(b) — an existing category of specified information to a greater level of detail,~~

~~which has not previously been collected by the licensee, whether under the provisions of the RIGs or otherwise.~~

~~7. — Where this Part D applies, the licensee may provide estimates to the Authority in respect of the relevant category of specified information for any formula year specified by the Authority.~~

~~8. — The estimates that are mentioned in paragraph 13 of this condition may be derived from such other information available to the licensee as may be appropriate for that purpose.~~

Part E: Part B: Compliance with the provisions of the RIGs

~~10.~~ The ~~Licensee~~licensee must ~~at all times~~ comply with the ~~provisions of the RIGs for the time being.~~

~~8.11.~~ The licensee must have in force pursuant to this condition, place and maintain appropriate systems, processes, and procedures to enable it to:

~~Any Licensee that is a DN operator and operates one or more distribution networks (as defined in Standard Special Condition A3: Definitions and Interpretation) in a single legal entity must comply~~(a) estimate, measure, and record Specified Information; and

(b) provide Specified Information to the Authority in accordance with the requirements of this condition-RIGs.

12. The accounting records and other records kept by the licensee with respect to the Specified Information must be:

(a) separately identified and reasonably attributed as between the licensee's business and the business of any affiliate or related undertaking of the licensee; and

(b) maintained for a period of eight years, or such shorter period as set out in the RIGs, from the date that they are made.

13. The licensee must take all reasonable steps to validate and check that the Specified Information is complete, reliable and meets the standards prescribed by the RIGs.

9.14. The licensee must, on or before each submission date, write to the Authority to confirm that, in its opinion, the Specified Information in respect of each such networkRegulatory Year meets the standards prescribed by the RIGs.

10.15. Nothing in this condition requires the licensee to provide any documents or give any information that it could not be compelled to produce or give in evidence in civil proceedings before a court.

Part F: Interpretation

~~For~~

Part C: Requirements for new or more detailed information

16. This Part C applies if any new or amended RIGs have the effect of introducing a requirement to provide:

(a) a new category of Specified Information; or

(b) an existing category of Specified Information to a greater level of detail,

which has not previously been collected by the licensee, whether under the provisions of the RIGs or otherwise.

17. purposes Where this Part C applies, the licensee may provide estimates to the Authority in respect of the relevant category of Specified Information for any Regulatory Year specified by the Authority.

14.18. The estimates that are mentioned in paragraph 17 of this condition:- may be derived from such other information available to the licensee as may be appropriate for that purpose.

examiner

~~means, in relation to the RIGs, a person whose degree of knowledge and experience of the matters that are the subject of the RIGs will enable him to properly carry out and complete the tasks required of him under the terms of his nomination by the Authority pursuant to the provisions of the RIGs;~~

final proposals

~~where the licensee is a DN operator means the document entitled RIIO-GD1: Final Proposals—Overview, together with all of the supporting, associated and other relevant documents referred to in that document, which was published on 17 December 2012, and where the licensee is a NTS operator means the document entitled RIIO-T1: Final Proposals for National Grid Electricity Transmission and National Grid Gas—Overview, together with of all the supporting, associated and other documents referred to in that document, which was published on 17 December 2012; and~~

specified information

~~means information (or a category of information) that is so described or defined in the RIGs.~~

Part D: Derogations

19. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the licensee.

Standard Special Condition A48: Last Resort Supply: Payment Claims

1. This condition sets out the circumstances in which the licensee shall increase its transportation charges in order to compensate any gas supplier (a “**claimant**”) which claims for losses that it has incurred in complying with a last resort supply direction.
2. The following provisions apply where the licensee receives from a claimant a valid claim for a last resort supply payment.
3. Where the licensee receives a valid claim it shall, during the relevant year, make a consequential increase to its transportation charges during that year which relate to the conveyance of gas to premises (and secondary sub-deduct premises to which gas is conveyed as contemplated by sub-deduct arrangements) to such an extent as it reasonably estimates to be appropriate to secure that such consequential increase in its revenue equals the specified amount.
4. The licensee shall, during, or as soon as practicable after the end of, the relevant year, pay to the claimant, by quarterly or monthly instalments (as specified in the claim), the amount of that consequential increase in revenue mentioned in paragraph 3 to the extent that it does not exceed the specified amount.
5. If the amount paid to the claimant under paragraph 4 is less than the specified amount, the licensee shall in the following financial year –
 - (a) pay to the claimant (in accordance with any directions given by the Authority) the shortfall together with 12 months’ interest thereon; and
 - (b) increase the charges referred to in paragraph 3 during the year following the relevant year to such extent as it reasonably estimates to be appropriate to secure that the consequential increase in its revenue equals the amount of that shortfall together with 12 months’ interest thereon.

6. If the amount of the consequential increase mentioned in paragraph 3 exceeds the specified amount, the licensee shall, during the year following the relevant year, decrease the charges referred to in paragraph 3 to the extent that it reasonably estimates to be necessary in order to reduce its transportation revenue for that year by an amount equal to the excess together with 12 months' interest thereon.
7. Any question whether any estimate for the purposes of paragraph 3, 5 or 6 is a reasonable one shall be determined by the Authority.
8. The licensee shall not enter into any transportation arrangements which do not permit variation of its transportation charges in pursuance of this condition.
9. The provisions of this condition shall have effect notwithstanding that the licensee has not provided any notice required by paragraph 2 of Standard Special Condition A4 (Charging – General).
10. In calculating the licensee's transportation revenue during any period for the purposes of a price control condition any increase or decrease in revenue attributable to the licensee's compliance with this condition shall be treated as if it had not occurred.
11. The licensee shall prepare, in respect of each year in which it increases or decreases charges in pursuance of paragraph 3, 5 or 6, a statement showing –
 - (a) the aggregate amount of its revenue derived from increases in charges in pursuance of paragraph 3;
 - (b) the aggregate amount of its revenue derived from increases in charges in pursuance of paragraph 5;
 - (c) the aggregate amount of the decrease in its revenue resulting from

decreases in charges in pursuance of paragraph 6, and

- (d) in the case of each last resort supply payment, the aggregate payments to the claimant made in respect of the year in question (whenever those payments were made).

- 12. The licensee shall give the statements referred to in paragraph 11 to the Authority within the first 4 months of the year following that to which they relate.
- 13. On giving the statement mentioned in paragraph 11(d) to the Authority, the licensee shall publish it in such manner as, in the reasonable opinion of the licensee, will secure adequate publicity for it.
- 14. Where the licensee receives more than one claim for a last resort payment, this condition (other than sub-paragraphs 11(a), (b) and (c)) shall apply separately as respects each separate claim but in so far as it results in changes to the licensee's transportation charges it shall have the cumulative effect of such separate applications.
- 15. (a) For the purposes of this condition –
 - “**last resort supply direction**” and “**last resort supply payment**” have the meaning given to them in standard condition 1 (Definitions for standard conditions) of the standard conditions of the gas suppliers licence;
 - “**price control condition**” means any condition of the licence which places a monetary limitation on the transportation charges which may be levied or the transportation revenue which may be recovered by the licensee during a given period;
 - “**relevant year**” means, in relation to any valid claim –
 - (i) where the claim was received by the licensee at least 60 days

before the beginning of a year, that year; or

- (ii) where the claim was received by the licensee less than 60 days before the beginning of a year, the next year;

“**specified amount**” means the amount specified on a valid claim together with interest calculated in accordance with paragraph 4;

“**valid claim**” means a claim for which a claimant has been given a consent by the Authority pursuant to standard condition 9 (Claims for Last Resort Supply Payment) of the standard conditions of the gas suppliers licence; and

“**year**” means a period of 12 months beginning on 1st April.

- (b) The interest referred to in sub-paragraph (a) is simple interest for the period commencing with the date on which the claim was received by the licensee and ending with the date which is 61 days before the start of the relevant year, except where that period is of 30 days or less, in which case no interest shall be payable.

16. For the avoidance of doubt, the arrangements for administering increases to transportation charges in order to compensate any gas supplier which claims for losses that it has incurred in complying with a last resort supply direction, under the provisions of this condition, shall be administered by ~~the agency (as defined in Standard Special Condition A15 (Agency)) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A)~~ and the Central Data Service Provider (as defined in Standard Special Condition A15A (Central Data Services Provider) ~~from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A)~~, unless the Authority otherwise consents in writing.

Standard Special Condition A55: Data Assurance requirements

Introduction

1. This condition ~~requires~~sets out the ~~licensee to undertake~~ processes and activities ~~for the purpose of reducing~~ the licensee must undertake to reduce the risk, and subsequent impact and consequences, of any inaccurate or incomplete reporting, or any misreporting, of information to the Authority.

~~2. This condition comes into effect in this licence on~~It outlines the ~~earlier of:~~

- ~~(a) process the date on which a data assurance direction in accordance with Authority will follow in issuing and amending the provisions of Part B below has effect; and~~

~~3.2. 1 April 2015~~Data Assurance Guidance.

Part A: Licensee's obligations ~~under this condition~~

~~4.3.~~ The licensee must:

- (a) comply with the provisions of the Data Assurance Guidance ~~(“the DAG”), being a document that will be incorporated into this licence condition by way of licence modification, the scope and contents of which are set out in Part C of this condition, as if it were a condition of this licence;~~
- (b) ~~subject to paragraph 4,~~ where required to provide ~~data~~Data under the provisions of this licence, provide ~~accurate and complete data~~Data which complies with the requirements set out in the Data Assurance Guidance;
- (c) carry out a ~~risk assessment~~Risk Assessment in accordance with such provisions and timescales as are specified for that purpose in the ~~DAG~~Data Assurance Guidance, and ensure that it has used its best endeavours to mitigate such risks as it has identified in that assessment;
- (d) if directed by the Authority, procure an independent review of its ~~data assurance activities~~Data Assurance Activities in accordance with such provisions and timescales as are specified for that purpose in the ~~DAG~~Data Assurance Guidance; and

- (e) provide to the Authority, in accordance with such provisions and timescales as are specified for that purpose in the ~~DAG~~Data Assurance Guidance, reports that ~~variously~~ contain:
- (i) the results of the licensee's ~~risk assessment~~Risk Assessment conducted under subparagraph (c);
 - (ii) a description of the ~~data assurance activities~~Data Assurance Activities that the licensee intends to undertake concerning expected future ~~data~~Data submissions for the relevant reporting period set out in the ~~DAG~~Data Assurance Guidance;
 - (iii) a description of the ~~data assurance activities~~Data Assurance Activities undertaken by the licensee concerning previously submitted ~~data~~Data for the relevant reporting period set out in the ~~DAG~~Data Assurance Guidance; and
 - (iv) if required, the details and results of the independent review procured by the licensee of its ~~data assurance activities~~Data Assurance Activities.

~~5.—Data provided to the level of accuracy and reliability required under the relevant licence condition will be considered to be accurate and complete for the purposes of this condition.~~

~~6.4.~~ 6.4. The licensee must have in place and maintain appropriate systems, processes, and procedures to enable it to perform its obligations under paragraph 3.

~~7.5.~~ 7.5. The licensee must comply with any direction given by the Authority that requires it to carry out (or, where appropriate, to procure and facilitate the carrying out of) a specific ~~data assurance activity~~Data Assurance Activity in accordance with the provisions of Part ~~EC~~.

~~Part B: Requirement for consultation before giving a direction~~

~~A data assurance direction is of no effect unless, before issuing it, the Part B: Data Assurance Guidance~~

~~8.—The Authority has first:~~

- ~~(a)—given notice to all licensees in whose licence this condition has effect that it proposes to~~will issue the direction:
- ~~(i)—specifying the date on which it proposes that it should have effect;~~

~~6. setting out the text of the direction and~~ amend the Data Assurance Guidance by direction.

~~9.7. The Authority will publish the Data Assurance Guidance on the Authority's reasons for proposing to issue it; and Website.~~

~~(ii) specifying the time (which must not be a period of less than 28 days from the date of the notice) within which representations or objections with respect to the proposal may be made; and~~

~~(b) considered any representations or objections in response to the notice that are duly made and not withdrawn.~~

~~Part C: Scope and contents of the data assurance guidance~~

~~10. The DAG may from time to time be revised by the Authority under Part D of this condition.~~

~~11. The purpose of the DAG is to establish a process under which the licensee must comply with its obligations as set out in paragraph 3 (b) to (e).~~

~~12.8. Subject to paragraphs 12 and 13, the DAG may~~ The Data Assurance Guidance will include, or make provision for, any of the following matters:

- ~~(a) the data~~ Data to which the ~~risk assessment~~ Risk Assessment applies;
- ~~(b) the format (including its form, layout, scope and content) of the risk assessment~~ Risk Assessment;
- ~~(c) the frequency with which and the timescales within which the risk assessment~~ Risk Assessment is required to be carried out;
- ~~(d) the format (including its form, layout, scope and content) of any independent review that may be required of the licensee's data assurance activities~~ Data Assurance Activities and the associated reporting requirements;
- ~~(e) the format (including its form, layout, scope and content) of the reporting requirements detailed in paragraph 3(e);~~
- ~~(f) the frequency with which and the timescales within which the Licensee~~ licensee should report on its ~~data assurance activities~~ Data Assurance Activities to the Authority; and

(g) the time period(s) to which required reports must relate.

~~13. Reference in paragraph 10 to the format of an assessment, review, or reporting requirement includes references to its form, layout, scope and content.~~

~~14.9.~~ The provisions of the ~~DAG must~~ Data Assurance Guidance will not exceed what is required to achieve the purposes of this condition, having regard to the materiality of the costs likely to be incurred by the licensee in complying with those provisions ~~and~~ relative to the impact on consumers of data reporting errors.

~~15.10.~~ ~~No information to be provided to~~ Information requested by the Authority under or pursuant to the requirements of the ~~DAG may~~ Data Assurance Guidance will not exceed what could be requested from the licensee by the Authority pursuant to Standard Special Condition A26 (Provision of information to the Authority).

~~Part D: Modification of data assurance guidance~~

~~16. The DAG may be modified by~~ Before issuing or amending the Data Assurance Guidance by direction the Authority ~~from time to time by direction.~~

~~17.11.~~ ~~A direction issued by the Authority under paragraph 14 is of no effect unless~~ will publish on the ~~Authority has first~~ Authority's Website:

~~(a) — given notice to all licensees in whose licence this condition has effect that it proposes to modify the DAG;~~

~~(a) — specifying the proposed text of the new or amended Data Assurance Guidance;~~

~~(i) — the date on which it proposes that the provisions of the document to be modified should take effect;~~

~~(b) — setting out the Authority intends the text of the DAG to be modified and the Authority's reasons for proposing to modify it; new or amended Data Assurance Guidance to come into effect;~~

~~(c) — specifying the time (which must not be less than the reasons for the new or amended Data Assurance Guidance; and~~

~~(c)(d)~~ a period ~~of 28 days from the date of the notice)~~ during which representations ~~concerning such proposals may be made;~~ and on the new or amended Data Assurance Guidance, which will not be less than 28 days.

~~(d)——considered any representations in response to the notice that are duly made and not withdrawn.~~

~~Part E: Authority's power to specify data assurance activity~~

Part C: Licensee's obligation to carry out a Data Assurance Activity

~~18.12.~~ The ~~Authority may, after consulting with the licensee, issue a~~ must comply with any direction, ~~in accordance with the provisions of paragraph 17, by the Authority~~ requiring the licensee to carry out (or, where appropriate, to procure and facilitate the carrying out of) such ~~data assurance activity~~ Data Assurance Activity as may be specified in the direction.

~~13. The requirements for the~~ Before issuing a direction under paragraph ~~16 are~~ that ~~12 the Authority will publish on the Authority's Website:~~

a. the text of the proposed direction;

b. the date on which the Authority intends the direction to come into effect;

~~a-c.~~ the reasons why it must ~~proposes to issue the direction; and~~

d. contain a period during which representations may be made on the proposed directions which will not be less than 28 days.

14. The direction will set out:

(a) a description of the ~~data assurance activity~~ Data Assurance Activity to be carried out by the licensee (or, where appropriate, by a person nominated by the Authority) for the purpose of ensuring the accuracy and completeness of data provided to the Authority;

(b) that, if it refers to a person nominated by the Authority, ~~specify~~ the steps that must be taken by the licensee to procure and facilitate the carrying out of that activity by that person;

(c) ~~contain~~ a description of the ~~data~~ Data to which the activity that is described in the direction must apply;

- (d) ~~contain~~ an explanation of why the Authority requires the licensee to carry out that activity;
- (e) ~~specify~~ any relevant dates by which that activity must be completed; and
- (f) ~~specify~~ the form and content of any information relating to that activity that the licensee must provide to the Authority.

Part ~~FD~~: Derogations

~~19.15.~~ The ~~licensee may apply to the~~ Authority ~~may, after consulting with the licensee, give for~~ a ~~direction ("derogation") to relieving~~ the licensee ~~that relieves it~~ of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified ~~in by~~ the ~~Authority by~~ direction ~~after consulting the licensee.~~

Part ~~GE~~: Interpretation

~~20.16.~~ For the purposes of this condition:

data <u>Data</u>	means the relevant submissions to the Authority under this licence in respect of which the licensee must carry out a risk assessment <u>Risk Assessment</u> , as specified in the DAG <u>Data Assurance Guidance</u> ;
data-assurance activity <u>Data Assurance Activity</u>	means, in respect of data <u>Data</u> , the activity undertaken by the licensee (or a person nominated by the Authority, as the case may be) to address the risks identified in the risk assessment <u>Risk Assessment</u> ; and
data-assurance direction	means a direction by the Authority to bring into effect this condition; and
risk-assessment <u>Risk Assessment</u>	means an assessment of the likelihood and potential impact of any inaccurate or incomplete reporting, or any misreporting, of data by the licensee to the Authority under this licence.

Standard Special Condition A56: Housekeeping licence modifications [New condition]

Introduction

~~16.7.~~ The purpose of this condition is to provide a process for making Housekeeping Modifications to the conditions of this licence.

Part A: Assessment of proposed modification

~~17.8.~~ Before initiating any modification under this condition, the Authority will assess whether that modification is a Housekeeping Modification.

~~18.9.~~ In making the assessment required by paragraph 2, the Authority will have regard to all relevant factors including the views of the Housekeeping Modification Working Group.

Part B: Circumstances in which a modification may be made

~~19.10.~~ If, having carried out the required assessment under Part A, the Authority considers that an intended modification of the conditions of this licence is a Housekeeping Modification, it may modify the licence by direction. Otherwise any modification will be made under section 23 of the Act.

~~20.11.~~ Before making a direction under paragraph 4, the Authority will publish on the Authority's Website:

1. the text of the proposed direction;
- (d) the reasons for the proposed direction, including why the Authority believes that it is a Housekeeping Modification; and
- (e) a period during which representations may be made on the proposed direction, which will not be less than 28 days.

~~21.12.~~ A direction under paragraph 4 will set out:

1. the modifications to the conditions of this licence; and
- (f) the date on which it is to have effect or the mechanism by which that date is to be determined.

Housekeeping Modification Working Group	means a working group established for the purposes of considering proposed Housekeeping Modifications under xxx condition.
Housekeeping Modification	<p>means minor changes such as:</p> <ol style="list-style-type: none">(a) renumbering of paragraphs, capitalising defined terms and deleting transitional provisions that have expired;(b) corrections of evident mistakes including typographical errors, incorrect cross-references and formatting errors;(c) updates to:

	<ul style="list-style-type: none">(i) version numbers of other documents mentioned in the licence;(ii) the titles of re-enacted legislation;(iii) names of bodies that have been renamed.
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Standard Special Condition A57. Exit Capacity Planning [New condition]

Introduction

1. The purpose of this condition is to require the licensee to have in place processes and to undertake activities for the purpose of managing its NTS exit capacity planning and ensuring its booking process is efficient, for all the parties involved, to a reasonable and proportionate extent.

Part A: Licensee's obligations under this condition

2. The licensee must comply with the provisions of the ECP Guidance when planning and managing its NTS exit capacity booking process.
3. The licensee must have in place and maintain appropriate systems, processes and procedures to enable it to comply with the provisions of the ECP Guidance.

Part B: ECP Guidance

4. The Authority will issue and amend the ECP Guidance by direction.
5. The Authority will publish the ECP Guidance on the Authority's Website.
6. The ECP Guidance will make provision about:
 - (a) the methodology, but not specific methods, used for forecasting and planning exit capacity requirements;
 - (b) the ways in which the licensee engages with other stakeholders as part of the exit capacity planning process;
 - (c) the reporting that must be produced by the licensee in relation to any aspect of the exit capacity planning process.
7. Before directing that the ECP Guidance comes into effect the Authority will publish on the Authority's Website:
 - (a) the text of the proposed ECP Guidance;
 - (b) the date on which the Authority intends the ECP Guidance to come into effect; and
 - (c) a period during which representations may be made on the content of the ECP Guidance, which will not be less than 28 days.
8. Before directing an amendment to the ECP Guidance, the Authority will publish on the Authority's Website:
 - (a) the text of the amended ECP Guidance;
 - (b) the date the Authority intends the amended ECP Guidance to come into effect;
 - (c) the reasons for the amendments to the ECP Guidance; and

- (d) a period during which representations may be made on the amendments to the ECP Guidance, which will not be less than 28 days.

Part C: Derogations

- 9. The licensee may apply to the Authority for a derogation relieving the licensee of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction.

Standard Special Conditions – Part D

Standard Special Condition D10. Quality of service standards

1. This condition applies to the following activities undertaken by the licensee:
 - (a) connections to the pipe-line system to which this licence relates, in respect of:
 - (i) the provision of quotations for obtaining a new Gas Connection, an alteration of an existing Gas Connection, Diversion or Disconnection services;
 - (ii) responding to Land Enquiries;
 - (iii) providing a date for commencement of works; and
 - (iv) substantial completion of works within timescales agreed with the customer;
 - (b) the telephone service which the licensee operates or procures the operation of pursuant to Standard Special Condition A8 (Emergency Services and Enquiry Service Obligations) of the licence (“the emergency telephone service”), and meter point reference number helpline; and
 - (c) attendance at gas emergencies including gas escapes, emissions of carbon monoxide, fumes or other hazardous situations.
2. For each ~~R~~relevant~~Regulatory Period~~ Period, the licensee ~~shall~~must procure that:
 - (a) 90 per cent of Standard Quotations for:
 - (i) obtaining a new Gas Connection, or an alteration of an existing Gas Connection up to and including rates of flow of 275 kWh per hour, or a Disconnection where the pressure is less than 2 bar gauge, are issued within four Working Days of receipt of the request unless the ~~e~~Customer requests a deferral; and,
 - (b) 90 per cent of Non-Standard Quotations for:
 - (i) obtaining a new ~~g~~Gas ~~e~~Connection, or an alteration of an existing ~~g~~Gas ~~e~~Connection up to and including rates of flow of 275kWh per hour, or obtaining other Disconnections where the pressure is less than 2 bar gauge, are issued within 11 Working Days of receipt of the request unless the ~~e~~Customer requests a deferral;
 - (+)(ii) obtaining a new ~~G~~gas ~~e~~Connection or an alteration of an existing ~~g~~Gas ~~C~~onnection where rates of flow exceed 275kWh per hour, Disconnections on the licensee’s pipe-line system on pipes where the pressure is greater than or equal to 2 bar gauge, or obtaining a Diversion, are issued within 21 Working Days of receipt of the request unless the ~~e~~Customer requests a deferral;
 - (c) 90 per cent of new Gas Connections or alterations to existing ~~g~~Gas ~~e~~Connections are substantially completed within the timescales agreed with the ~~e~~Customer;

- (d) 90 per cent of replies to ~~H~~and ~~e~~Enquiries are issued within five Working Days of receipt of the request unless the ~~e~~Customer requests a deferral;
- (e) in 90 per cent of cases, provide within 17 Working Days dates for commencement and substantial completion of works from the receipt of acceptance of a quotation for obtaining a new Gas Connection or altering an existing Gas Connection up to and including rates of flow of 275 kWh per hour as provided under paragraphs 2 (a)(i) and 2(b)(i), unless the Customer requests a deferral;
- (f) in 90 per cent of cases, provide within 20 Working Days dates for commencement and substantial completion of works from the receipt of acceptance of a quotation for obtaining a new Gas Connection or altering an existing Gas Connection where rates of flow exceed 275kWh per hour as provided under paragraph 2 (b)(ii), unless the eCustomer requests a deferral;
- (g) when responding to telephone calls:
 - (i) 90 per cent of calls to the:
 - (a) the emergency telephone service; and
 - (b) the meter point reference number helpline,which are made during the hours that the licensee operates or procures the operation of such lines, will, in aggregate, be answered within 30 seconds; and
 - (ii) in the case of the emergency telephone service, the calls must be answered by persons adequately trained to process such calls.
- (h) ~~in 97 per cent of cases~~, where a report of a gas emergency including a gas escape, an emission of carbon monoxide, fumes or other hazardous situation is received through the emergency telephone service, or by any other means;
 - (i) ~~in 97 per cent of cases~~, the licensee shall attend or procure the attendance of an ~~e~~Emergency ~~s~~Service ~~p~~Provider at the site of the incident promptly ~~and in either event~~;
 - (a) in respect of an uncontrolled gas escape or other uncontrolled gas emergency, within 1 hour of the full emergency details being received by the telephone service, or by any other means; or
 - (b) in respect of a ~~C~~econtrolled ~~g~~Gas ~~e~~Escape or ~~e~~Other ~~e~~Controlled ~~g~~Gas ~~e~~Emergency, within 2 hours of the full emergency details being received on the telephone service, or by any other means;
 - (ii) the persons attending must have completed sufficient training to be able to competently and appropriately deal with the situations described in paragraphs 2(h)(i)(a) and (b);
 - (iii) the licensee must be able to demonstrate that the persons attending are able to competently and appropriately deal with the situations described in paragraphs 2(h)(i)(a) and (b).

3. The licensee ~~shall~~must from time to time submit to the Authority for its agreement an accuracy review scheme through which ~~e~~Customers can require the licensee to review the accuracy of quotations for obtaining a new ~~g~~Gas ~~e~~Connection or altering an existing ~~g~~Gas ~~e~~Connection and, in the event that the licensee provides an inaccurate quotation, the licensee shall adjust any charge made to the customer to the amount due under an ~~a~~Accurate ~~q~~Quotation.
4. In relation to requests received by the licensee relating to activities referred to in sub-paragraph 1(a), where a request is received after 5pm on any day it shall be deemed for the purposes of this condition as having been received on the next Working Day.
5. For the purpose of sub-paragraph 2(g) where the licensee operates or procures the operation of these telephone services in conjunction with other gas transporters, performance shall be measured by aggregating all calls relating to those services.
6. The licensee ~~shall~~must, once in each ~~formula~~Regulatory~~formula~~ ~~y~~Yyear, provide ~~s~~Specified ~~i~~Information to the Authority.
7. The licensee ~~shall~~must, once in each ~~formula~~Regulatory~~formula~~ ~~y~~Yyear:
 - (a) undertake an audit in respect of the provision by the licensee of services under paragraph 1(a);
 - (b) inform the Authority of the nature and scope of such audit; and
 - (c) when requested by the Authority in writing, review such audit and the manner in which it is being operated with a view to determining whether any modification should be made to such audit or to the manner of its operation.
8. This condition ~~shall~~does not apply to requests in relation to:
 - (a) ~~to~~ new build domestic developments of at least 5 domestic premises where there is no existing ~~g~~Gas ~~e~~Connection to the pipe-line system to which this licence relates;
 - (b) ~~to~~ new build non domestic developments of at least 5 non-domestic premises where there is no existing ~~g~~Gas ~~e~~Connection to the pipe-line system to which this licence relates;
 - (c) ~~to~~ premises to which gas will be conveyed at a pressure of more than 7 bar gauge;
 - (d) works classed as complex ~~g~~Gas ~~e~~Connections, Disconnections or Diversions in a statement issued from time to time by the licensee and agreed with the Authority after such consultation as the Authority directs;
 - (e) works classed as excluded ~~g~~Gas ~~e~~Connections, Disconnections or Diversions in a statement issued from time to time by the licensee and agreed with the Authority; or
 - (f) requests where the ~~e~~Customer has failed to provide to the licensee such information as the licensee requires from the ~~e~~Customer in order to provide a quotation.

9. The licensee ~~shall~~must prepare and from time to time revise a statement describing the performance standards required under paragraph 2(g) and 2(h) of this condition and the level of performance achieved in respect of those standards in a form and having a content which the licensee could reasonably expect would be within the understanding of customers to whom the statement relates and ~~shall~~must:
- (a) give a copy of the statement and of any revision of the statement to the Authority and to Citizens Advice and Citizens Advice Scotland, before sending it to the gas suppliers referred to in sub-paragraph (b);
 - (b) at least once in any period of 12 months dispatch to each gas supplier which supplies gas to customers connected to the pipe-line system to which this licence relates for onward transmission to the gas supplier's customers a copy of the statement (in the form current at the time it is provided);
 - (c) make a copy of the statement (in its current form) available for inspection by any person at any offices fixed as appropriate by the licensee for the purposes of section 46(3) of the Act or, if none, at any premises of or occupied by the licensee open to the public in the normal course of the licensee's business during the normal opening hours of the premises;
 - (d) send a copy of the statement (in its current form) to any person who asks for one, and
 - (e) publish a copy of the statement on the licensee's website.
10. The statement prepared under paragraph 9 must be published in the form of a single document that also includes the statement referred to in paragraph 2 of regulation 15 of the Gas (Standards of Performance) Regulations 2005 (as amended).

~~11. For the purposes of this condition only:~~

113. Where the licensee is a DN operator that operates more than one Distribution Network (as defined in Special Condition 1.1 (Interpretation and definitions) ~~1A (Restriction of revenue in respect of the Distribution Network Transportation Activity: definitions)~~), the obligations of this condition shall apply in respect of each Distribution Network.

Standard Special Condition D12. Requirement to offer terms for the provision of gas entry points

Introduction

The purpose of this condition is to set out the obligations of the licensee ~~1 April 2007~~ relating to entering into gas entry agreements in respect of gas entry points to the pipe-line system to which this licence relates.

Part A: Requirement to offer terms for gas entry points

10. The licensee ~~shall~~must (subject to paragraph 5) offer to enter into a gas entry agreement (unless the Authority otherwise consents) on receiving an application ~~on or after 1 April 2007~~, made by the applicant containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.
11. In making an offer pursuant to paragraph 2 of this condition, the licensee ~~shall~~must set out the terms on which the licensee shall allow gas to be introduced into the pipe-line system to which this licence relates, including:
 - (a) ~~T~~The date when the licensee ~~shall~~must allow gas to be introduced into the pipe-line system to which this licence relates by means of the gas entry point in respect of which the application was made (time being of the essence, unless otherwise agreed by the applicant);
 - (b) ~~T~~Terms that offer the applicant up to the maximum flow rate available from time to time on the pipe-line system to which this licence relates at the time of the offer, unless the applicant requests a lesser flow rate than the maximum available;
 - (c) ~~T~~Terms that require the applicant to pay the licensee's reasonable costs incurred and a reasonable element of profit, so far as the same will not be recoverable by the licensee from elsewhere, through making any necessary reinforcement to the pipe-line system to which this licence relates or carrying out any other activities necessary to enable the gas entry point to be made available;
 - (d) ~~T~~Terms that allow the licensee and the applicant to refer any dispute arising over the variation of the terms of the gas entry agreement to the Authority to be settled pursuant to paragraph 8 of this condition; and
 - (e) ~~S~~Such other detailed terms in respect of each gas entry point as are or may be appropriate for the purposes of the gas entry agreement.
12. The licensee ~~shall~~must offer terms for gas entry agreements in accordance with paragraph 2 as soon as reasonably practicable and (except where the Authority consents to a longer period) in any event not more than 6 months after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.

13. The licensee ~~shall~~must not be obliged pursuant to this condition to offer to enter into any agreement if to do so would be likely to involve the licensee being in:

- (a) ~~B~~breach of its duties under section 9 of the ~~Gas~~-Act;
- (b) ~~B~~breach either of any regulations made under section 18 of the ~~Gas~~-Act or of any other enactment relating to safety or standards applicable in respect of its transportation business;
- (c) ~~B~~breach of the licensee's network code; and
- (d) ~~B~~breach of the conditions of this licence or any other licence granted or treated as granted under section 7 of the Act and held by the licensee.

Part B: Non-Discrimination and determination of disputes

14. In carrying out the provision of gas entry points the licensee ~~shall~~must not unduly discriminate between any persons or class or classes of persons.
15. If, after a period which appears to the Authority to be reasonable for the purpose, the licensee has failed to enter into a gas entry agreement with a particular applicant, the Authority may, on the application of that applicant or the licensee, settle any terms of the agreement in dispute between the licensee and that applicant in such manner as appears to the Authority to be reasonable.
16. If either the licensee or any other party to a gas entry agreement proposes to vary the contractual terms of that gas entry agreement entered into pursuant to this condition, in any manner provided for under that gas entry agreement, the Authority may, at the request of either the licensee or other party, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable.

Part C: Publication of principal terms

17. The licensee ~~shall~~must publish as soon as reasonably practicable but no later than one month from the date on which it enters into a gas entry agreement the principal te~~r~~ms of that agreement, while having regard to the commercial sensitivity of the other party.

Standard Special Condition D21. Treating Domestic Customers Fairly [New condition]

Introduction

1. The purpose of this condition is for the licensee and any Representative to ensure that it achieves the Standards of Conduct by treating each Domestic Customer, including each Domestic Customer in a Vulnerable Situation, in line with the Customer Objective.

Part A: Achieving the Standards of Conduct

2. The licensee and its Representatives must achieve the Standards of Conduct in a manner consistent with the Customer Objective.
3. To achieve the Standards of Conduct the licensee must develop approaches to deliver Fair outcomes for Domestic Customers, including through the use of innovative methods.
4. The Standards of Conduct are that the licensee and any Representative must:
 - (a) behave and carry out any actions in a Fair, honest, transparent, appropriate and professional manner;
 - (b) provide information (whether in writing, orally, or visually) to each Domestic Customer with whom the licensee or any Representative interacts, which:
 - (i) is complete, accurate and not misleading (in terms of the information provided or omitted);
 - (ii) is communicated (and, if provided in writing, drafted) in an accessible format in plain and intelligible language with more important information being given appropriate prominence;
 - (iii) relates to products or services which are appropriate to the Domestic Customer to whom that information is directed;
 - (iv) in terms of its content and in terms of how it is presented, does not create a material imbalance in the rights, obligations or interests of the licensee and the Domestic Customer in favour of the licensee; and
 - (v) is sufficient to enable the Domestic Customer to make informed choices about the services provided by the licensee;
 - (c) in relation to customer service arrangements:
 - (i) make it easy for a Domestic Customer to contact the licensee;
 - (ii) act promptly and courteously to put things right when the licensee or any Representative makes a mistake; and
 - (iii) otherwise ensure that customer service arrangements and processes are complete, thorough, fit for purpose and transparent;

- (d) in relation to the licensee's or any Representative's interactions with Domestic Customers in Vulnerable Situations:
 - (i) seek to identify each Domestic Customer in a Vulnerable Situation, in a manner which is effective and appropriate, having regard to different types of vulnerability including but not restricted to the Priority Services Codes; and
 - (ii) when applying the Standards of Conduct in paragraphs (a) to (c) above, do so in a manner which takes into account any Vulnerable Situation of each Domestic Customer identified in accordance with (d)(i) above or otherwise.
- 5. The licensee must work with relevant organisations, including but not limited to local government and charities, to support the achievement of paragraph 4(d).

Part B: The Fair Treatment Guidance

- 6. The licensee and any Representative must have regard to the Fair Treatment Guidance in its interactions with Domestic Customers.
- 7. The Authority will issue and amend the Fair Treatment Guidance by direction.
- 8. The Authority will publish the Fair Treatment Guidance on the Authority's Website.
- 9. The Fair Treatment Guidance is intended to inform the licensee's understanding of the Standards of Conduct and will:
 - (a) outline the purpose and scope of the Standards of Conduct; and
 - (b) the broad principles the licensee should follow to achieve the Standards of Conduct.
- 10. Before issuing the Fair Treatment Guidance by direction, the Authority will publish on the Authority's Website:
 - (a) the text of the proposed Fair Treatment Guidance;
 - (b) the date on which the Authority intends the Fair Treatment Guidance to come into effect; and
 - (c) a period during which representations may be made on the content of the Fair Treatment Guidance, which will not be less than 28 days.
- 11. Before amending the Fair Treatment Guidance by direction, the Authority will publish on the Authority's Website:
 - (a) the text of the amended the Fair Treatment Guidance;
 - (b) the date on which the Authority intends the amended Fair Treatment Guidance to come into effect;
 - (c) the reasons for the amendments to the Fair Treatment Guidance; and
 - (d) a period during which representations may be made on the amendments to the Fair Treatment Guidance, which will not be less than 28 days.

Standard Special Condition D22. Modifications to Standard Conditions [New condition]

1. For the purpose of these Standard Special Conditions, Standard Condition 7 (Provision of Information Relating to Gas Illegally Taken) should be read as follows:
 - a) in sub-paragraph (b) of paragraph 1, after “outcome of that investigation,”, insert the following:

“provided that the costs incurred in so doing are not likely to exceed the value of the sums that may reasonably be expected to be recovered,”.
 - b) in sub-paragraph (b) of paragraph 2, after “outcome of that investigation,”, insert the following: “provided that the costs incurred in so doing are not likely to exceed the value of the sums that may reasonably be expected to be recovered,”.
 - c) in paragraph 3, after “the specified amount,”, delete all subsequent text up to the end of that paragraph and insert the following text and sub-paragraphs:

“it may also seek to recover any of its costs associated with -

 - (i) the costs of any such investigation as is mentioned in paragraph 1;
 - (ii) the costs of any such recovery or attempted recovery so mentioned;
and
 - (iii) any costs to the licensee attributable to any gas being acquired, or not being disposed of, by it, by reason of the taking of the gas,

provided that the costs incurred in so doing are not likely to exceed the value of the sums that may reasonably be expected to be recovered.”.