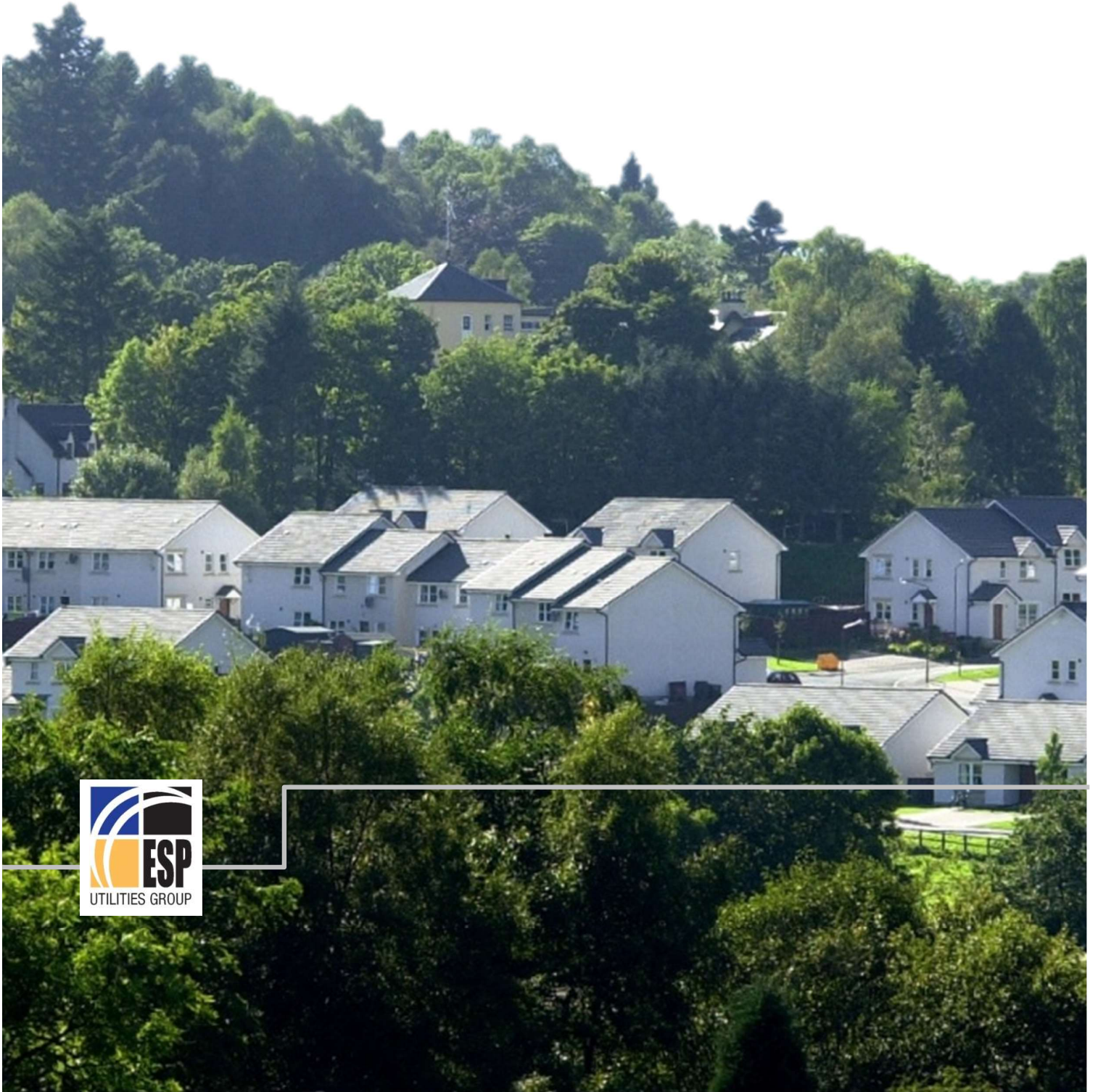




ESP Utilities Group
Gas Distribution
Licences
Compliance
Statement



Effective from July 2021

CONTENTS

This document sets out how ESP Utilities Group complies with particular conditions required pursuant to the Gas Licences issued by the Office of Gas and Electricity Markets in its role as a licenced Gas Transporter in Great Britain. ESP Utilities Group is licenced as an independent gas transporter (iGT) under the following companies:

ES Pipelines Ltd

ESP Connections Ltd

ESP Networks Ltd

ESP Pipelines Ltd



INTRODUCTION

In accordance with the Gas Distribution Licence, ESP Utilities Group has prepared this statement in respect of the following conditions:

Condition 04B: Connection Charging methodology

Condition 04D: Conduct of transportation charges

Condition 04B: Connection Charging methodology

Under the terms of condition 04B of the Gas Distribution Licence, licenced iGTs within ESP Utilities Group must not show undue precedence to, or discriminate against, anyone that operates a connected pipeline. This statement confirms that ESP Utilities Group does not engage in such activities as would contravene this licence condition and that no undue precedence towards or discrimination against operators of connected pipelines takes place, nor is at risk of occurring. This risk is monitored by ESP Utilities Group's Executive Management Team and Board as part of our ongoing compliance activity and is reviewed at least quarterly.

Condition 04D: Conduct of transportation charges

Under the terms of condition 04D of the Gas Distribution Licence, licenced iGTs within ESP Utilities Group must ensure that, excluding the licenced transportation business itself, there should be no unfair commercial advantage from preferential treatment to the licensee or an affiliate or a shipper or a supplier. This statement confirms that ESP Utilities Group does not engage in such activities as would contravene this licence condition and that no commercial advantage arising from preferential treatment takes place, nor is at risk of occurring. This risk is monitored by ESP Utilities Group's Executive Management Team and Board as part of our ongoing compliance activity, and is reviewed at least quarterly.



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