

To:	Company No:
Cadent Gas Limited	10080864
National Grid Gas Plc	2006000
Northern Gas Networks Limited	5167070
Scotland Gas Networks Plc	SC264065
Southern Gas Networks Plc	5167021
Wales & West Utilities Limited	5046791

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

Notice of statutory consultation on a proposal to modify the standard special conditions of the gas transporter licence

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the standard special conditions of the gas transporter licence held by each of the companies to whom this Notice is addressed, granted or treated as granted under section 7 of the Gas Act 1986 by amending Standard Special Condition A5: "Obligation as Regard Charging Methodology". We are proposing to add a new paragraph 7B to standard special condition A5 (Obligations as Regard Charging Methodology) and to renumber existing paragraph seven as paragraph (7A). Annex 1 to this Notice shows the proposed amendments.
2. We are proposing to make this modification to allow us to issue directions which we reasonably consider would better facilitate compliance with Regulation (EC) 715/2009 and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators (ACER).
3. The modification will allow us to issue a licensee with a direction requiring it to undertake certain activities, and to do so in such form, manner and timeframe and with such frequency as directed. The modification will provide that such a direction can only be issued in circumstances where we reasonably consider it would better facilitate the implementation of, and/or compliance with Regulation (EC) 715/2009² and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators (ACER).
4. A copy of the proposed modification and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively they are available from foi@ofgem.gov.uk.
5. Any representations with respect to the proposed licence modification must be made on or before 4 January 2018 to: Sean Hayward, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to sean.hayward@ofgem.gov.uk.
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 However, if you do not wish your response to be made public then please clearly mark it as not for publication.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.

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

² REGULATION (EC) No 715/2009 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0036:0054:en:PDF>

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

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Cathryn Scott
Partner, Energy Systems, Ofgem

Duly authorised on behalf of the Gas and Electricity Markets Authority

1 December 2017

ANNEX 1 TO NOTICE UNDER SECTION 23(2) OF THE GAS ACT 1986: PROPOSAL TO MODIFY THE STANDARD SPECIAL CONDITIONS OF THE GAS TRANSPORTER LICENCE

New text is shown in double underline and deleted text as strike through.

Standard Special Condition A5: Obligations as Regard Charging Methodology

7A. The licensee shall comply with any direction given from time to time by the Authority requiring the licensee -

- (a) subject to paragraphs 8 and 9 to publish such information as may be specified or described in the direction -
 - (i) as to any of the costs incurred by the licensee in its transportation business, or
 - (ii) relating to the charging methodology as modified from time to time in accordance with paragraph 1; and
- (b) to do so in such form and manner and with such frequency as may be so specified.

7B. Where the Authority reasonably considers it would better facilitate the implementation of, and/or compliance with the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators, the licensee shall comply with any direction given from time to time by the Authority requiring the licensee-

- (a) to complete assessments and analysis; and to publish and consult on such information, and with such parties, as may be specified or described in the direction;
- (b) to do so in such form, manner and timeframe and with such frequency as may be so specified in the direction.

8. The licensee shall not be required by paragraph 7A and paragraph 7B to publish any information or any document which it could not be compelled to give in evidence or produce in civil proceedings before the court.

9. In publishing any information in pursuance of paragraph 7A and paragraph 7B the licensee shall have regard to the need for excluding, so far as is practicable, any matter which relates to the affairs of any person where the publication of that matter would or might seriously and prejudicially affect his interests.