

To: All holders of a gas transporter licence

**Gas Act 1986
Section 23(2)**

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

1. The Gas and Electricity Markets Authority (the Authority)¹ proposes to modify the standard conditions of all gas transporter licences granted or treated as granted under section 7 of the Gas Act 1986 by amending the following standard licence conditions (SLCs) under section 23(1) of the Gas Act 1986:
 - Condition 8: Provision and Return of Meters
 - Condition 14: Compliance with Core Industry Documents
 - Condition 31: Supply Point Information Service

The proposed modifications are set out in Schedule 1 to this Notice.

2. Further, the Authority proposes to modify the standard special conditions (SSCs) of the gas transporter licence, granted or treated as granted under section 7 of the Gas Act 1986, held by National Grid plc (the NTS licence) and gas transporter licences granted or treated as granted under section 7 of the Gas Act 1986 held by the following licensees in respect of the distribution networks (DN Licences): Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales & West Utilities Limited, by amending standard special conditions Part A under section 23(1) of the Gas Act 1986:
 - Standard Special Condition A31: Supply Point Information Service
 - Standard Special Condition A33: Restriction on Use of Certain Information and Independence of the Transportation Business

The proposed modifications are set out in Schedule 2 to this Notice.

3. Further, the Authority proposes to modify the standard special conditions of the Gas Transporter NTS Licence granted or treated as granted under section 7 of the Gas Act 1986 by amending standard special conditions Part B under section 23(1) of the Gas Act 1986:
 - Standard Special Condition B7. Provision of Meters
 - Standard Special Condition B8. Provision of Terms

The proposed modifications are set out in Schedule 3 to this Notice.

4. Further, the Authority proposes to modify the standard special conditions of the Gas Transporter Licence, granted or treated as granted under section 7 of the Gas Act 1986, held by the following licensees in respect of the distribution networks (DN Licences): Cadent Gas Limited, Northern Gas Networks Limited, Scotland Gas Networks plc, Southern Gas Networks plc, Wales & West Utilities Limited, by amending standard special conditions Part D under section 23(1) of the Gas Act 1986:

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

- Standard Special Condition D17. Provision and Return of Meters

The proposed modifications are set out in Schedule 4 to this Notice.

5. Pursuant to the Authority's Retail Code Consolidation Significant Code Review (SCR), version 2.0 of the dual-fuel Retail Energy Code (REC) will bring together industry code requirements relating to retail energy activities. Version 2.0 of the REC is a major part of Retail Code Consolidation, which will rationalise retail energy codes through the closure of the gas Supply Point Administration Agreement (SPAA) and the electricity Master Registration Agreement (MRA) and the transfer of any provisions from those codes which need to be retained over to the REC or another industry code where this is more relevant. The Smart Meter Installation Code of Practice (SMICOP) and Green Deal Arrangements Agreement (GDAA) will also be consolidated within the REC. Retail Code Consolidation is planned to come into full effect on 1 September 2021.
6. The reason why the Authority proposes to make these modifications is, in summary, to ensure that the new governance arrangements and structures required for and being realised by Retail Code Consolidation are properly reflected in the relevant licence conditions.
7. In addition, the Authority proposes to amend SLC 31 and SSC A31 to give the Authority the ability to grant the licensee a derogation from compliance with the requirements under these particular licence conditions. This is because the Authority considers that licensees may in certain circumstances consider it necessary to seek to be relieved of these obligations in the future, following delivery of Retail Code Consolidation and of the Authority's Switching programme.
8. In summary, the effect of the proposed modifications is that the new governance arrangements and structures required for and being realised by Retail Code Consolidation will be reflected in the SLCs. The effect of the majority of the proposed SLC changes will be minor on an operational level; primarily, the modifications will ensure the licences correctly reference and are aligned to other industry documents and arrangements which are due to be modified under the Retail Code Consolidation SCR.
9. A more detailed description of the reasons for and effects of these proposed licence modifications can be found in the accompanying document to this Notice, which is available at: www.ofgem.gov.uk/publications-and-updates/statutory-consultation-licence-changes-retail-code-consolidation, and also in the following documents published by the Authority:
 - a. Switching Programme: Regulation and Governance - way forward and statutory consultation on licence modifications - published 15 October 2018;
 - b. Switching Programme: Proposed modifications to regulation and governance – published 5 June 2018; and
 - c. Switching Programme and Retail Code Consolidation: Proposed licence modifications – published 12 November 2020.

These documents, together with copies of this proposed modification and any other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from library@ofgem.gov.uk.

10. Any representations with respect to the proposed licence modifications must be made on or before **5pm on 1 June 2021** by email to: switching.programme@ofgem.gov.uk.

11. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
12. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.



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Rachel Clark,
Programme Director, Switching Programme
Duly authorised on behalf of the
Gas and Electricity Markets Authority

30 April 2021

Schedule 1 to Notice – Draft of proposed changes to modify the standard conditions of all Gas Transporter Licences

We have included the sections of the gas transporter SLCs we have proposed to remove or amend below. Deletions are shown in strike through and new text is double underlined. We have only shown those licence conditions where modifications are proposed.

GAS TRANSPORTERS LICENCE: STANDARD CONDITIONS

Condition 8: Provision and Return of Meters

1. Subject to paragraph 2, the licensee shall comply with any reasonable request by a relevant shipper (or a gas shipper who is about to become such a shipper) to provide through a Meter ~~Asset~~Equipment Manager and install at the premises of a domestic customer a gas meter owned by it and of a type specified by the shipper subject, however, to a meter of that type being reasonably available to the licensee and the shipper agreeing to pay its charges in respect of the meter.

1A. For the purpose of paragraph 1, "Meter ~~Asset~~Equipment Manager" means:

- a) a person approved in accordance with the ~~Supply Point Administration Agreement~~ Retail Energy Code as possessing expertise satisfactorily to provide Meter-Related Services or a class or description of persons so approved ("relevant expertise"); or
- b) an undertaking approved in accordance with the ~~Supply Point Administration Agreement~~ Retail Energy Code as having staff possessing the relevant expertise

and for the purposes of this definition,

- (i) "approved in accordance with the ~~Supply Point Administration Agreement~~ Retail Energy Code" means approved in accordance with it for the purposes of this condition generally and "staff" includes officers, servants and agents; and
- (ii) "Meter-Related Services" means the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of the whole or part of the Supply Meter Installation as defined in Section M, paragraph 1.2 of the Network Code of Transco plc as at the date this paragraph 1A has effect.

Condition 14: Compliance with Core Industry Documents

1. The licensee shall become a party to and thereafter comply with those provisions of:
 - (a) ~~Supply Point Administration Agreement~~ (Not used); and,
 - (b) the Retail Energy Codethat are relevant to it.

Interpretation

5. In this condition:

Significant Code Review means a review of matters in relation to its principal objective and/or general duties (under section 3A of the Electricity Act or section 4AA of the Gas Act), statutory functions and/or relevant obligations arising under Retained EU Law, which the Authority considers are likely to relate to one or more of the documents referred to in this condition, or to which the licensee is required under this licence to be a party, and concerning which the Authority has consulted upon and issued a Notice to the parties stating that the review will constitute a Significant Code Review.

Core Industry Documents means the following:

- (a) ~~the Supply Point Administration Agreement required to be in place pursuant to Standard Condition 30 of the Gas Supply licence, as from time to time modified~~ (Not used); and
- (b) the Retail Energy Code required to be in place pursuant to Standard Condition 11 of the Gas Supply licence, as from time to time modified.

Condition 31: Supply Point Information Service

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 licensee's pipe-line system, 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

4A. The Authority may, after consulting with the licensee and any other party likely to be materially affected, give a direction (“a derogation”) to 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 the direction.

Schedule 2 to Notice – Draft of proposed changes to modify the Standard Special Conditions applicable to both NTS and DN Licensees: Part A

We have included the sections of the gas transporter SSCs we have proposed to remove or amend below. Deletions are shown in strike through and new text is double underlined. We have only shown those licence conditions where modifications are proposed.

STANDARD SPECIAL CONDITIONS APPLICABLE TO BOTH NTS AND DN LICENSEES: PART A

Standard Special Condition A31: Supply Point Information Service

4A. The Authority may, after consulting with the licensee and any other party likely to be materially affected, give a direction (“a derogation”) to 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 the direction.

Standard Special Condition A33: Restriction on Use of Certain Information and Independence of the Transportation Business

2. Unless the Authority otherwise consents in writing, the licensee shall put in place and at all times maintain managerial and operational systems which prevent any relevant supplier, relevant shipper, relevant generator, relevant producer, any trading business, its meter-related services business or its meter reading business from having access to confidential information except and to the extent that such information:
 - (a) is made available on an equal basis to any gas or electricity supplier or gas shipper, electricity generator, gas producer (within the meaning of section 7(10) of the Act) or any meter ~~asset~~equipment manager (bearing the meaning of that expression contained in Standard Special Condition D17 (Provision and Return of Meters)); or
 - (b) relates to a customer who at the time to which the information relates was a customer of the relevant supplier.

Schedule 3 to Notice – Draft of proposed changes to modify the Standard Special Conditions applicable to all NTS Licensees: Part B

We have included the sections of the gas transporter SSCs we have proposed to remove or amend below. Deletions are shown in strike through and new text is double underlined. We have only shown those licence conditions where modifications are proposed.

STANDARD SPECIAL CONDITIONS APPLICABLE TO ALL NTS LICENSEES: PART B

Standard Special Condition B7. Provision of Meters

3. Except in so far as the Authority otherwise consents, the licensee shall comply with any reasonable request by a relevant gas transporter, pursuant to paragraph 2(b) of Standard Special Condition D17 (Provision and Return of Meters) of the DN operator gas transporter licence, to provide, through a meter ~~asset~~ equipment manager and install at the premises of a domestic customer, a gas meter owned by the licensee and of a type specified by the supplier subject, however, to a meter of that type being reasonably available to the licensee and the supplier agreeing to pay the licensee's charges in respect of that meter.

Standard Special Condition B8. Provision of Terms

15. For the purposes of Standard Special Conditions B7 and B8:

meter ~~asset~~ equipment manager

has the same meaning as that provided in paragraph 1A of Standard Special Condition D17 (Provision and Return of Meters) of the DN operator gas transporter licence.

Schedule 4 to Notice – Draft of proposed changes to modify the Standard Special Conditions applicable to all DN Licensees: Part D

We have included the sections of the gas transporter SSCs we have proposed to remove or amend below. Deletions are shown in strike through and new text is double underlined. We have only shown those licence conditions where modifications are proposed.

STANDARD SPECIAL CONDITIONS APPLICABLE TO ALL DN LICENSEES: PART D

Standard Special Condition D17. Provision and Return of Meters

1. Subject to paragraph 2, the licensee shall comply with any reasonable request by a relevant supplier (or a gas supplier who is about to become such a relevant supplier) to provide through a meter ~~asset~~ equipment manager and install at the premises of a domestic customer a gas meter, other than:

- (a) a gas meter capable of forming part of a smart metering system;
- (b) an advanced domestic meter; or
- (c) a prepayment advanced domestic meter

owned by the licensee and of a type specified by the supplier subject, however, to a meter of that type being reasonably available to the licensee and the supplier agreeing to pay its charges in respect of the meter.

1A For the purposes of paragraph 1, "**meter ~~asset~~ equipment manager**" means:

- (a) a person approved in accordance with the ~~Supply Point Administration Agreement~~ Retail Energy Code as possessing expertise satisfactorily to provide meter-related services or a class or description of persons so approved (the "**relevant expertise**"); or
- (b) an undertaking approved in accordance with the ~~Supply Point Administration Agreement~~ Retail Energy Code as having staff possessing the relevant expertise and for the purposes of this definition,
 - (i) "**approved in accordance with the ~~Supply Point Administration Agreement~~ Retail Energy Code**" means approved in accordance with it for the purposes of this condition generally and "**staff**" includes officers, servants and agents; and
 - (ii) "**meter-related services**" means the provision, installation, commissioning, inspection, repairing, alteration, repositioning, removal, renewal and maintenance of the whole or part of the Supply

Meter Installation as defined in Section M, paragraph 1.2 of the Network Code of Transco plc, as at 12 July 2004, as defined within Amended Standard Condition 9 (Network Code) of Transco plc's gas transporter licence on that date.

8. For the purposes of this condition and Standard Special Condition D18 (Provision of Metering and Meter Reading Services):

Retail Energy Code

the Retail Energy Code required to be in place pursuant to Standard Condition 11 of the Gas Supply licence, as from time to time modified