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| **WWU Final Determination** | | |
| **FDQ Query** | | |
| **Reference number** | WWU\_FDQ\_11 | |
| **Document Name** | Gas Transporter Licence Standard Special Conditions | |
| **Topic/Activity:** | Licence Condition A38, Section 5 | |
| **Question:** | WWU provides detailed forward looking financial data to senior lenders, rating agencies and other persons on a semi-annual basis and covering the entire GD2 period under information covenants in its lender agreements. Further, the resilience report would require a licensee to publish this report into the market given UKLA requirements with regard to Market Abuse Regulations re insider trading. There is no exemption from such regulations for price sensitive information provided to regulators.  Given the above, financial resilience reporting would not appear to provide any material useful information and would potentially cause confusion in the market depending on the stress tests that Ofgem seek. One solution to the above would be to make Ofgem a qualifying recipient under such comprehensive senior lender information covenants as a substitute for the financial resilience reporting. This would avoid the need to publish additional price sensitive information into the market. | |
| **Confidential** | No | |
| **FDQ raised by** | WWU | |
| **Date Sent** | 12.01.2021 | |
| **Ofgem Response** | We do not agree with WWU’s interpretation, but if WWU is able to share the advice it has had on this point, then we are happy to consider it. Otherwise we would be grateful if WWU could further detail its position with specific regard to the relevant requirements. | |