



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**DISTRIBUTION
SYSTEM OPERATOR LICENCE**

GRANTED TO

**Gaslink Independent System Operator
Limited**

CER/08/099

4th July, 2008

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PART I: TERMS OF THE LICENCE

1. The Commission for Energy Regulation (hereinafter referred to as "the Commission"), in exercise of the powers conferred on it by Section 16(1)(d) of the Gas (Interim) (Regulation) Act, 2002 (hereinafter referred to as "the Act") as inserted by Regulation 24 of European Communities (Internal Market in Natural Gas)(BGÉ) Regulations 2005 (S.I. No. 760 of 2005)and taking account of the requirement of Regulation 11 of the European Communities (Internal Market in Natural Gas)(BGÉ) Regulations 2005 that an independent subsidiary company of Bord Gáis Éireann be given responsibility for operating the BGÉ transportation system hereby grants to Gaslink Independent System Operator Limited and any permitted assignee (hereinafter referred to as the "Licensee") a licence to operate the distribution system as specified in Schedule 1 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 4th July, 2008 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 which this licence comes into force.

Sealed with the common seal of the Commission for Energy Regulation on 4th July, 2008

Member of Commission

Member of staff of Commission

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 shall include primary and subordinate legislation and in both cases any 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 of 1999” means the Electricity Regulation Act 1999;

“affiliate” in relation to any person means a holding company of such person, any subsidiary of such person or any subsidiary of a holding company of such person;

“BGÉ” means Bord Gáis Éireann;

“BGÉ transportation system” means the BGÉ transportation system as defined in the Regulations;

“chronically sick” means in relation to a customer, any customer who, by reason of chronic sickness, has special needs in connection with the natural gas supplied to him, its use or the use of natural gas appliances or other natural gas fittings;

“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”	should, unless otherwise stated, be taken to refer to a final customer as defined in the Act;
“disabled”	means, in relation to a customer, a customer who, by reason of any disability, has special needs in connection with the natural gas supplied to him, its use or the use of natural gas appliances or other natural gas fittings and includes any customer who is in respect of a social security benefit by reason of any disability;
“distribution system”	means a system made up of distribution pipelines (as specified by the Commission under the Act) or, as the context may require, the distribution system specified in Schedule 1;
“Distribution System Operator”	means the licensee;
“Distribution System Operator Business”	means the business of the Licensee consisting of the operation of the distribution system as authorised by this licence;
“Distribution System Owner”	means the entity licensed to own the distribution system under 16(1)(f) of the Act;

“Distribution System Owner Business”	means the business (if any) of the Licensee and any affiliate or related undertaking of the Licensee consisting of the ownership of a distribution system and includes its functions as such under the Regulations, its licence and the Operating Agreement;
“Emergency Response Provider”	means the entity designated by the Commission as such;
“Environmental Laws”	means those laws which are from time to time in force, whose purpose is 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 but shall not be limited to the Environmental Protection Act 1992, the Waste Management Acts, 1996 and 2001, the European Communities (Environmental Impact Assessment) Regulations 1989 to 2006 and all other legislation relating the protection of air, land and waters;
“gas fitting”	means any appliance, apparatus or other thing including associated flueing and ventilation equipment which is 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 a distribution or transmission system for the purposes of supply direct to a particular final customer;
“Gas Point Registration Operator” or “GPRO”	means the Licensee in its role as such;

“holding company”	means a holding company within the meaning of Section 155 of the Companies Act 1963;
“levy order”	means an order made under paragraph 16 of the Schedule to the Act of 1999, or under Section 21(1) or Section 22(2) of the Act;
“Licensee”	means Gaslink Independent System Operator Ltd;
“metering equipment”	means meters and associated equipment installed on a distribution or transmission system at points of natural gas custody transfer or for other fiscal purposes and meeting the relevant standards of accuracy set by law and/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 under Section 19B of the Act as such by the Commission in its role as such;
“natural gas emergency”	has the meaning given in Section 19B(10) of the Act;
“Natural Gas Emergency Plan”	means the Plan prepared by the Transmission System Operator 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 and the Regulations (as relevant in the context);

“network”	means the totality of transmission and distribution pipelines used for the transmission, distribution and supply of natural gas to, from or within the State;
“Network Emergency Manager”	means the person designated as such by the Commission in its role as such;
“Operating Agreement”	means the agreement of that name, as approved by the Commission, between the Licensee and BGÉ entered into pursuant to Regulation 8 of the Regulations as from time to time varied or replaced pursuant to Regulation 8A of the Regulations;
“Regulation 8 Agreements”	means the Operating Agreement and any other agreements made between the Licensee and BGÉ pursuant to Regulation 8 of the Regulations from time to time as from time to time varied, or replaced pursuant to Regulation 8A of the Regulations;
“Regulations”	means the European Communities (Internal Market in Natural Gas) (BGÉ) Regulations 2005 (S.I. No 760 of 2005) as amended by the European Communities (Internal Market in Natural Gas) (BGÉ) (Amendment) Regulations 2007 (S.I. No. 377 of 2007);
“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 Regulation 35 of the European (Companies: Group Accounts) Regulations 1992 (S.I.201 of 1992);

“relevant safety requirements”	means the requirements relevant to the safe operation of the Distribution System Operator Business ;
“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;
“relevant 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;
“Safety Case”	has the meaning given to it in the Commission’s decision paper, “A Natural Gas Safety Regulatory Framework for Ireland”, as amended from time to time by the Commission, the requirements of the Safety Case are laid out in the Commission paper titled, “Natural Gas Safety Regulatory Framework – Safety Case Guidelines”, as amended from time to time by the Commission;
“Section 2(1) order”	means an order made under Section 2(1) of the Gas (Amendment) Act 1987;

- “Separate Business”** means each of the Supply, Storage, Distribution System Operator, Distribution System Owner, Transmission System Operator and Transmission System Owner Businesses taken separately from one another and from any other business of the Licensee, 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 to engage in the shipping of natural gas;
- “Storage Business”** means the business (if any) of the Licensee and any affiliate or related undertaking of the Licensee consisting of the storage of natural gas;
- “subsidiary”** means a subsidiary within the meaning of Section 155 of the Companies Act 1963;
- “supplier”** means a person licensed under Section 16(1)(a) of the Act to engage in the supply of natural gas (and includes shipping);
- “Supply Business”** means the business (if any) of any affiliate or related undertaking of the Licensee consisting in the supply of natural gas;

“Supply Point”	means a point at which natural gas may be offtaken from a distribution or transmission system consisting of one or more Gas Points;
“transmission pipeline”	means a natural gas pipeline that operates at, or above, a pressure of 16 bar gauge;
“transmission system”	means a system made up of transmission pipelines and associated equipment and facilities (as specified by the Commission under the Act) or, as the context may require, the transmission system specified in Schedule 1 of the Licensee’s licence under Section 16(1)(c) of the Act;
“Transmission System Operator”	means the entity licensed to operate the transmission system under Section 16(1)(c) of the Act;
“Transmission System Operator Business”	means the business (if any) of the Licensee and any affiliate or related undertaking of the Licensee consisting of the operation of the transmission system as authorised by this licence;
“Transmission System Owner”	means the owner of the transmission system and the holder of the licence under Section 16(1)(e) of the Act; and
“Transmission System Owner Business”	means the business of (if any) of the Licensee and any affiliate or related undertaking of the Licensee consisting of the ownership of the transmission system as authorised by its licence under Section 16(1)(e) of the Act, and includes its functions in respect of the transmission system under the Regulations and the Operating Agreement;

“vulnerable customers” means final customers who are chronically sick disabled, of pensionable age or otherwise disadvantaged or as defined by the Commission from time to time.

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 agreement, licence (other than this licence), code or other instrument shall include a reference to such 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:

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- (a) any communication from or by the Commission to the Licensee (including, without limitation, any notification, direction, approval, 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: Operating Agreement

- 1 The Licensee shall at all times have in force and comply with the Operating Agreement which provides for the terms on which each of the Licensee and the Distribution System Owner shall fulfil its functions in respect of the distribution system and which may provide for such other terms as agreed between the Licensee and the Distribution System Owner for the purposes of Regulation 8 of the Regulations.
- 2 The Licensee shall, together with the Distribution System Owner, periodically review the Operating Agreement and its implementation as requested by the Commission from time to time.
- 3 The Licensee and the Distribution System Owner may agree to vary the Operating Agreement subject to approval from the Commission in accordance with the Regulations.
- 4 The Licensee shall report annually to the Commission on the operation of the Operating Agreement.
- 5 The Licensee shall comply with any variation of the Operating Agreement as approved by the Commission at the request of either party or as directed by the Commission from time to time.

Condition 3: General Function

The Licensee shall in accordance with this licence, and the natural gas legislation:

- 1 operate, maintain and develop the distribution system under economic conditions with due regard to the relevant safety requirements, Environmental Laws and other relevant environmental and public safety considerations;
- 2 provide any natural gas undertaking with sufficient information to ensure that transport of natural gas on the distribution system may take place in a manner compatible with the safe, secure and efficient operation of the network;
- 3 provide users of the distribution system with the information they need for efficient access to the distribution system;
- 4 procure the energy it uses for the carrying out of its functions accordingly to a transparent, non-discriminatory and market based procedure subject to the Commission's approval;
- 5 adopt rules for the purposes of balancing the gas system which are objective, transparent and non-discriminatory;
- 6 report to the Commission for Energy Regulation, as outlined in Regulation 14 of the Regulations, and in respect of any other matters as the Commission may specify; and
- 7 discharge any other such functions as required by natural gas legislation.

Condition 4: Connection to and use of the distribution system

1. The Licensee shall comply with any and all requirements, duties and obligations imposed on the Licensee:
 - (a) 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) or Section 14 of the Act;
 - (b) 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;
 - (c) under and/or pursuant to a consent given under Section 39A(1) of the Gas Act 1976 in so far as that consent relates to a pipeline forming part of the distribution system; and
 - (d) under and/or pursuant to Section 9 of the Act of 1999.

Condition 5: 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) the gas fitting in question has been installed by a technician who is entered on the register of gas fittings technicians designated by the Commission, or by a body designated by the Commission, for the purposes of this Condition; or
 - (b) the gas fitting in question has been safely and properly installed in accordance with any relevant codes, standards and industry best practice.

Condition 6: Efficient procurement of assets and services

1. The Licensee shall procure and operate such assets and services as may be necessary, having regard to the Operating Agreement, to enable the Licensee to discharge its obligations in relation to the Distribution System Operator Business under natural gas legislation and this licence.
2. To the extent that the Licensee procures assets and services which are outside the scope of the assets and services provided under the Operating Agreement it 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.
4. Any provision of assets or services by or to the Licensee, for the purposes of discharging its functions under this licence, to or from any affiliate, related undertaking or any Separate Business of the Licensee shall be on arm's length commercial terms.

Condition 7: Relevant assets

1. The Licensee shall, if requested by the Commission from time to time, prepare and maintain a register of relevant assets in a form as specified by the Commission from time to time. The Licensee shall provide the Commission with such a register 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 Operation Business, if the disposal or relinquishment of control or use would adversely affect its ability to discharge its obligations under any natural gas legislation, or the carrying on of activities authorised or required by this licence, and any question arising under this Condition shall be determined by the Commission.
3. 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 may not take place until either the Commission has expressly agreed to them or a specified time period has elapsed.

4. 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 any material equipment or other assets used by the Licensee in the discharge of its functions under this licence but excluding equipment or assets owned or used by the Distribution System Owner in the discharge of its functions.

5. Any question arising as to the materiality of relevant assets shall be determined by the Commission for the purposes of this Condition.

Condition 8: Revenue Protection

1. In respect of 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 any natural gas pipeline, metering equipment and ancillary works;
 - (c) interference with any metering equipment; and
 - (d) meter fault and meter reading or administrative errors.

2. Where the Licensee has reason to believe that:
 - (a) the theft of natural gas is taking place or has taken place;
 - (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 Section 9 of the Act of 1999.

4. The Licensee shall, at such time as the Commission may direct, after this licence has come into force, prepare and submit for approval by the Commission a code of practice for revenue protection (which shall include the actions mentioned in paragraph 3) and shall comply with the relevant provisions of that code.

5. The Licensee shall comply with the relevant provisions of any code of practice for revenue protection drawn up by any other natural gas undertaking and approved by the Commission, a copy of which is provided to the Licensee by the Commission.

6. In this Condition:

“code of practice for revenue protection” means 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 of the Energy (Miscellaneous Provisions) Act 1995.

Condition 9: Gas Point Registration Operator

1. If so directed by the Commission, the Licensee shall operate and maintain a service in accordance with the Operating Agreement to be known as the Gas Point Registration Operator (“GPRO”) which shall carry out the functions and fulfil the obligations set out in this Condition and notified to the Licensee by the Commission from time to time.
2. The GPRO shall maintain a register which, for each Gas Point through which a natural gas customer is supplied, records:
 - (a) the Gas Point Registration Number;
 - (b) details of the customer supplied at that Gas Point (both past and current);
 - (c) the relevant supplier(s) (including shippers) (both past and current);
 - (d) details of the metering equipment installed;
 - (e) the relevant Supply Point;
 - (f) meter reading data;
 - (g) contact details for the current customer;
 - (h) the distribution zone in which it is located;
 - (i) the daily calorific value declared by the relevant transporter; and
 - (j) its capacity.
3. 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.

Condition 10: Provision of metering and data services

1. The Licensee shall publish and offer on request standard terms for the following services to any natural gas undertaking:
 - (a) the provision of metering equipment;
 - (b) the installation, commissioning, testing, repair, removal, replacement, relocation and maintenance of metering equipment;
 - (c) data collection; and
 - (d) data transfer.
2. Where 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 on the standard terms pursuant to paragraph 1 and in compliance with any requirement pursuant to Condition 4 (Connection to and use of the distribution system).
3. The data collection and data transfer services offered and provided under agreements entered into pursuant to paragraphs 1 and 2 shall meet the technical specifications in relation to data set by the GPRO in its code of practice for metering and data services published in accordance with a requirement of a natural gas licence.
4. Any dispute arising as to the terms on which services are to be provided pursuant to this Condition shall be determined by the Commission.
5. The Licensee shall prepare and publish, following the approval of the Commission, a code of practice for metering and data services.
6. The Licensee shall provide data processing and data forecasting, allocation and reconciliation services in respect of all Gas Points.
7. In this Condition:

“data collection”

means the collection and verification of meter reading data from natural gas meters; and

- “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.
- “data processing”** means the processing, validation, estimation and substitution of meter reading data in respect of the consumption of natural gas at premises; and
- “data transfer”** means the transfer of metered data to the GPRO.

Condition 11: Long term development statement

1. The Licensee shall comply with a direction given by the Commission to prepare a statement in such form as may be specified in the direction giving, with respect to each of the 7 succeeding years or such period as determined by the Commission, such information as the Commission may specify in the direction, including 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 distribution system to areas where no distribution system currently exists;
- (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, that system,

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

- (i) seeking the connection of a pipeline of his to the distribution system;
- (ii) entering into transportation arrangements with the Licensee; or
- (iii) seeking the connection of the distribution system to premises,

in identifying and evaluating the opportunities for doing so.

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

3. The Licensee shall:
 - (a) furnish the Commission with a copy of the statement prepared under paragraph 1 and of each revision of the statement prepared under paragraph 2; and
 - (b) prepare a version of the statement or revision which excludes, so far as is practicable, any such matter as is mentioned in paragraph 4 and make such version publicly available in a form approved by the Commission from time to time.
4. In complying with the requirements of paragraph 3(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 would or might seriously and prejudicially affect his interests.
5. Any question arising under paragraph 4 as to whether the publication of some matter which relates to the affairs of a person would or might seriously and prejudicially affect his interests shall be determined by the Commission.

Condition 12: Distribution System Standards

1. The Licensee shall prepare a document embodying such standards called “**Distribution System Standards**” and publish that document in the format and manner notified by the Commission to the Licensee from time to time.
2. The Distribution System Standards shall be subject to the approval of the Commission.
3. The Licensee shall send copies of the Distribution System Standards to such other natural gas undertakings and appropriate bodies as the Commission may direct.
4. The Distribution System Standards shall cover, 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.
5. The Licensee shall, within the framework of the Operating Agreement, ensure that the construction, operation, maintenance and development of the distribution system is carried out in accordance with the Distribution System Standards.
6. The Licensee shall send the Commission an annual statement of the Licensee’s compliance with paragraph 4 and shall provide the Commission with such additional information in that connection as the Commission may from time to time require.
7. The Licensee shall, in consultation with other natural gas undertakings and other appropriate bodies as notified to it by the Commission from time to time, 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:

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- (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) for the Commission's approval and following its approval shall then revise the Standards.
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.
11. The Licensee may seek a derogation relieving the Licensee of its obligations under paragraph 4 in respect of parts of the distribution System and/or parts of the Distribution System Standards and the Commission may issue directions relieving the Licensee of its obligations under paragraph 4 above in respect of such parts of the Distribution System and/or parts of the Distribution System Standards to such extent as may be specified in those directions.

Condition 13: Operating Security Standards

1. Following consultation with other gas undertakings and other appropriate bodies as notified to it by the Commission from time to time the Licensee shall, upon direction from the Commission, prepare a document embodying standards preserving day to day operating security called the “**Operating Security Standards**” and publish that document in the format and manner notified to the Licensee by the Commission from time to time.
2. The Operating Security Standards shall be subject to the approval of the Commission.
3. The standards embodied in the Operating Security Standards shall be those which the Licensee reasonably considers are best calculated to achieve any standards of performance set by the Commission under Condition 17 (Overall standards of performance of the Distribution System Operator Business) 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, within the framework of the Operating Agreement, 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 paragraph 3 and shall provide the Commission with such additional information in that connection as the Commission from time to time require.
6. The Licensee shall, in consultation with other natural gas undertakings and other appropriate bodies as notified to it by the Commission from

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time to time, 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) for the Commission's approval and following its approval shall then revise the Operating Security Standards.
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.

Condition 14: Maintenance of register of gas fitting technicians

1. This Condition shall apply only if the Commission directs the Licensee to compile a register of gas fittings technicians.
2. The Licensee shall keep and publish a register of gas fittings technicians who, in the Licensee's opinion, possess the requisite qualifications, skills and experience for the safe and proper installation, commissioning, testing, repair, removal, replacement and maintenance of gas fittings.
3. The Licensee shall publish its criteria for entering technicians on the register kept pursuant to paragraph 2, such criteria to be:
 - (a) transparent and non-discriminatory; and
 - (b) subject to the approval of the Commission.
4. The Licensee shall enter on the register any technician who meets its published criteria.
5. The Licensee shall not enter on the register any technician who does not meet its published criteria and shall remove from the register any technician who no longer meets those criteria.

Condition 15: National Gas Emergency Manager

1. The Licensee shall comply with the provisions of the Natural Gas Emergency Plan in so far as they are applicable to it.
2. In the event that a National Gas Emergency Manager has not been designated by the Commission, the Licensee shall, in the event of a natural gas emergency, comply with all directions received from the Network Emergency Manager.

Condition 16: Emergency Response Provider

1. This Condition shall apply if the Licensee is notified by the Commission that the Licensee is designated for the purposes of this Condition.
2. The Licensee shall carry out its duties as Emergency Response Provider in accordance with Section 9 of the Act of 1999.
3. Within 3 months of a designation under paragraph 1 the licensee shall submit to the Commission a list of individuals, along with any other information the Commission may request, the Licensee considers suitable to be appointed as gas safety officers under the Act of 1999.
4. The Licensee shall provide an emergency response service in respect of gas escapes and suspected natural gas escapes, whether inside or outside of any building, which service shall include:
 - (a) the maintenance of a call centre to receive reports of natural gas escapes and suspected natural gas escapes;
 - (b) the provision of appropriate safety advice to the person reporting such escape; and
 - (b) responding to and making safe all natural gas escapes (whether or not in premises to which it transports natural gas).
5. The Licensee shall provide the emergency response service referred to in paragraph 2 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.
6. The Licensee shall secure adequate publicity for the emergency response service and its telephone number.
7. The emergency response service shall:
 - (a) be provided without charge by the Licensee to the user at the point of use; and
 - (b) ensure that all reports and enquiries are processed in a prompt and efficient manner.

6. Subject to paragraph 7, 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.
7. Nothing in paragraph 6 shall oblige the Licensee to carry out work which is downstream of the meter.
8. 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 fittings technicians designated by the Commission for the purposes of Condition 4 (Connection to and use of distribution system).
9. Where the Licensee has made safe an escape of natural gas in any premises, the Licensee shall immediately notify to the relevant supplier or relevant transporter details of:
 - (a) the escape of natural gas;
 - (b) the work carried out in accordance with paragraph 6; and
 - (c) where relevant, any additional information required by the relevant supplier or relevant transporter in order for the supply of natural gas to those premises to be recommenced.
10. The Licensee shall submit to the Commission on an annual basis
 - (a) a statement of the costs incurred by the Licensee in complying with its obligations under this Condition, which statement shall include details of the basis on which such costs have been calculated;
 - (b) proposals, for the Commission's approval, as to the sum which the Licensee considers should be recovered from each holder of a natural gas licence under Section 16(1)(b) of the Act as an equitable contribution to the Licensee's costs of complying with

its obligations under this Condition over the preceding 12 months.

11. Provided that the Commission has approved the sums in question following submission of proposals in accordance with paragraph 10(b), the Licensee shall notify each holder of a natural gas licence under Section 16(1)(b) of the sum which represents an equitable contribution by that holder of a natural gas licence to the Licensee's costs of complying with its obligations under this Condition over the preceding 12 months.

Condition 17: Safety Case

1. Without prejudice to the obligations of the Licensee under or pursuant to any relevant safety requirement, the Licensee shall, at a time decided by the Commission after this licence has come into force, produce and thereafter maintain, in a form approved by the Commission, a document to be known as the Safety Case.
2. The Licensee shall at all times adhere to its approved Safety Case.
3. Within three years of the date of issue of this licence and thereafter at such times as the Commission may direct, the Licensee shall 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 approved 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 18: Interaction with other natural gas undertakings

1. Subject to the provisions of Condition 24 (Ring-fencing of Distribution System Operator Business and restriction on use of certain information), 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 transmission and distribution systems.
2. The Licensee shall have due regard to the need to ensure the safe, secure and efficient operation, co-ordinated development and inter-operability of transmission and distribution systems in relation to the construction and operation of natural gas pipelines.
3. Where the National Gas Emergency Manager declares a natural gas emergency the Licensee shall accept and comply with directions from the National Gas Emergency Manager for the duration of the emergency.
4. Without limitation to paragraphs 1 and 2, where the Licensee receives a report of an actual or suspected natural gas escape it shall communicate such information as soon as possible to a person designated under section 9 of the 1999 Act, the Emergency Response Provider, and the relevant system owner.
5. Where the Licensee is notified by the Emergency Response Provider of a sum approved by the Commission as the Licensee's equitable contribution to the costs of the provision of that service over the preceding 12 months, the Licensee shall pay that sum to the provider of the emergency response service within 1 month of receipt of such notification.
6. 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, as it sees fit, in respect of the matter in dispute.

Condition 19: Overall standards of performance of the Distribution System Operator Business

1. The Licensee shall conduct the Distribution System Operator Business in the manner which it reasonably considers it best to achieve such standards of performance as may be determined by the Commission from time to time and notified to the Licensee.
2. Such standards of performance shall be determined by the Commission based on performance criteria against which the Distribution System Operator Business 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 report setting out performance criteria (having regard to the outcome of the review) for the Commission's approval and following its approval shall then revise the report accordingly.
5. The Licensee shall report annually on the performance of the Distribution System Operator Business against the standards determined under paragraph 1.
6. If the Licensee fails to meet a standard of performance determined by the Commission for the purposes of paragraph 1 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 Distribution Business customer service code.
7. The giving of compensation pursuant to this Condition in respect of any failure to meet a standard of performance shall be without prejudice to any other remedy which may be available in respect of the act or omission which constituted that failure.

8. The performance criteria as approved by the Commission, the standards of performance as determined by the Commission and the report on performance under paragraph 4 shall be published and made available in the format and manner notified to the Licensee by the Commission from time to time.

Condition 20: Access to land and/or premises

1. The Licensee shall ensure that it complies with the code of practice prepared by the Distribution System Owner in accordance with its Licence or any revision to the code or procedure approved by the Commission.

Condition 21: Customer service code, complaints handling procedure and disconnection code of practice

1. The Licensee shall maintain:
 - (a) a Distribution System Operator Business customer service code (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);
 - (b) a complaints handling procedure (which will detail the procedure for handling complaints from customers and users about the manner in which the Licensee conducts its Distribution System Operator Business); 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. In addition to the documents prepared in accordance with paragraph 1 the Licensee shall, at such time as the Commission may direct (subject to three months' notice), 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 vulnerable customers).
3. 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.
4. The Licensee shall comply with the provisions of any code or procedure produced in accordance with this Condition.

Condition 22: Preparation, review of and compliance with codes of practice, etc

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. Where the Commission notifies the Licensee that the Commission considers that the statement, code or procedure is not sufficient for the purposes of meeting the requirements of this licence, the Licensee shall make forthwith such changes as the Commission may require.
4. The Licensee shall, whenever requested to do so by the Commission, review such 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.
5. The Licensee shall submit any revision of such statement, code or procedure which it wishes to make to the Commission for its approval and, following its approval, shall then revise the statement, code or procedure.
6. 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 (in each case in the form approved by the Commission);
 - (b) as required by the Commission from time to time draw the attention of those customers or users to whom such statement, code or procedure applies to its existence and the means by which it may be inspected; and
 - (c) publish such statements, codes and procedures and make them available on the Licensee's web-site.
7. No changes may be made to any statement, code or procedure otherwise than in accordance with this Condition.

8. 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 and approved by the Commission or any revision to such statement, code or procedure approved by the Commission.
9. The Licensee may seek from the Commission a derogation relieving the Licensee of its obligations under part (c) of paragraph 6 for reasons of confidentiality or such other reasons as the Commission considers appropriate.

Condition 23: Records and reporting

1. The Licensee shall ensure a record is kept of its general operation of the arrangements mentioned in Conditions 8 (Revenue Protection), 9 (Gas Point Registration Operator), 10 (Provision of metering and data services), 15 (National Gas Emergency Manager), 19 (Overall standards of performance of the Distribution System Operator Business), and 21 (Customer service code and complaints handling procedure) and, if the Commission so directs, of its operation in any particular matter specified by the Commission.
2. The Licensee shall, as required by the Commission in writing from time to time, provide to the Commission the records prepared in accordance with paragraph 1.
3. At a time decided by the Commission, the Licensee shall submit to the Commission, on an annual basis, a report dealing with the matters mentioned in paragraph 1 and any other matters that the Commission deems appropriate.
4. Following submission of the report to the Commission the Licensee shall publish the report and make it available in such manner as the Commission may direct from time to time, except that, in performing its obligations under this Condition, the Licensee shall exclude from the published report information which the Commission has directed the Licensee to exclude in order to protect the legitimate interests of the Licensee and/or the Distribution System Owner and third parties.
5. The report shall be presented, so far as is reasonably practicable, in a standard form to be approved by the Commission for the purposes of this Condition.
6. The Licensee shall ensure, in so far as reasonably practicable, the accuracy and reliability 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.

Condition 24: Ring-fencing of the Distribution System Operator 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 Operator from each other affiliate and related undertaking of the Licensee.
2. Subject to paragraph 3, the Licensee shall ensure that no information relating to, or derived from, the Distribution System Operator 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;
 - (iii) pursuant to the Operating Agreement; 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 1 and all necessary precautions against the risk of failure to comply with paragraph 2 including:

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- (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 Operator, or recorded information relating to the Distribution System Operator Business, by persons engaged in any other Separate 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;
- (c) not without the prior approval of the Commission engaging in any capacity whatsoever in the Distribution System Operator Business any person who has worked in any other Separate Business at any time during the previous three months; and
- (d) the prevention (so far as the Licensee can require it) of any person who has ceased to be engaged in the Distribution System Operator Business from being engaged in any other Separate Business until the expiry of three months since he or she ceased to be engaged in the Distribution System Operator Business.

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 Operator 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 Operator Business solicits information from, or discloses or uses information obtained from, any other Separate Business where such information may confer a competitive advantage on the Distribution System Operator 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 Operator

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Business shall not market its services or products in conjunction with any other Separate Business.

6. The Licensee shall no later than three months after this Licence has come into force 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 and 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.
8. The Licensee shall send a copy of the statement prepared in accordance with paragraph 7, and of each revision of such statement in accordance with paragraph 8, to the Commission.
9. The Licensee shall provide the Commission with any information or access to information the Commission may deem necessary in relation to the ring-fencing of the Distribution System Operator Business.
10. 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.
11. The Licensee may seek from the Commission derogation from any requirements of this condition that would impede the integration of the Distribution System Operator Business with the Transmission System Operator 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 (hereafter referred to as “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 exclusively to the General Manager 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 him in accordance with paragraph 7;

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- (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); and
 - (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:
- (a) as to 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) as to its implementation of the 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 information 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 26: Regulatory accounts

1. The Licensee shall maintain appropriate accounting records for the Distribution System Operator Business in such a manner as notified by the Commission from time to time.
2. In the event that the Licensee engages in separate businesses the Commission may attach terms and conditions.

Condition 27: Prohibition of cross-subsidies

1. The Licensee shall ensure that the Distribution System Operator 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 business

for the purposes of this Condition shall be determined by the Commission.

Condition 28: Duty of non-discrimination

1. In carrying on the Distribution System Operator Business (including, for the avoidance of doubt, in exercising the functions of the GPRO and the National Gas Emergency Manager 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.

Condition 29: 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.

Condition 30: Provision of information to the Commission

1. 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 under Section 19 of the Act), and shall procure and furnish to it such reports, as the Commission may consider necessary or relevant in the light of the Conditions or as it may require in the performance of its duties or the functions under the Act or assigned or transferred to it by the Act and any other relevant legislation.
2. Without prejudice to the generality of paragraph 1, the Commission may call for the furnishing of accounting information which is more extensive than, or differs from, that required to be prepared and supplied to the Commission under Condition 26 (Regulatory accounts).
3. The power of the Commission to call for information under paragraph 1 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.
4. 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.
5. The Licensee shall publish information (save for confidential information) in such form and manner and at such times as the Commission may require.
6. Any question arising as to what constitutes confidential information for the purposes of this Condition shall be determined by the Commission.
7. In relation to the Licensee's relevant safety requirements the Licensee shall report in such manner, form and frequency as requested by the Commission.

Condition 31: Codes of operations

1. The Licensee shall prepare and publish a code of operations for the Distribution System Operator 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 Operator Business.

Condition 32: Prohibition of anti-competitive behaviour

1. In carrying on the Distribution System Operator Business, the Licensee shall not prevent, restrict or distort competition to any appreciable extent in any market relating to the supply, distribution, transmission or storage of natural gas.
2. In carrying on the Distribution System Operator 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 33: Environment

1. The Licensee shall, not later than such date as the Commission may specify and in consultation with the Commission, prepare and from time to time modify 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 Laws; 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 of such form and detail as decided by the Commission.

SCHEDULE 1: The distribution system which the Licensee is authorised to operate under the licence

1. The parts of the BGE transportation system comprising a distribution system and shall include additional distribution pipelines for which the Licensee has been issued a consent under Section 39A of the Gas Act 1976, or to which a notice issued to the Licensee under Section 2(6)(b) of the gas (Amendment) Act 1987 applies other than pipelines which the Licensee is authorised to operate under a separate natural gas licence.
2. In addition to the pipelines specified in paragraph 1 the Licensee shall operate any other such distribution pipeline, or pipelines as the case may be, that the Commission from time to time authorises the Licensee to operate.
3. In respect of pipelines specified in paragraph 2 the Licensee shall, without prejudice to the conditions of this licence, operate such pipelines subject to the terms and conditions contained in the Commission's authorisation.
4. The Licensee may operate a distribution system operator business only in respect of those pipelines defined above that operate at a pressure below 16 bar gauge.

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 is, has been, or is likely to be in breach of a relevant safety requirement and the Commission is satisfied that, as a result, the Licensee is no longer a fit and proper person to hold this licence;
 - (f) if the Licensee:
 - (i) is unable to pay its debts (within the meaning of Section 214 of the Companies Act, 1963) 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 Section 1 of the Companies (Amendment) Act, 1990, 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;

(g) if:

- (i) there is a change in the control of the Licensee for the purposes of Condition 32 (Change in control of Licensee); and
 - (ii) the Commission is satisfied that, as a result of that change in control, the new shareholder does not have adequate technical, financial or managerial strength, taking into account the size of its shareholding in 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

(h) if the Licensee fails to notify the Commission of a change in control of the Licensee as required by Condition 35 (Change in control of Licensee).

2. For the purposes of paragraph 1(f)(i) of this Schedule, Section 214 of the Companies Act, 1963 shall have effect as if for "€1,269.74" there was

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substituted "€65,000" or such higher figure as the Commission may from time to time determine by notice in writing to the Licensee.