

Reference
095 Stat Con TAR NC

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Date
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Sean Hayward
Ofgem
Email: Gas.TransmissionResponse@ofgem.gov.uk



Dear Sean

Cadent response to Statutory Consultation on consultation on changes to gas transporter licence conditions as a result of the implementation of Regulation (EU) 2017/460 (TAR NC)

Cadent is a gas distribution company providing gas to 11million homes and business through 130,000km of pipelines. We own and operate four regulated gas distribution networks covering a geographically defined service territory that spreads across the East of England, North London, the North West and the West Midlands. We welcome the opportunity to respond to the above statutory consultation. This response is made on behalf of Cadent and can be published by Ofgem.

We understand the need for an amendment to the transporter licence to facilitate the activities required by the new regulations, however, Cadent does not support this licence modification as drafted. In our view a decision to include a condition only applicable to the NTS in section A of the GT licence (and particularly without any formal, written clarification that it only applies to the NTS) does not appear to be properly reasoned. The licence condition as drafted creates potential confusion and an unnecessary level of uncertainty for all GT's, the NTS and Ofgem. It is not clear why the licence condition is still drafted in this way, particularly when this issue has been raised in previous consultations. Since the condition applies solely to National Grid Gas (as NTS licensee), then the obligation should be placed under Standard Special Condition Part B of the GT licence as this will ensure clarity and facilitate streamlining the licence generally.

In the event that inclusion in Part B is not possible we suggest amending the proposed wording for SSC A5 as follows:

- 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 **NTS** 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.

We appreciate that you have stated that the intent is for any Direction provided by Ofgem under this condition will be addressed to National Grid Gas, however, we believe that further clarity is required and in the event that the drafting cannot be amended we hope that you find our suggestion a suitable alternative.



If you have any further questions please do not hesitate to contact me using the details at the top of this letter.

Yours sincerely
By email

Nicky Kirk
Regulatory Policy and Reporting Manager
Cadent