

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

Gas Act 1986
Section 23(2)

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

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the Special Conditions and Standard Special Conditions (SSCs) of the Gas Transporter licence held by each of the above licensees ('the licensees') granted or treated as granted under section 7 of the Gas Act 1986 by:
 - a. amending the existing Special Conditions including the Price Control Financial Instruments; and
 - b. amending the existing SSCs.
2. We are proposing these modifications to improve the clarity of the licence and ensure proper implementation of our RIIO-2 Final Determinations for Gas Transmission and Gas Distribution companies.
3. The reasons and effects of the proposed modifications, together with the full text of the proposed modifications can be found on our website,² alternatively they are available from foi@ofgem.gov.uk.
4. In addition, further details and background on the licences and our RIIO-2 price control are set out in the following documents:
 - a. RIIO-2 informal licence drafting consultation for Transmission, Gas Distribution and Electricity System Operator licences;³
 - b. RIIO-2 Draft determinations for Transmission and Gas Distribution companies and the Electricity System Operator;⁴ and
 - c. RIIO-2 Final Determinations for Transmission and Gas Distribution companies and the Electricity System Operator.⁵

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

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

³ <https://www.ofgem.gov.uk/publications-and-updates/riio-2-informal-licence-drafting-consultation-transmission-gas-distribution-and-electricity-system-operator-licences>

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

⁵ <https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

- d. RIIO-2 Statutory consultation for RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences;⁶ and
 - e. Decision on the proposed modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences.⁷
5. Our response to issues raised by stakeholders as part of the RIIO-2 licence modification process for Transmission, Gas Distribution and Electricity System Operator licences can be found at: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions>
 6. Any representations with respect to the proposed licence modifications must be made on or before 13 May 2021 to: Craig Molyneux, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Craig.Molyneux@ofgem.gov.uk.
 7. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
 8. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

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

14/04/2021

⁶ <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>

⁷ <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>