

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 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 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 an existing Special Condition;
 - b. adding new Special Conditions; and
 - c. adding new definitions to Special Condition 1.1.
2. We are proposing these modifications to give effect to our decision in the RIIO-2 Final Determinations to introduce a Strategic Innovation Fund.
3. Further detail on the reasons and effects of the proposed modifications, the full text of the modifications and a table setting out the new proposed definitions can be found on our website at <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-licence-condition-changes-riio-2-strategic-innovation-fund>, alternatively they are available from foi@ofgem.gov.uk.
4. In addition, further details and background on these proposed changes are set out in the following documents:
 - a. RIIO-2 Strategic Innovation Fund – informal consultation on licence conditions²;
 - b. RIIO-2 Draft determinations for Transmission and Gas Distribution companies and the Electricity System Operator³; and
 - c. RIIO-2 Final Determinations for Transmission and Gas Distribution companies and the Electricity System Operator⁴.
5. Any representations with respect to the proposed licence modifications must be made on or before 17 June 2021 to: Timothy Wood, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Timothy.wood@ofgem.gov.uk.

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

² <https://www.ofgem.gov.uk/publications-and-updates/riio-2-strategic-innovation-fund-informal-consultation-licence-conditions>

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

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

6. 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.
7. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

.....
Steven McMahon
Deputy Director
Duly authorised on behalf of the
Gas and Electricity Markets Authority

xx/05/2021