



An Coimisiún
um Rialáil Fóntas
Commission for
Regulation of Utilities

**DISTRIBUTION SYSTEM
OWNER AND OPERATOR LICENCE**

**GRANTED TO
GAS NETWORKS IRELAND**

(Insert Date)

TABLE OF CONTENTS

PART I: TERMS OF THE LICENCE

PART II: CONDITIONS OF THE LICENCE

| | |
|---------------|---|
| Condition 1: | Interpretation and Construction |
| Condition 2: | General Function |
| Condition 3: | Connection to and Use of the Distribution System |
| Condition 4: | Connection to Gas Fittings |
| Condition 5: | Efficient Procurement of Assets and Services |
| Condition 6: | Relevant Assets |
| Condition 7: | Revenue Protection |
| Condition 8: | Gas Point Register and Gas Point Registration Operator |
| Condition 9: | Provision of Metering and Data Services |
| Condition 10: | Network Development Plan |
| Condition 11: | Distribution System Standards |
| Condition 12: | Operating Security Standards |
| Condition 13: | Natural Gas Emergencies |
| Condition 14: | Emergency Response |
| Condition 15: | Safety Case |
| Condition 16: | Interaction with other Natural Gas Undertakings |
| Condition 17: | Distribution System Business Metrics |
| Condition 18: | Access to Land and/or Premises |
| Condition 19: | Consumer Protection, Customer Charter, Complaints Handling Procedure and Disconnection Code of Practice |
| Condition 20: | Preparation, Review of and Compliance with, Statements, Codes of Practice and Procedures |
| Condition 21: | Systems, Records, Reporting, & Provision of Information |
| Condition 22: | Ring-Fencing of the Distribution System Business and Restriction on use of certain information |
| Condition 23: | Compliance Officer |
| Condition 24: | Regulatory Accounts |
| Condition 25: | Prohibition of Cross-Subsidies |
| Condition 26: | Duty of Non-Discrimination |
| Condition 27: | Codes of Operations |
| Condition 28: | Prohibition of Anti-Competitive Behaviour |
| Condition 29: | Environment |
| Condition 30: | Assignment of Licence and Transfer of Distribution System Business |
| Condition 31: | Change in Control of Licensee |
| Condition 32: | Payment of Levy |
| Condition 33: | Compliance with Laws and Direction |

Schedule 1: The Distribution System which the Licensee is Authorised to Own and Operate under the Licence

Schedule 2: Right of Commission to Revoke the Licence

PART I: TERMS OF THE LICENCE

1. The Commission for Regulation of Utilities (hereinafter referred to as the "Commission"), in exercise of the powers conferred by Section 16(1)(d) of the Gas (Interim) (Regulation) Act, 2002 (hereinafter referred to as the "Act") hereby grants to Gas Networks Ireland and any permitted assignee (hereinafter referred to as the "Licensee") a licence for the ownership and operation of the distribution system as specified in Schedule 1 of the licence during the period specified in paragraph 3, subject to the conditions (hereinafter referred to as "the Conditions") set out in Part II.
2. The Conditions are subject to modification or amendment in accordance with their terms or with Section 16(16)(b) of the Act. The licence hereby granted (hereinafter referred to as "this licence") is further subject to the terms as to revocation specified in Schedule 2.
3. This licence shall come into force on (insert date) and, unless revoked in accordance with the provisions of Schedule 2, shall continue in full force and effect until determined by not less than 15 years' notice in writing given by the Commission to the Licensee, with such notice not to be served earlier than the 15th anniversary of the date on which this licence comes into force.
4. For the purposes of paragraph 1, "permitted assignee" means a person to whom this licence has been assigned in accordance with the Conditions (so far as relevant).

Sealed with the common seal of the Commission for Regulation of Utilities on XX

PART II: CONDITIONS OF THE LICENCE

Condition 1: Interpretation and Construction

1. Unless the contrary intention appears:
 - (a) words and expressions used in the Conditions or the Schedules shall be construed as if they were in an enactment and the Interpretation Act 2005 applied to them; and
 - (b) references to an enactment in the Conditions or the Schedules include primary and subordinate legislation, rules and regulations and any amendment, Modification or re-enactment thereof and any successor or replacement legislation thereto after the date when this licence comes into force.
2. Any word or expression defined in the Act for the purposes of any provision of the Act shall, unless the contrary intention appears, have the same meaning when used in the Conditions or in the Schedules.
3. In the Conditions and in the Schedules, unless otherwise specified or the context otherwise requires:

“Act” means the Gas (Interim) (Regulation) Act 2002, as amended

“Act of 1999” means the Electricity Regulation Act 1999, as amended;

“Act of 1976” means the Gas Act 1976, as amended;

“Affiliate” in relation to any person means a Holding Company of such person, any Subsidiary of such person or any Subsidiary of such Holding Company;

“Code of Operations”

means, the code of operations required to be prepared by the holder of a Natural Gas licence pursuant to Section 13(1) of the Act, and approved by the Commission, as from time to time revised, amended, supplemented or replaced with the approval or at the direction of the Commission;

“Customer”

has the meaning given in the Act.

“Directive”

means Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC;

“Distribution”

“Distribution Pipeline”

has the meaning given in the Act;

means a pipeline used or intended to be used for the Distribution of Natural Gas and designed to operate at a pressure up to and including 16 bar gauge and includes part of such a pipeline, and includes any apparatus, equipment or other thing which is ancillary to such a pipeline;

“Distribution System” means the Distribution System specified in Schedule 1;

“Distribution System Business” means the business of the Licensee consisting of the ownership and operation of the Distribution System as authorised by this licence;

“Distribution System Standards” means the document of that name required to be prepared by the Licensee under Condition 11 of this licence;

“Distribution Zone” means a geographical area of the Distribution System encompassing one or more points at which Natural Gas is (or may in the future be) transferred from a transmission system to that distribution system and one or more associated points at which Natural Gas is offtaken from the distribution system by gas undertakings;

“Environmental and Climate Legislation” means those laws which are from time to time in force, which relate to the protection of the environment, which includes, but is not limited to, the protection of human health, flora, fauna and the

eco-systems on which they depend, and for the avoidance of doubt shall include all legislation relating to the protection of air, land and waters;

“Final Customer”

has the meaning given in the Act;

“Gas Fitting”

means any appliance, apparatus or other thing including associated pipework and flueing and ventilation equipment which is used or designed to be used in connection with the consumption or use of Natural Gas;

“Gas Point”

means a metered point at which Natural Gas may be offtaken from the Natural Gas Network for the purposes of supply direct to a particular Customer;

“Gas Point Registration Operator” or “GPRO”

Means to provide a service maintaining a register of all Gas Points forming part of the Distribution System as set out in Condition 8 of the licence;

“Holding Company”

means a holding company within the meaning of Section 8 of the Companies Act 2014;

“Levy Order”

means an order made under paragraph 16 of Schedule 1 to the Act of 1999, or under Section 21(1) or Section 22(2) of the Act;

| | |
|---|--|
| “Licensee” | means Gas Networks Ireland (GNI) a designated activity company limited by shares and registered in Ireland under company number 555744; |
| “LPG” | means liquefied petroleum gas; |
| “LPG Safety Licence Holder” | means a holder of a licence granted by the Commission under Section 9JE of the Act of 1999; |
| “Metering Equipment” | means meters and associated equipment installed on the Distribution System or the Transmission System at points of Natural Gas custody transfer or for other fiscal purposes and meeting the relevant standards of accuracy set by law or any relevant regulatory authority; |
| “Modification” | includes addition, omission, amendment and substitution, and cognate expressions shall be construed accordingly; |
| “National Gas Emergency Manager” | means the person designated as such by the Commission under Section 19B of the Act; |
| “Natural Gas” | has the meaning given in the Act of 1976; |
| “Natural Gas Emergency” | has the meaning given in Section 19B(10) of the Act; |

| | |
|---------------------------------------|--|
| “Natural Gas Emergency Plan” | means the plan prepared by the holder of a Transmission licence when so directed by the Commission in accordance with Section 19B of the Act; |
| “Natural Gas Legislation” | means any legislation applicable to Natural Gas, including but not limited to the Gas Acts, 1976 to 2002; |
| “Natural Gas Network” | means the Transmission Pipelines and the Distribution Pipelines used for the Transmission, Distribution and supply of Natural Gas directly to, directly from and within the state; |
| “Natural Gas Undertaking” | has the meaning given in the Act; |
| “Network Development Plan” | means the document of that name required to be prepared by the Licensee under Condition 10 of this licence; |
| “Operating Security Standards” | means the document of that name required to be prepared by the Licensee under Condition 12 of this licence; |

“Related Undertaking”

in relation to any person means any undertaking having a participating interest in that person or any undertaking in which that person has a participating interest as defined in section 275 of the Companies Act 2014;

“Relevant Supplier”

means, in relation to any Gas Point or to a Customer supplied with Natural Gas at any Gas Point, the registered Supplier of Natural Gas to that Gas Point;

“Safety Case”

means the document prepared by the Licensee and accepted by the Commission in accordance with the Safety Framework;

“Safety Framework”

means the LPG and Natural Gas safety regulatory framework established by the Commission further to Section 9(1G)(a) of the Act of 1999, as reviewed or amended by the Commission from time to time, insofar as it is relevant to the ownership and operation of the Distribution System as specified in Schedule 1;

“Safety Requirements”

means the requirements of both the Safety Case and

applicable laws in respect of Natural Gas safety;

“Separate Business”

means each business of the Licensee, taken separately from one another, but so that where all or any part of such business is carried on by an Affiliate or Related Undertaking of the Licensee such part of the business as is carried on by that Affiliate or Related Undertaking shall be consolidated with any other such business of the Licensee (and of any other Affiliate or Related Undertaking) so as to form a single separate business;

“Shipper”

means any person licensed by the Commission to engage in the shipping of Natural Gas;

“Subsidiary”

has the meaning given in Section 7 of the Companies Act 2014;

“Supplier”

means any person licensed by the Commission to engage in the supply of Natural Gas;

“Supply Point”

means a point at which Natural Gas may be offtaken from the Natural Gas Network consisting of one or more Gas Points;

“Transmission” has the meaning given in the Act;

“Transmission Pipeline” means a Natural Gas pipeline that is used or intended to be used for the Transmission of Natural Gas and is designed to operate at a pressure of above 16 bar gauge and includes part of such a pipeline, and includes any apparatus, equipment or other thing which is ancillary to such a pipeline;

“Transmission System Operator” has the meaning given in the Directive;

“Transmission System” Means the transmission system specified in Schedule 1 of the Licensee’s Transmission System Owner and Operator Licence granted under Section 16(1)(c) of the Act on XX Date;

“Transmission System Business” means the business of the Licensee and any Affiliate or Related Undertaking of the Licensee consisting of the ownership and operation of the Transmission System as authorised by the Licensee’s transmission system owner and operator licence issued under Section 16(1)(c) of the Act on XX Date;

“Transportation Arrangement”

means an arrangement made by the Licensee with a Shipper for the transportation of gas in the Distribution System and a reference to a Transportation Arrangement shall include the Code of Operations;

“Transporter”

means, in relation to any Gas Point or to a customer supplied with Natural Gas at any Gas Point, the operator of the distribution or transmission pipeline, as the case may be, which conveys Natural Gas to that Gas Point.

4. Unless otherwise specified:
- (a) any reference to a numbered Condition or to a numbered Schedule is respectively a reference to the Condition or the Schedule being that number in this licence;
 - (b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition or Schedule in which the reference occurs; and
 - (c) (without prejudice to any provision which restricts such variation, supplement or replacement) any reference to any legislation, agreement, licence (other than this licence), code or other instrument shall include a reference to such legislation, agreement, licence, code or other instrument as varied, supplemented or replaced from time to time.
5. The heading or title of any Part, Condition, Schedule or paragraph shall not affect the construction thereof.

6. Where any obligation of the Licensee is expressed to require performance within a specified time limit that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of the Licensee's failure to perform within the time limit).
7. The provisions of Section 4 of the Act of 1999 shall apply for the purposes of the delivery or service of any document, direction or notice to be delivered or served pursuant to this licence and directions issued by the Commission pursuant to any Condition shall be delivered or served as aforesaid.
8. Unless otherwise specified, where a Condition requires, or makes provision for or reference to:
 - (a) any communication from or by the Commission to the Licensee (including, without limitation, any notification, direction, approval, acceptance, consent or agreement to be given by the Commission); or
 - (b) any communication from or by the Licensee to the Commission (including, without limitation, any notification, application or provision of information by the Licensee),

such communication shall be in writing.

9. A word importing the singular shall be read as also importing the plural, and a word importing the plural shall be read as also importing the singular.

Condition 2: General Function

The Licensee shall in accordance with this licence, and the Natural Gas Legislation:

1. operate, maintain and develop under economic conditions a safe, secure and efficient Distribution System with due regard for the environment, energy efficiency and public safety;
2. ensure the long-term ability of the Distribution System to meet reasonable demands for the distribution of natural gas;
3. not discriminate between system users or classes of system users particularly in favour of related undertakings
4. provide any Natural Gas Undertaking with sufficient information to ensure that transport and storage of Natural Gas may take place in a manner compatible with the safe, secure and efficient operation of the Natural Gas Network;
5. provide users of the Distribution System with the information they need for efficient access to, including use of, the Distribution System;
6. procure the energy it uses for the carrying out of its functions according to a transparent, non-discriminatory and market based procedure subject to the Commission's approval;
7. report to the Commission on such matters as the Commission may specify;
8. without prejudice to any legal obligation to disclose information, preserve the confidentiality of commercially sensitive information obtained in the course of carrying out its business,
9. discharge any functions as required of it by Natural Gas Legislation including complying with the Safety Requirements;
10. adopt rules for the purposes of balancing the Distribution System which are objective, transparent and non-discriminatory and in accordance with the Code of Operations.

Condition 3: Connection to and Use of the Distribution System

The Licensee shall comply with any and all requirements, duties and obligations imposed on the Licensee:

1. under and/or pursuant to Section 10A of the Act of 1976 (including, without limitation, any directions given by the Commission under subsection (4) of that Section);
2. under and/or pursuant to an order made under Section 2(1) of the Gas (Amendment) Act 1987, which confers on the Licensee functions relating to the Distribution of Natural Gas;
3. under and/or pursuant to a consent given under Section 39A(1) of the Act of 1976 in so far as that consent relates to a pipeline forming part of the Distribution System; and
4. under and/or pursuant to Section 9 of the Act of 1999.

Condition 4: Connection to Gas Fittings

1. The Licensee shall not connect the Distribution System to any Gas Fitting, or to any pipe or equipment used in any premises, or in connection with any particular premises, to convey Natural Gas to any Gas Fitting, unless:
 - a) in cases where work on those Gas Fittings, pipe or equipment are designated as gas works under Section 9G(1) of the Act of 1999, the Gas Fitting, pipe or equipment in question has been safely and properly installed, repaired or replaced by a person named in Section 9G(3) of the Act of 1999, in accordance with any relevant codes and standards and industry best practice; or
 - b) in cases where work on those Gas Fittings, pipe or equipment have not been designated as gas works under Section 9G(1) of the Act of 1999, the Gas Fitting, pipe or equipment in question has been safely and properly installed, repaired or replaced in accordance with any relevant codes and standards and industry best practice.
2. Where the Licensee is of the opinion that a Gas Fitting would give rise to an unacceptable risk affecting the safety of persons, land, buildings or other property, then the Licensee shall isolate such Gas Fitting from the Distribution System.
3. The Licensee shall not carry out, or engage a person to carry out, gas works, including “works which are ‘gas works’” within the meaning of regulation(s) made from time to time under Section 9G(1) of the Act of 1999, unless the person carrying out the gas works is permitted under Section 9G(3) of the Act of 1999 to carry out gas works.

Condition 5: Efficient Procurement of Assets and Services

1. The Licensee shall procure and operate such assets and services as may be necessary to enable the Licensee to discharge its obligations in relation to the Distribution System Business under Natural Gas Legislation and this licence.
2. In procuring assets and services pursuant to paragraph 1, the Licensee shall procure assets and services from the most economical sources available to it having regard to the quantity, quality and nature of the assets and services required to enable it to discharge its obligations under Natural Gas Legislation and this licence and to the diversity, number, timeliness of delivery, safety and reliability of such assets and services.
3. This Condition shall not extend to prescribing the manner or circumstances in which the Licensee shall at any time call for the delivery of assets and services under any contract or arrangement entered into pursuant to paragraph 1.

Condition 6: Relevant Assets

1. The Licensee shall prepare and maintain a complete, accurate and up-to-date register of relevant Licensee assets and map of the Licensee's Distribution System. The Licensee shall provide the Commission with such a register and such a map in such form and at such times as the Commission may specify.
2. The Licensee shall not dispose of, or relinquish operational control over any relevant asset or use any relevant asset for interests other than or in addition to discharging the function of the Distribution System Business, if the disposal or relinquishment of control or use would adversely affect its ability to discharge its obligations under any Natural Gas Legislation, Safety Requirements or the carrying on of activities authorised or required by this licence, and any question as to the application of this Condition shall be determined by the Commission.
3. If any or all of the relevant assets are being used or disposed of, or if any or all of the relevant assets are proposed to be used or disposed of, by the Licensee for interests other than or in addition to discharging the functions of the Distribution System Business, the Licensee shall, as soon as is practicable after the date of issue of this licence, notify the Commission of same and provide the Commission with such information as the Commission requires in relation to such usage or disposal.
4. The Commission shall issue directions from time to time requiring the Licensee to give prior notification to the Commission of proposed disposals or uses of relevant assets of a specified description and these directions may include a direction that certain categories of such disposals or uses may not take place until either the Commission has expressly agreed to them or a specified time period has elapsed.
5. Any question arising as to the materiality of relevant assets shall be determined by the Commission for the purposes of this Condition.

6. In this Condition:

"disposal"

includes any sale, assignment, gift, lease, licence, transfer, mortgage, charge, restriction on use (whether physical or legal), or the grant of any other encumbrance or the permitting of any encumbrance to subsist or any other disposition to a third party and **"dispose"** shall be construed accordingly;

"relevant asset"

means:

- a) any material asset for the time being forming part of the Distribution System;
- b) any material asset under construction which may, subject to the approval of the Commission, form part of the Distribution System;
- c) any control centre for use in conjunction with the Distribution System;
- d) any legal or beneficial interest which can be considered material in land and/or premises upon which any of the foregoing is situated and/or used by the Licensee in the discharge of its functions under this licence; and
- e) any equipment which can be considered material and is used by the Licensee in the discharge of its functions under this licence.

“material asset”

means any asset of the Licensee the disposal of which or the change of use of which would have a material adverse effect on the Licensee’s ability to discharge its functions and obligations under this licence.

Condition 7: Revenue Protection

1. With respect to the Distribution System, the Licensee shall (and shall ensure that its agents) take all reasonable steps to detect and prevent:
 - a) the theft of Natural Gas;
 - b) damage to Natural Gas pipelines, Metering Equipment and ancillary works;
 - c) interference with any Metering Equipment; and
 - d) meter fault and meter reading or administrative errors.
2. With respect to the Distribution System, where the Licensee has reason to believe that:
 - a) the theft of Natural Gas is taking place or has taken place; or
 - b) there has been interference with the Metering Equipment, or its associated equipment, to alter its register or prevent it from duly registering the quantity of Natural Gas supplied or produced; or
 - c) there has been a meter fault or meter reading or administrative error,the Licensee shall, as soon as reasonably practicable, inform the affected Supplier (to the extent that it is not already aware of the incident) of the incident in question.
3. In the circumstances described in paragraph 2 of this Condition the Licensee shall take such further actions as the Commission considers appropriate, in addition to any duties the Licensee has under Sections 15 and 16 of the Energy (Miscellaneous Provisions) Act 1995.
4. The Licensee shall prepare and submit for approval by the Commission a code of practice for revenue protection (which shall include the actions mentioned in paragraph 3).
5. The Licensee shall ensure that it complies with the code of practice for revenue protection, as prepared and/or amended from time to time in accordance with this licence.
6. In this Condition:

“code of practice for revenue protection”

means a document setting out the procedures used by the Licensee to

ensure the accurate recording of Natural Gas consumption and production in addition to the procedures to be followed upon the discovery or suspicion of theft of Natural Gas;

“theft of Natural Gas”

means the dishonest use, causing of waste or diversion of Natural Gas, within the meaning of Section 15(2) of the Energy (Miscellaneous Provisions) Act 1995

CONSULTATION VERSION

Condition 8: Gas Point Register and Gas Point Registration Operator

1. If so directed by the Commission the Licensee shall operate and maintain a service to be known as the Gas Point Registration Operator or “GPRO” which shall carry out the functions and fulfil the obligations set out in this Condition and, in addition, those notified to the Licensee by the Commission from time to time.
2. The GPRO shall maintain a register, which records for each Gas Point on the Distribution System through which a Customer is supplied:
 - a. the Gas Point Registration Number;
 - b. details of the Customer supplied at that Gas Point (both past and current);
 - c. the Relevant Suppliers at the Gas Point (both past and current);
 - d. details of the Metering Equipment installed;
 - e. the Supply Point(s) if any, in respect of which the Gas Point is attached;
 - f. meter reading data;
 - g. contact details of the current customer
 - h. the Distribution Zone in which it is located;
 - i. the daily calorific value
 - j. its capacity and;
 - k. any other data as directed by the Commission from time to time
3. The Licensee shall:
 - a. maintain a register which records for each Gas Point on the Distribution System such records listed in Paragraph 1;
 - b. maintain a register which records for each Gas Point on the Distribution System records of any works carried out at such Gas Points; and
 - c. maintain such other records as the Commission may direct from time to time.
4. The Licensee shall maintain historic records referred to in paragraph 1 of this condition for a period of seven years.

5. With respect to the Distribution System, the Licensee shall prepare and publish, following the approval of the Commission, details of a process for the efficient and expeditious means by which Final Customers may change from one Supplier to another.
6. Where not appointed as the GPRO, the Licensee shall co-operate with the GPRO with a view to ensuring that the information and/or data required by the GPRO for the purposes of its functions and the provision of its services are complete and accurate.
7. Where not appointed as the GPRO, the Licensee shall comply promptly with all requests from the GPRO for co-operation and information and/or data reasonably required by the GPRO for the discharge of its functions.
8. Where not appointed as the GPRO, the Licensee shall comply with any code of practice published by the GPRO in accordance with a requirement of a natural gas licence and relating to the discharge of the functions of the GPRO.
9. In this Condition:

**“Gas Point Registration
Number”**

Means the unique number allocated by the GPRO to a Gas Point to record its physical location;

Condition 9: Provision of Metering and Data Services

1. The Licensee shall publish standard terms with respect to the Distribution System and shall provide a copy of the same upon request of any Natural Gas Undertaking for the following services:
 - a. the provision of Metering Equipment;
 - b. the installation, commissioning, testing, repair, removal, replacement, relocation and maintenance of Metering Equipment;
 - c. meter data collection; and
 - d. meter data transfer.
2. When so requested by a Natural Gas Undertaking, the Licensee shall enter into an agreement with that undertaking for the provision of any or all of the services listed in paragraph 1 of this Condition on the standard terms published pursuant to paragraph 1 of this Condition and in compliance with any requirement pursuant to Condition 3.
3. The meter data collection and meter data transfer services provided under agreements entered into pursuant to this condition shall meet the technical specifications in relation to data set by the Licensee in its code of practice for metering and data services.
4. Any dispute arising as to the terms on which services are to be provided pursuant to this Condition shall be referred to the Commission for determination and the Commission's determination shall be final.
5. The Licensee shall prepare and maintain, following the approval of the Commission a code of practice for metering and data services (which shall include the actions mentioned in paragraph 3).
6. The Licensee shall comply with the code of practice for metering and data services, as prepared and/or amended from time to time in accordance with this licence.
7. The Licensee shall provide meter data processing in respect of all Gas Points in the Distribution System and any other Gas Points as required by the Code of Operations and in addition shall provide meter data forecasting, allocation and reconciliation services in respect of all non-daily metered Gas Points in the Distribution System.
8. In this Condition:

| | |
|--|---|
| “meter data collection” | means the collection and verification of meter reading data from Natural Gas meters; |
| “meter data forecasting, allocation and reconciliation” | means the forecasting, collation, summation and attribution of meter reading data (whether actual or estimated), and the delivery of such data to the relevant Natural Gas Undertakings for settlement and/or billing purposes; |
| “meter data processing” | means the processing, validation, estimation and substitution of meter reading data for the purposes of establishing the consumption of Natural Gas at premises; and |
| “meter data transfer” | means the transfer of metered data for billing purposes in accordance with the provisions for meter and data services contained in the Code of Operations. |

Condition 10: Network Development Plan

1. The Licensee shall comply with a direction given by the Commission to prepare a Network Development Plan with respect to each of the 10 succeeding years or such period as may be determined by the Commission, containing such information as the Commission may specify including, without limitation, such information by way of forecasts of:
 - a. the use likely to be made of the Distribution System; and
 - b. the Licensee's plans for changes and/or additions to the infrastructure of the Distribution System, including any plans to extend the Licensee's Distribution System to areas where no distribution system currently exists; and
 - c. without prejudice to the generality of sub-paragraph (b) above the likely development of that system and those facilities which the Licensee expects from time to time to be taken into account in determining the charges for making connections to, and use of, the Distribution System.

as it is reasonably practicable for the Licensee to provide and which could assist a person who contemplates:

- a. seeking a connection to the Distribution System;
- b. entering into Transportation Arrangements with the Licensee; or
- c. seeking the connection of the Distribution System to premises,

in identifying and evaluating the opportunities for doing so.

2. Except where the Commission consents to the Licensee not doing so, the Licensee shall on an annual basis, prepare a revision of the Network Development Plan prepared under paragraph 1 so as to ensure that, so far as is reasonably practicable, the information in the revised Network Development Plan is up to date.

3. The Licensee shall:

- a. furnish the Commission with a copy of the Network Development Plan prepared under paragraph 1 and each revision of the Network Development Plan prepared under paragraph 3; and
- b. prepare a version of the Network Development Plan which excludes, so far as is practicable, any such matter as is mentioned

in paragraph 5 and make such version publicly available in a form accepted by the Commission from time to time.

4. In complying with the requirements of paragraph 4(b), the Licensee shall have regard to the need for excluding, so far as is practicable, any matter which relates to the affairs of a person where the publication of that matter may be reasonably expected to have a prejudicial effect on that person's interests.
5. Any question arising under paragraph 4 as to whether the publication of some matter which relates to the affairs of a person may be reasonably expected to have a prejudicial effect on that person's interests, shall be determined by the Commission.

CONSULTATION VERSION

Condition 11: Distribution System Standards

1. The Licensee shall prepare a document listing such standards as set out in paragraph 3 below entitled the “**Distribution System Standards**”.
2. The Distribution System Standards shall be subject to the acceptance of the Commission.
3. The Distribution System Standards shall include standards regarding, without limitation, the engineering of pipelines and associated equipment and the technical standards to be adopted for their design, construction, operation and maintenance, including standards relating to the physical durability of the Distribution System (including its ability to withstand internal and external pressures, shocks and damage, whether natural or man-made) and standards relating to the odourisation of Natural Gas.
4. The Licensee shall ensure that the construction, operation, maintenance and development of the Distribution System is carried out in accordance with the Distribution System Standards.
5. The Licensee shall furnish a copy of the document to the Commission and shall make the document available to relevant stakeholders on request. The Licensee shall publish the document from time to time in the format and manner accepted by the Commission.
6. The Licensee shall send to the Commission an annual statement of the Licensee’s compliance with the Distribution System Standards and shall provide the Commission with such additional information in this regard as the Commission may request.
7. The Licensee shall, in consultation with other Natural Gas Undertakings, other bodies it considers appropriate and other bodies notified to it by the Commission periodically review (including at the request of the Commission) the Distribution System Standards and their implementation in the light of requirements to operate the Distribution System in line with industry best practice and the recommendations and standards of recognised technical bodies in the European Natural Gas industry.
8. As soon as possible following any review of the Distribution System Standards, the Licensee shall send to the Commission:
 - a. a report of the outcome of such review; and
 - b. any revisions which it proposes to make to the Distribution System Standards (having regard to the outcome of the review).

9. The Commission may issue directions requiring the Licensee to revise the Distribution System Standards in such manner as may be specified in the directions, and the Licensee shall comply with such directions.
10. No changes may be made to the Distribution System Standards otherwise than in accordance with the above procedures and unless such change has been notified to the Commission.
11. The Licensee may seek a derogation relieving the Licensee of its obligations under paragraph 3 in respect of parts of the Distribution System or parts of the Distribution System Standards and the Commission may issue directions relieving the Licensee of its obligations under paragraph 3 above in respect of such parts of the Distribution System or parts of the Distribution System Standards to such extent as may be specified in those directions.

Condition 12: Operating Security Standards

1. The Licensee shall, prepare a document detailing standards for the preservation of the day to day operating security of the Distribution System called the "Operating Security Standards" and publish that document in a format and manner acceptable to the Commission. The Licensee shall, in preparing the document, consult with other Natural Gas Undertakings, other bodies it considers appropriate and other bodies notified to it by the Commission.
2. The Operating Security Standards shall be subject to the acceptance of the Commission
3. The standards detailed in the Operating Security Standards shall be those which the Licensee reasonably considers are best calculated to achieve any metrics set by the Commission under Condition 17 (Distribution System Business Metrics) and shall seek to address, without limitation, the following factors:
 - (a) the overall demand on the Distribution System;
 - (b) peak daily demand and within-day fluctuations in demand which can be reasonably anticipated;
 - (c) the risk of failure of equipment associated with the Distribution System;
 - (d) any operational constraints in the Distribution System; and
 - (e) the need for adequate maintenance to the Distribution System to be carried out without interruption of the supply of Natural Gas.
4. The Licensee shall, ensure that the operation of the Distribution System is in accordance with the Operating Security Standards.
5. The Licensee shall send to the Commission an annual statement on the Licensee's compliance with the Operating Security Standards and shall provide the Commission with such additional information in that connection as the Commission from time to time requires.
6. The Licensee shall, in consultation with other Natural Gas Undertakings, other bodies it considers appropriate and other bodies notified to it by the Commission, periodically review (including at the request of the Commission) the Operating Security Standards and their implementation.

7. As soon as possible following any review of the Operating Security Standards, the Licensee shall send to the Commission:
 - (a) a report of the outcome of such review; and
 - (b) any revisions which it proposes to make to the Operating Security Standards (having regard to the outcome of the review)
8. The Commission may issue directions requiring the Licensee to revise the Operating Security Standards in such manner as may be specified in the directions, and the Licensee shall forthwith comply with such directions.
9. No changes may be made to the Operating Security Standards otherwise than in accordance with the above procedures and unless such change has been notified to the Commission.

Condition 13 : Natural Gas Emergencies

1. The Licensee shall comply with the provisions of the Natural Gas Emergency Plan in so far as they are applicable to it and shall comply with all directions received from the National Gas Emergency Manager in exercising its functions pursuant to the co-ordination of the implementation of the Natural Gas Emergency Plan.

CONSULTATION VERSION

Condition 14: Emergency Response

1. The Licensee shall provide an emergency response service in respect of gas escapes and suspected gas escapes, whether inside or outside of any building, which service shall include:
 - (a) the maintenance of a call centre to receive reports of gas escapes and suspected gas escapes.
 - (b) the provision of appropriate safety advice to the person reporting such escape; and
 - (c) responding to and making safe all Natural Gas escapes on the Distribution System and the Transmission System (whether or not in the premises to which it transports Natural Gas).
2. The Licensee shall provide the emergency response service in accordance with any requirements in relation to such service as the Commission may from time to time specify by notice to the Licensee for the purposes of this Condition.
3. The Licensee shall secure adequate publicity for the emergency response service and its telephone number.
4. The licensee shall:
 - (a) provide the emergency response service without charge by the Licensee to the user at the point of use; and
 - (b) ensure that all reports and enquiries related to the emergency response service are processed in a prompt and efficient manner.
5. Subject to paragraph 6, the Licensee shall make arrangements which will secure that in making safe an escape of Natural Gas in any premises, the making safe is effected
 - (a) in such a way as to maintain the supply of Natural Gas to those premises where it is safe to do so; and
 - (b) by carrying out any appropriate minor repairs to gas fittings.

6. Nothing in paragraph 5 shall oblige the Licensee to carry out work which is downstream of the meter.
7. Where the Licensee has made safe an escape of Natural Gas in any premises and further repair work is required, the Licensee shall ensure that information is given to the owner or occupiers of the premises or, in their absence, left at the premises, as to the persons in the locality who are on the register of gas installers maintained by the Gas Safety Supervisory Body as designated by the Commission under Section 9F(1) of the Act of 1999.
8. Where the Licensee receives a report of an actual or suspected gas escape at a location other than the Distribution System or the Transmission System, it shall communicate such information immediately to the relevant Transporter or the relevant LPG Safety Licence Holder.

Condition 15: Safety Case

1. The Licensee shall produce and thereafter maintain, in a form approved by the Commission, a Safety Case. The Licensee shall at all times adhere to its Safety Case as accepted by the CRU in accordance with the Safety Framework.
2. The Licensee shall not amend or modify its Safety Case unless the modification or amendment either:
 - a. has been accepted in writing by the Commission or
 - b. is of a type that the Licensee is permitted to amend under the Safety Framework without the modification or amendment first being accepted in writing by the Commission.
3. The Licensee shall at all times fully co-operate with the Commission and provide the Commission with such information as it may require, in connection with the implementation of the Safety Framework.
4. The Licensee shall comply with the provisions of the Safety Framework in so far as they are applicable to it.
5. At such times as required by the Safety Framework, the Licensee shall procure, on terms of reference approved by the Commission, the services of an independent consultant suitably qualified in Distribution safety matters as accepted by the Commission to examine and report on the Licensee's compliance with the Safety Case, such report to be concluded within a time period specified by the Commission and provided to the Commission at the same time as it is provided to the Licensee.

Condition 16: Interaction with other Natural Gas Undertakings and Other Entities

1. The Licensee shall furnish to other Natural Gas Undertakings to whose systems the Distribution System is connected, in such manner and at such times as may reasonably be required, such information as may be reasonably required by such undertakings in order to ensure the safe, secure and efficient operation, co-ordinated development and inter-operability of the Natural Gas Network.
2. The Licensee shall furnish to any Gas Safety Supervisory Body appointed by the Commission from time to time pursuant to Section 9F of the Act of 1999, such information as may be reasonably required by such Gas Safety Supervisory Body to enable it to carry out its duties as specified by the Commission.
3. The Licensee shall have due regard to the need to ensure the safe, secure and efficient operation, co-ordinated development and inter-operability of the Natural Gas Network in relation to the construction and operation of Natural Gas pipelines. Any difference or dispute arising between the Licensee and any other Natural Gas Undertaking in connection with this Condition or the matters referred to in this Condition shall be decided by the Commission for the purposes of this Condition, and the Licensee shall comply with any direction given by the Commission regarding its decision.
4. Where the Licensee in its capacity as holder of this Licence intends to enter agreements or classes of agreements with any undertaking carrying out the function of production, storage, transmission or distribution of gas or with such other entity which the Commission may direct, the Licensee shall inform the Commission of all such intended agreements or classes of agreements prior to execution. On being informed of any such agreement or classes of agreements the Commission shall determine whether the Licensee shall require the approval of the Commission prior to executing any such agreement and shall notify the licensee of its decision in this regard. The Commission may, at its discretion, specify additional conditions with which the Licensee shall comply prior to executing any such agreement or classes of agreements.
5. The Licensee shall provide to the Commission a list of any existing agreements described in paragraph 4 executed by it prior to the commencement of this licence and where requested provide a copy of any such agreement to the Commission.
6. Where the Licensee in its capacity as holder of this Licence intends to amend any of the agreements described in paragraphs 4 and 5 and where such amendment is considered material by the Licensee, the Licensee shall notify the Commission of such amendments and the further provisions of paragraph 4 shall apply with regard to the Licensee executing any such amendment.

Condition 17: Distribution System Business Metrics

1. The Licensee shall conduct the Distribution System Business in the manner which it reasonably considers it best to achieve such metrics as may be determined by the Commission from time to time and notified to the Licensee, 'Distribution System Business Metrics'
2. The Distribution System Business Metrics shall be determined by the Commission based on performance criteria against which the Licensee should be measured. Such criteria shall be submitted by the Licensee for approval by the Commission and shall be amended as required by the Commission from time to time by notice to the Licensee.
3. The Licensee shall periodically review (including at the request of the Commission) the performance criteria.
4. As soon as possible following any review of the performance criteria, the Licensee shall send to the Commission:
 - a. a report of the outcome of such review; and
 - b. revisions which it proposes to make to the performance criteria (having regard to the outcome of the review) for the Commission's approval.
5. The Licensee shall report annually on the performance of the Distribution System Business against the Distribution System Business Metrics ('Systems Performance Report')
6. The Systems Performance Report shall be published in a format and manner accepted by the Commission from time to time.
7. No changes may be made to the Distribution System Business Metrics otherwise than in accordance with this Condition and unless such change has been notified to the Commission.

Condition 18: Access to land and/or premises

1. The Licensee shall prepare and submit for approval by the Commission a code of practice, setting out the principles and procedures the Licensee will follow in respect of any person acting on its behalf who requires access to land and/or premises.
2. Such code of practice, shall include procedures calculated to ensure that persons acting on behalf of the Licensee:
 - a. are fit and proper persons to undertake the duties in question;
 - b. possess the skills necessary to perform the required duties;
 - c. may have their identity or authority readily confirmed by members of the public; and
 - d. are able to inform persons affected on request of a contact point for help and advice they may require in relation to the Distribution and use of Natural Gas.
3. The Licensee shall ensure that it complies with the code of practice for access to land and/or premises, as prepared and/or amended from time to time in accordance with this licence.

Condition 19: Consumer Protection, Customer Charter, Complaints Handling Procedure and Disconnection Code of Practice

1. The Licensee shall prepare, maintain and submit for approval:
 - (a) a customer charter (which may include, inter alia, services to market participants, provisions relating to an enquiry service, emergency contact, quality of supply targets, compensation, continuity targets, connection quotations and timescales and other service level targets) ('Customer Charter');
 - (b) a complaints handling procedure (which will detail the procedure for handling complaints from Customers and users); and
 - (c) a disconnection code of practice (which will detail the policy and procedures for the disconnection of premises from the Distribution System).
2. Each document prepared in accordance with paragraph 1 shall include specific provision to meet the needs of vulnerable customers, as defined in the European Communities (Internal Market in Electricity and Gas) (Consumer Protection) Regulations of 2011, and such other categories of Customers with special needs as required by the Commission from time to time. In addition to the documents prepared in accordance with paragraph 1, the Licensee shall, at such time as the Commission may direct prepare and submit to the Commission for its approval a vulnerable customer code of practice (which shall detail the policy and procedures in relation to such categories of Customers as defined by the Commission from time to time).
3. The Licensee shall comply with the Customer Charter, complaints handling procedure and all codes of practice detailed in this condition and which are prepared and/or amended from time to time in accordance with this licence.
4. The Commission may issue directions requiring the Licensee to revise the Customer Charter in such manner as may be specified in the directions, and the Licensee shall forthwith comply with such directions.
5. The Licensee shall, in consultation with other Natural Gas Undertakings, other bodies it considers appropriate and other bodies as notified to it by the Commission from time to time, periodically review (including at the request of the Commission) the Customer Charter and its implementation.
6. As soon as possible following any review of the Customer Charter, the Licensee shall send to the Commission:
 - (a) a report of the outcome of such review; and

- (b) any revisions which it proposes to make to the report and/or the Customer Charter (having regard to the outcome of the review).
7. No changes may be made to the Customer Charter otherwise than in accordance with the above procedures and unless such change has been approved by Commission.
 8. Any procedure established in accordance with this Condition shall specify the periods within which it is intended that different types of complaints should be processed and resolved.
 9. The Licensee shall send to the Commission an annual report on the Licensee's compliance with paragraph 2 ('the Customer Performance Report') and shall provide the Commission with such additional information as the Commission may require from time to time. The Licensee shall publish the Customer Performance Report in a format and manner accepted by the Commission from time to time.
 10. If the Licensee fails to achieve a level of service as prescribed in the Customer Charter in an individual case, the Licensee shall make to any Final Customer or potential Final Customer, who is affected by the failure compensation consistent with the Licensee's Customer Charter.
 11. The giving of compensation pursuant to this Condition in respect of any failure to achieve a level of service shall be without prejudice to any other remedy which may be available in respect of the act or omission which constituted that failure.

Condition 20: Preparation, Review of and Compliance with Statements, Codes of Practice and Procedures

1. This Condition applies to any statement, code of practice or procedure required to be prepared by the Licensee pursuant to a Condition of this licence.
2. The Licensee shall prepare at the request of the Commission any statement, code of practice or procedure in addition to those referred to elsewhere in this Licence that the Commission considers appropriate.
3. The Licensee shall, periodically review (including at the request of the Commission) any statement, code or procedure and the manner in which it has been operated, with a view to determining whether any modification should be made to it or to the manner of its operation.
4. The Licensee shall:
 - (a) as soon as practicable following the preparation of any, statement, code or procedure or any revision made to it, send to the Commission a copy of such statement, code or procedure or (as the case may be) such revision;
 - (b) on a regular basis, draw the attention of those Final Customers or users to whom such, statement, code or procedure applies to the existence of the statement, code or procedure and of each substantive revision of it and to the means by which they may inspect a copy of it in its latest form; and
 - (c) publish such, statements, codes and procedures in a format and manner accepted by the Commission.
5. The Commission may issue directions requiring the Licensee to revise any, statement, code or procedure in such manner as may be specified in the directions, and the Licensee shall forthwith comply with such directions.
6. No changes may be made to any statement, code or procedure otherwise than in accordance with the above procedures and unless such change has been approved by the Commission.
7. The Licensee shall, so far as reasonably practicable, comply with such arrangements as are contained in or described by any statement, code or procedure to which this Condition applies or any revision to such statement, code or procedure.

8. The Licensee may seek from the Commission a derogation relieving the Licensee of its obligations under part (c) of paragraph 4 for reasons of confidentiality or such other reasons as the Commission considers appropriate.

CONSULTATION VERSION

Condition 21: Systems, Records, Reporting & Provision of Information

1. The Licensee shall keep such records;
 - a. as reasonably required to demonstrate the effective and efficient operation of the Distribution System Business
 - b. as are required to ensure compliance with its Safety Case
 - c. as are required by Natural Gas Legislation and law relevant to gas safety; and
 - d. as notified by the Commission from time to time.

and shall provide to the Commission such records as are required by the Commission.

2. The Licensee shall ensure, in so far as reasonably practicable, the accuracy, reliability and security of any systems, equipment, data and procedures which the Licensee uses, or is reasonably required to use, to measure or track the provision of any service authorised by, or provided pursuant to, this Licence and for the calculation of related charges.
3. In relation to the Licensee's relevant Safety Requirements the Licensee shall report in such manner, form and frequency as requested by the Commission.
4. The Licensee shall procure and furnish to the Commission, in such form and manner and at such times as the Commission may require, such information (including information that will assist the Commission in the preparation of a Natural Gas capacity statement as required under Section 19 of the Act), and shall procure and furnish to the Commission such reports, as the Commission may consider necessary or relevant in the light of the Conditions or as the Commission may require in the performance of its duties and functions under the Act or assigned or transferred to it by the Act and any other relevant legislation.
5. In this Condition "information" shall include any documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description, whether oral or written, and in any format specified by the Commission.
6. The power of the Commission to call for information under this Condition is without prejudice to the power of the Commission to call for information under or pursuant to any other Condition of this licence or under or pursuant to the Act or any other enactment.

7. The Licensee shall publish information (save for confidential information) in such form and manner and at such times as the Commission may require.
8. Any question arising as to what constitutes confidential information for the purposes of this Condition shall be determined by the Commission. If the Commission is minded that information is not confidential and should be published, the Commission shall consult with the Licensee and shall take into account any representations made by the Licensee on the confidentiality of the information.

CONSULTATION VERSION

Condition 22: Ring-fencing of the Distribution System Business and restriction on use of certain information

1. The Licensee shall establish and shall thereafter maintain the full managerial and operational independence of the Distribution System Business from each other business of the Licensee or of its Affiliates and Related Undertakings.
2. Subject to paragraph 3, the Licensee shall ensure that no information relating to, or derived from, the Distribution System Business is disclosed for the benefit of, or used for the purposes of any other Separate Business.
3. Paragraph 2 shall not apply in so far as:
 - (a) the Commission so consents;
 - (b) the Licensee is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including any code of operations) with the relevant person to whose affairs such information relates;
 - (c) the information is in the public domain (otherwise than in consequence of a contravention of any Condition of this licence);
 - (d) the information has been published or is to be disclosed:
 - (i) pursuant to any Condition of this licence; or
 - (ii) in compliance with any requirement imposed on the Licensee by or under any Natural Gas Legislation or any other requirement of law; or
 - (e) the information is disclosed pursuant to any judicial or other arbitral process or tribunal of competent jurisdiction.
4. Except in so far as the Commission consents to the Licensee not doing so, the Licensee shall take all steps necessary to ensure compliance with paragraph 2 and all necessary precautions against the risk of failure to comply with paragraph 3 including:
 - (a) restrictions on the communication of information to persons engaged in any other Separate Business;
 - (b) restrictions on use of or access to (for any purpose whatsoever) any assets of the Distribution System Business or recorded

information relating to the Distribution System Business, by persons engaged in any other Separate Business other than the Distribution System Business, and for the purposes of this paragraph, "asset" shall include (without limitation) any information systems, software, hardware, electronic systems, equipment, materials, resources, intellectual property, telephone numbers or lines, mobile telephones, email systems or addresses, websites or computer services.

5. Without prejudice to paragraph 4:

- (a) the Licensee shall ensure that, except in so far as the Commission consents, no person engaged in any other Separate Business shall have use of or access to (for any purposes whatsoever) any premises used by the Distribution System Business;
- (b) the Licensee shall procure that, except in so far as the Commission consents, no employee, officer, agent or consultant of the Distribution System Business solicits information from, or discloses or uses information obtained from, any Separate Business where such information may confer a competitive advantage on the Distribution System Business, unless the information is made available to competing undertakings on comparable terms;
- (c) the Licensee shall ensure that, except in so far as the Commission consents, the Distribution System Business shall not market its services or products in conjunction with any other Separate Business.

6. The Licensee shall prepare and publish a statement in a form approved by the Commission setting out the practices, procedures and systems which the Licensee has adopted (or intends to adopt) to ensure its compliance with the obligations set out in this Condition.

7. The Licensee may periodically revise the information set out in and, with the approval of the Commission, alter the form of the statement prepared in accordance with paragraph 6.

8. The Licensee shall, at least once in every year during which this Licence is in force, review such statement in order that the information set out therein shall continue to be accurate in all material respects.

9. The Licensee shall send a copy of the statement prepared in accordance with paragraph 6, and of each revision of such statement in accordance with

paragraph 7, to the Commission.

10. The Licensee shall provide the Commission with any information or access to information the Commission may deem necessary in relation to compliance with this condition.
11. The Licensee shall (and shall procure that its Affiliates and Related Undertakings shall) comply with any directions as may from time to time be issued by the Commission requiring the Licensee (or its Affiliates and Related Undertakings) to take such steps or desist from such action as the Commission considers appropriate to secure compliance with this Condition.
12. The Licensee may seek from the Commission a derogation from any requirements of this condition that would impede the integration of the Distribution System Business with any other Separate Business including the Transmission System Business.

Condition 23: Compliance Officer

1. If so directed by the Commission, the Licensee shall, with the prior approval of the Commission, appoint a competent person (“the Compliance Officer”) for the purpose of facilitating compliance by the Licensee with the relevant duties.
2. The role of the Compliance Officer shall be to facilitate compliance by the Licensee with the relevant duties.
3. The Licensee shall procure that the Compliance Officer shall report directly to the Managing Director and the board of directors of the Licensee on compliance matters.
4. The Licensee shall procure that the Compliance Officer shall hold the position for a minimum period of two years unless otherwise approved by the Commission.
5. The Licensee shall procure that the Compliance Officer:
 - a. is provided with such staff, premises, equipment, facilities and other resources; and
 - b. has such access to its premises, systems, information and documentation.as the Compliance Officer might reasonably expect to require for the fulfilment of the duties and tasks assigned.
6. The duties and tasks assigned to the Compliance Officer shall include:
 - a. providing relevant advice and information to the Licensee for the purpose of ensuring its compliance with the relevant duties;
 - b. recommending and establishing practices, procedures and systems to ensure the Licensee’s compliance with the relevant duties;
 - c. monitoring the effectiveness of the practices, procedures and systems adopted by the Licensee to ensure its compliance with the relevant duties;
 - d. investigating any complaint or representation made available to the Compliance Officer in accordance with paragraph 7;
 - e. recommending and advising upon the remedial action which any such investigation has demonstrated to be necessary or desirable;

- f. providing relevant advice and information to the Licensee for the purpose of ensuring its effective implementation of:
- (i) the practices, procedures and systems adopted by the Licensee to ensure its compliance with the relevant duties;
 - (ii) any remedial action recommended in accordance with subparagraph (d).
- g. reporting annually to the board of directors of the Licensee in respect of each year after this Condition comes into force as to the Compliance Officer's activities and the Licensee's compliance with the relevant duties during the period covered by the report.
7. The Licensee shall make available to the Compliance Officer a copy of any complaint or representation received by it from any person in respect of a matter arising under or by virtue of the relevant duties.
8. As soon as is reasonably practicable following each annual report of the Compliance Officer, the Licensee shall produce a report detailing:
- (a) its compliance during the relevant year with the relevant duties (which shall include a copy of the report of the Compliance Officer in accordance with paragraph 6(g)); and
 - (b) its implementation of any practices, procedures and systems adopted to ensure such compliance.
9. The report produced in accordance with paragraph 8 shall in particular:
- (a) detail the activities of the Compliance Officer during the relevant year;
 - (b) refer to such other matters as are or may be appropriate in relation to the implementation of the practices, procedures and systems adopted to ensure compliance with the relevant duties; and
 - (c) set out the details of any investigations conducted by the Compliance Officer, including:
 - (i) the number, type and source of the complaints or representations on which such investigations were based;
 - (ii) the outcome of such investigations; and
 - (iii) any remedial action taken by the Licensee following such investigations.

10. The Licensee shall submit to the Commission:
- (a) a copy of the report produced in accordance with paragraph 8; and
 - (b) a version of the report produced in accordance with paragraph 8 from which commercially sensitive, confidential or personal information (as defined by the Freedom of Information Act 2014) has been excised and which is fit for publication by the Commission, and shall give or send a copy of that version of the report to any person who requests such a copy.
11. Subject to the approval of the Commission the Compliance Officer may simultaneously hold any other role as the Licensee may request.
12. In this Condition:
- “relevant duties”** means:
- (a) the Licensee’s obligations and duties under this licence; and
 - (b) any other obligation or duty under the Act notified to the Licensee by the Commission for the purposes of this Condition.

Condition 24: Regulatory Accounts

1. The Licensee shall comply with any and all requirements, duties and obligations imposed on the Licensee under and/or pursuant to Section 17 of the Act.
2. The Licensee shall prepare a document setting out the format and content of regulatory accounting information and the basis on which it is to be prepared entitled "Regulatory Accounting Standards and Procedures".
3. The Licensee shall keep, and shall procure that any Affiliate keeps and, so far as it is able, procure that any Related Undertaking keeps the accounting records which each is required by Section 17 of the Act or by the Companies Act 2014 to keep in such form as is necessary to enable the Licensee to comply with this Condition and the Regulatory Accounting Standards and Procedures.
4. The Licensee shall furnish a copy of the Regulatory Accounting Standards and Procedures to the Commission and shall make the document available to relevant stakeholders on request. The Licensee shall publish the document in the format and manner accepted by the Commission from time to time.
5. The Licensee shall, in consultation with other bodies it considers appropriate and other bodies notified to it by the Commission, periodically review (including at the request of the Commission) the Regulatory Accounting Standards and Procedures and their implementation in the light of the recommendations and standards of recognised accountancy bodies and the Licensee's auditors.
6. As soon as possible following any review of the Regulatory Accounting Standards and Procedures, the Licensee shall send to the Commission:
 - (a) a report of the outcome of such review; and
 - (b) any revisions which it proposes to make to the Regulatory Accounting Standards and Procedures having regard to the outcome of the review.
7. The Commission may issue directions requiring the Licensee to revise the Regulatory Accounting Standards and Procedures in such manner as may be specified in the directions, and the Licensee shall comply with such directions.

8. No changes may be made to the Regulatory Accounting Standards and Procedures otherwise than in accordance with the above procedures and unless such change has been notified to the Commission.

CONSULTATION VERSION

Condition 25: Prohibition of Cross-Subsidies

1. The Licensee shall ensure that the Distribution System Business does not give any direct or indirect cross-subsidy to, or receive any direct or indirect cross-subsidy from, any other business or part of a business of the Licensee or of any Affiliate or Related Undertaking of the Licensee (whether or not another Separate Business).
2. Where the Commission is satisfied that cross-subsidisation of the type described in paragraph 1 is taking place or has taken place, the Licensee shall take such steps, as directed by the Commission, as are necessary to ensure compliance with paragraph 1.
3. Nothing which the Licensee is required to do or not do pursuant to this licence or any other Natural Gas licence shall be regarded as a cross-subsidy for the purposes of this Condition.
4. Any question arising as to:
 - (a) what constitutes a cross-subsidy; or
 - (b) what constitutes a business or part of a businessfor the purposes of this Condition shall be determined by the Commission.

Condition 26: Duty of Non-Discrimination

1. In carrying on the Distribution System Business (including, for the avoidance of doubt, in exercising the functions of the GPRO if designated as such) the Licensee shall not discriminate unfairly between persons or classes of persons, or between system users or classes of system users, particularly in favour of the Separate Businesses, its subsidiaries, associated or affiliated undertakings, joint ventures or shareholders.
2. Any question arising under paragraph 1 as to whether or not the Licensee has discriminated unfairly shall be determined by the Commission.

CONSULTATION VERSION

Condition 27: Codes of Operations

1. The Licensee shall prepare and publish a Code of Operations for the Distribution System Business under Section 13(1) of the Act and comply with any directions given to it by the Commission.
2. The Licensee shall comply with any directions given to it by the Commission under Section 13(3) of the Act in respect of:
 - (a) the matters to be specified in the Code of Operations described in paragraph 1; and
 - (b) the review and revision of that Code of Operations.
3. Save to the extent specified in directions given by the Commission for the purposes of this Condition, the Licensee shall comply with the provisions of all codes of operations (whether its own or belonging to another holder of a Natural Gas licence), insofar as applicable to the Distribution System Business.
4. Unless otherwise approved in writing by the Commission, the Licensee in its capacity as holder of this Licence shall only enter into Transportation Arrangements which are in conformity with the relevant provisions of the Code of Operations.

Condition 28: Prohibition of Anti-Competitive Behaviour

1. In carrying on the Distribution System Business, the Licensee shall not prevent, restrict or distort competition to any appreciable extent in any market relating to the supply, distribution, transmission, production or storage of Natural Gas.
2. In carrying on the Distribution System Business, the Licensee shall not abuse any dominant position it may have.
3. Any question arising as to what constitutes an appreciable extent for the purposes of paragraph 1 shall be determined by the Commission.
4. Any question arising as to whether the Licensee holds a dominant position for the purposes of paragraph 2 shall be determined by the Commission.

Condition 29: Environment

1. The Licensee shall, produce and thereafter maintain a written policy setting out the manner in which the Licensee proposes to comply with:
 - (a) its duties and obligations under all applicable European Union and Irish Environmental and Climate Legislation; and
 - (b) any direction issued to it for the purposes of this Condition by the Commission or any appropriate body designated by the Commission for these purposes.
2. The Licensee shall report to the Commission on its environmental performance in such form and at such times as the Commission may specify.
3. The written policy in accordance with paragraph 1 shall be published on the Licensee's website.

Condition 30: Assignment of Licence and Transfer of Distribution System Business

1. The Licensee shall not, without the prior consent of the Commission, assign this licence to another person (the “**assignee**”).
2. The Licensee shall not, without the prior consent of the Commission, transfer to another person (the “**transferee**”) all or part of its Distribution System Business.
3. Any consent of the Commission to assignment of this licence shall be subject to the Commission being satisfied that the assignee will be a fit and proper person to hold this licence, and may be subject to compliance by the Licensee or assignee with any conditions imposed by the Commission, including the Modification of this licence where deemed necessary by the Commission.
4. Any consent of the Commission to a transfer of all or part of its Distribution System Business may be subject to the transferee being granted or holding a Natural Gas licence to own and operate one or more Distribution Pipelines and may be subject to compliance by the Licensee or transferee with any conditions imposed by the Commission, including the Modification of this licence where deemed necessary by the Commission.
5. Nothing in this Condition shall prevent the Licensee transferring all or part of its Distribution System Business to an assignee where the Commission has consented to the assignment provided that such transfer is effected as soon as practicable after such consent has been given.

Condition 31: Change in Control of Licensee

1. The Licensee shall, as soon as practicable following its becoming aware of the relevant circumstances, notify the Commission of any change in control of the Licensee.
2. For the purposes of this Condition there is a change in control of the Licensee whenever a person gains control of the Licensee who did not have control of the Licensee when this licence was granted.

CONSULTATION VERSION

Condition 32: Payment of Levy

1. The Licensee shall pay to the Commission any amounts specified in, or determined under, a Levy Order, in accordance with the provisions of such Levy Order.

CONSULTATION VERSION

Condition 33: Compliance with laws and directions

1. The Licensee shall comply with all requirements imposed on it by Natural Gas Legislation.
2. The Licensee shall comply with all directions given to it by the Commission pursuant to this licence or in exercise of the Commission's legislative duties and powers.

CONSULTATION VERSION

SCHEDULE 1: The Distribution System which the Licensee is Authorized to Own and Operate under the Licence

1. Distribution Pipelines owned by the Licensee and designed to operate at a pressure up to and including 16 bar gauge other than pipelines which the Licensee is authorised to own and operate under a separate Natural Gas licence.
2. In addition to the pipelines specified in paragraph 1 the Licensee shall operate in accordance with the terms and conditions of this Licence any other Distribution Pipeline, or Distribution Pipelines as the case may be, that the Commission from time to time authorises the Licensee to operate unless otherwise directed by the Commission as part of such authorisation.

CONSULTATION VERSION

SCHEDULE 2: Right of Commission to Revoke the Licence

1. The Commission may at any time revoke this licence by not less than 30 days' notice in writing to the Licensee:
 - a) if the Licensee agrees in writing with the Commission that this licence should be revoked;
 - b) if any amount payable under a Levy Order is unpaid 30 days after it has become due and remains unpaid for a period of 14 days after the Commission has given the Licensee notice in writing that the payment is overdue, provided that no such notice shall be given earlier than the 16th day after the day on which the amount payable became due;
 - c) if the Licensee fails to comply with a direction under Section 16 of the Act, a direction under Section 24 of the Act of 1999, a determination under Section 25 of the Act of 1999 or an order under Section 26 of the Act of 1999 and (in respect of any of these cases) such failure is not rectified to the satisfaction of the Commission within such period as the Commission may determine, after the Commission has given notice of such failure to the Licensee, provided that in respect of a direction under Section 24 of the Act of 1999, no such notice shall be given by the Commission before the expiration of the period within which representations or objections under Section 24 of the Act of 1999 could be made questioning a direction under Section 24 of the Act of 1999 or before the proceedings relating to any such representations or objections are finally determined;
 - d) if the Licensee fails to comply with any order made by the Minister under Section 21 of the Act;
 - e) if the Licensee:
 - (i) is unable to pay its debts (within the meaning of Section 570 of the Companies Act, 2014) or if it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Commission); or
 - (ii) has a receiver or an examiner within the meaning of Parts 8 and 10 of the Companies Act 2014 of the whole or any material part of its assets or undertaking appointed; or

- (iii) passes any resolution for winding up other than a resolution previously approved in writing by the Commission; or
 - (iv) becomes subject to an order for winding up by a court of competent jurisdiction; or
 - (v) is dissolved, declared bankrupt or being of unsound mind;
- f) if:
- (i) there is a change in the control of the Licensee for the purposes of Condition 30 (Change in Control of Licensee); and
 - (ii) the Commission is satisfied that, as a result of that change in control, the person who acquired such control does not have adequate technical, financial or managerial strength, taking into account the size of its shareholding in, or extent of its other means of control of the Licensee; and
 - (iii) the Commission serves notice on the Licensee stating that the Commission proposes to revoke this licence in pursuance of this paragraph unless such further change in control of the Licensee as is specified in the notice takes place within the period of two months beginning with the date of service of the notice; and
 - (iv) that further change does not take place within that period; or
- g) if the Licensee fails to notify the Commission of a change in control of the Licensee as required by Condition 30 (Change in control of Licensee).

2. For the purposes of paragraph 1(f)(i) of this Schedule, Section 570 of the Companies Act 2014 shall have effect as if for "€10,000" there was substituted "€65,000" or such higher figure as the Commission may from time to time determine by notice in writing to the Licensee.