

Consultation

**Licence modifications to implement the fully ownership
unbundled model in the gas transmission licences**

2 May 2013

Table of contents

Chapter 1 Introduction	3
Chapter 2 FOU required conditions	9
Chapter 3 Proposed Modifications to the PTL/BGTL Special Conditions	24

Chapter 1 Introduction

Purpose of this consultation

- 1.1 This consultation paper sets out the licence modifications proposed by the Utility Regulator as being necessary to give full effect to the fully ownership unbundled (FOU) model (and associated certification) for TSO licensees.
- 1.2 At present PTL and BGTL have applied for certification as FOU - therefore the conditions proposed map directly across to their licences.
- 1.3 It should be noted however that many (if not all) of the modifications eventually decided on for FOU are also likely to be appropriate for inclusion in the licence of any gas TSO certified as FOU pursuant to the certification process.
- 1.4 Where additional licensee specific modifications are necessary these will most likely be proposed as special conditions, for example as in the case of the proposed change to special condition 3.2.2 in the PTL and BGTL licences (see below).
- 1.5 This consultation does not deal with the licence modifications that would be necessary to fully implement any other unbundling model (including the Independent Transmission Operator (ITO) model). Licence modifications for any other model will be consulted on at a future date if a decision is made to certify a licensee under such other model.

The Third Energy Package – overview of unbundling requirements

- 1.6 The Third Gas Directive (Directive 2009/73/EC) requires that Transmission System Operators (TSOs) are unbundled from production and supply

interests.¹ A TSO must be certified under the Directive and a number of grounds for certification are provided for. The Directive provides for three models of unbundling: Full ownership unbundling (FOU), Independent System Operator (ISO) and Independent Transmission Operator (ITO).

1.7 The intention behind the fully unbundled model (FOU) is that the transmission system is required to be owned and operated by an undertaking that is completely independent from electricity generation, gas production and/or supply interests.

1.8 The main requirements of the ownership unbundling option are as follows:

a) The transmission owner acts as the Transmission System Operator of the transmission system; and

b) The same person or person cannot:

- directly or indirectly exercise control over an undertaking performing any of the functions of generation, production and/or supply, and directly or indirectly exercise control or exercise any right over a TSO or over a transmission system; or
- directly or indirectly exercise control over a TSO or over a transmission system, and directly or indirectly exercise control or exercise any right over an undertaking performing any of the functions of generation, production and/or supply.

1.9. Exercising rights includes:

¹ For an overview of the Third Package see previous consultations published in July 2011 and March 2013.
http://www.uregni.gov.uk/news/implementation_of_ime3_consultation_and_ni_domestic_market_opening_six_months
http://www.uregni.gov.uk/uploads/news/130319_Consultation_Paper_re_IME3.pdf

- a) the power to exercise voting rights;
 - b) the power to appoint members of the supervisory board, the administrative board or bodies legally representing the undertaking; or
 - c) the holding of a majority share.
- 1.10. This requirement is applicable across both the electricity and gas industries so that, for example, a person with voting rights in an electricity generation or a supply undertaking cannot exercise control over a gas transmission system.
- 1.11. The requirements of the FOU model are deemed to be fulfilled where two or more undertakings which own transmission systems have created a joint venture which acts as a TSO in two or more Member States for the transmission systems concerned.
- 1.12. In order to be certified as FOU an applicant must meet the applicable tests as set out in section 8G of the Gas (Northern Ireland) Order 1996. All five tests must be passed.

FOU Tests to be applied

First test in section 8G(2) of the Gas Order is that the applicant:

- Does not control a relevant producer or supplier;
- Does not have a majority shareholding in a relevant producer or supplier; and
- Will not exercise any shareholder rights it holds, or becomes the holder of, in relation to a relevant producer or supplier.
- For the purposes of paragraph (2)(c), the Authority is entitled to think that the relevant person will not exercise any shareholder rights it holds, or becomes the holder of, if the relevant person has given an undertaking that it will not exercise those shareholder rights.

Second test in section 8G(4) of the Gas Order is that the applicant is not controlled by a person who controls a relevant producer or supplier.

Third test in section 8G(6) of the Gas Order is that the applicant is not controlled by a person who has a majority shareholding in a relevant producer or supplier.

Fourth test in section 8G(12) of the Gas Order is that where the applicant is a company, partnership or other business, none of its senior officers has been, or may be, appointed by a person who:

- controls a relevant producer or supplier other than an electricity generation or supply undertaking; or
- a majority shareholding in a relevant producer or supplier other than a electricity generator or supply undertaking.

Fifth test in section 8G(13) of the Gas Order is that where the applicant is a company, partnership or other business, none of its senior officers is also a senior officer of a relevant producer or supplier other than an electricity generation undertaking or electricity supply undertaking.

Next steps in certification

1.13 Premier Transmission Ltd. (PTL) and Belfast Gas Transmission Ltd. have both applied for certification under the grounds of full ownership unbundling (FOU), i.e. that the transmission system belongs to a undertaking that is independent from any supply and production interests.

1.14 We have assessed their applications against the five tests for the full ownership unbundling model which are contained in Article 8G of the Gas Order. Our preliminary decision is that both PTL and BGTL should be certified as FOU.

1.15 We are presently waiting for the European Commission's opinion on our preliminary certification decisions and are obliged to take utmost regard of the

Commission's opinion before taking a final decision on certification. The licence modifications can only be decided once the decisions on certification are made. Consequently, respondents should note that the licence modifications proposed can only be finalised once the Commission's opinion is received and may need to be reviewed as a consequence.

Responding to this consultation

- 1.16 The UR welcomes industry and other stakeholder views and comments on the proposals set out in this consultation paper.
- 1.17 The consultation period will close on 14 June 2013
- 1.18 Responses to this consultation should be forwarded to reach the Utility Regulator on or before 12pm on 14 June 2013:

Roisin McLaughlin

The Utility Regulator

Queens House

14 Queen Street

Belfast

BT1 6ED

Email: roisin.mclaughlin@uregni.gov.uk

- 1.19 Your response to this consultation may be made public by the UR. If you do not wish your response or name made public, please state this clearly by marking the response as confidential. Any confidentiality disclaimer that is automatically produced by an organisation's IT system or is included as a general statement in your fax or coversheet will be taken to apply only to information in your response for which confidentiality has been specifically requested.

- 1.20 Information provided in response to this consultation, including personal information may be subject to publication or disclosure in accordance with the access to information regimes; these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA). If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things with obligations of confidence.
- 1.21 In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Authority.
- 1.22 This document is available in accessible formats. Please contact Roisin McLaughlin on 02890316350 or roisin.mclaughlin@uregni.gov.uk to request this.

Chapter 2 FOU required conditions

Introduction

- 2.1. This section of the consultation paper outlines the modifications required to implement the FOU model in any gas transmission conveyance licence where the licensee is, or is to be, certified as fully ownership unbundled.

Amendments to condition 1.5

Policy background

- 2.2. The Gas Directive includes a new article (Article 16(1)) which places obligations on TSOs and transmission system owners to ensure the confidentiality of information held by TSOs and to prevent commercially sensitive information being disclosed in a discriminatory manner. Member States must also ensure that the transmission system owner where an independent system operator (ISO) has been established including, in the case of a combined operator, the distribution system operator, and the remaining part of the undertaking do not use joint services, such as joint legal services, apart from purely administrative or IT functions.
- 2.3. All the TSO licences have a condition to ensure that information that is commercially confidential information is not used or disclosed inappropriately. We consider that the confidentiality provisions in the existing licences already largely meet the requirements of the Directive so the modifications proposed are minor.

Proposed modifications

- 2.4. The proposed modification to condition 1.5 of the PTL and BGTL licences will ensure that all protected information that a licensee holds is subject to the requirements of condition 1.5. At present only information which the licensee 'receives' is so subject.

- 2.5. Accordingly, we propose to add 'and disclosure' to the title of the condition for clarity as the condition currently prohibits the disclosure of information in certain circumstances. Also to delete the word 'receives' and replace it with 'holds.'
- 2.6. There is also an updated legislative reference in 1.5.1(d) and we have revised the definition of 'protected information' for clarity. The proposed changes make it clear that the definition includes information relating to the affairs of a person which is acquired by a licensee or its related undertaking or affiliate in the course of its dealings with that person.
- 2.7. We therefore propose that the existing Condition 1.5 to be substituted by new Condition 1.5 as follows -

Condition 1.5: Restriction on Use and Disclosure of Certain Information

1.5.1 Use of protected information

Where the Licensee or any affiliate or related undertaking of the Licensee holds protected information, the Licensee shall (and shall procure that such affiliate or related undertaking shall) procure:

- (a) that the Licensee shall not obtain any unfair commercial advantage from its possession of protected information with respect to any Separate Business;
- (b) that protected information is not used by any other person for the purpose of obtaining for that person:
 - (i) any unfair commercial advantage from its possession of protected information;
 - (ii) any licence;
 - (iii) any exemption;
 - (iv) control of any body corporate which, directly or indirectly, has the benefit of any such licence or exemption; and

- (c) that protected information is not disclosed except with the prior consent in writing of the relevant person to whose affairs the protected information relates,

provided that the obligation on the Licensee:

- (d) to procure the above in relation to an affiliate or related undertaking which has control of the Licensee (control being defined by Section 450 of the Corporation Tax Act 2010), shall be to do so using reasonable endeavours and obtaining an appropriate contractual undertaking from that affiliate or related undertaking in respect of such protected information; and
- (e) not to obtain any unfair commercial advantage from its possession of protected information under Condition 1.5.1(a) shall be construed to exclude protected information received by any Separate Business, if applicable, not engaged in the conveyance of gas independently of the Separate Business engaged in the conveyance of gas.

1.5.2 Compliance with directions

The Licensee shall implement such measures and procedures and take all such other steps as shall be specified in directions issued by the Department from time to time under Article 45 of the Order or otherwise for the purposes of this Condition as reasonably appear to the Department to be requisite or expedient for the purpose of securing compliance by the Licensee with its obligations under Condition 1.5.1 in the conduct of its business to convey gas.

1.5.3 Limitation of non disclosure obligations

Condition 1.5.1(c) shall not apply to any disclosure of information:

- (a) authorised by Article 63(3) or (4) of the Energy Order; or
- (b) made in compliance with the duties of the Licensee or any affiliate or related undertaking of the Licensee under the Order or the Energy Order or by any other requirement of a competent authority; or
- (c) made in compliance with the Conditions of the Licence or any document referred to in the Licence with which the Licensee or any affiliate or related

undertaking of the Licensee is required by virtue of the Order or the Energy Order or the Licence to comply.

1.5.4 Additional definition

In this Condition:

"protected information" means any commercially confidential information which:

- (a) relates to the affairs of a person; and
- (b) has been furnished to, or otherwise acquired by, the Licensee or by any affiliate or related undertaking of the Licensee in the course of any dealings with that person or any affiliate or related undertaking of his,

other than information which is in, or comes into, the public domain other than as a result of breach by the Licensee of any Condition of the Licence.

Reasons and effects

- 2.8. The UR considers that the proposed change will ensure full compliance with Directive requirements relating to the protection of sensitive information.

Costs and benefits

- 2.9. This modification is to ensure full compliance with Article 16(1). The changes to the existing condition are minimal and we consider that any costs should be likewise minimal.

Minor amendment to condition 2.4.2(b)

Policy background

2.10. The Gas Directive require that TSOs perform certain tasks (Article 13) and that once certified as appropriately unbundled, are designated as TSOs. The requirement for designation is reflected in Article 8H of the Gas Order.

2.11. Consequently a minor modification is required to condition 2.4.2.

Proposed modifications

2.12. We propose that the existing Condition 2.4.2(b) of Condition 2.4 to be amended so that it reads as follows -

- (b) where pursuant to Article 8H of the Order the Licensee is designated as a transmission system operator, ensure that the Network Code contains provisions that establish:
 - (i) the measures that the Licensee will put in place for the balancing of the Network;
 - (ii) the methodology used by the Licensee to procure the gas required for balancing the Network;
 - (iii) the methodology by which the charges to be levied on Users for the balancing of the Network are to be determined; and
 - (iv) the technical safety criteria applicable to the operation of the Network;

Reasons and effects

2.13. The modification will ensure that the requirements of Article 13 of the Directive and the designation requirement are reflected where appropriate in the licence.

Costs and benefits

2.14. There should be no costs associated with this modification as no new

obligations are imposed.

New condition 2.12 – Independence of the licensee

Policy background

2.15. The existing Condition 2.12 of the licences reflects the level of unbundling required by the second gas directive and as such is not sufficient for third directive purposes. We therefore propose to replace it with a new amended condition to ensure the full independence of the TSO business from all other energy businesses.

Proposed modifications

2.16. The existing condition is not suitable for the FOU model as it provides for separation of businesses in circumstances where the licensee or an affiliate or related undertaking of it carries out production or supply activities. In the FOU model the licensee cannot itself or have an affiliate or related undertaking which carries out such activities. We therefore propose to delete the existing paragraph 1 of Condition 2.12 and make further amendments to reflect and recognise that the licensee is to be certified as meeting the FOU model. This includes, for example, where the condition previously referred to a Gas Supply business we propose that it should refer to separation from any Energy Business (see definitions below).

2.17. The amended condition will also require full legal separation of the authorised business from any energy business.

2.18. The licensee will also be required to ensure that it meets the ownership unbundling requirements in Article 8G of the Gas Order. Additional modifications are proposed which provide that any Energy business may not use or have access to the services of any persons engaged in the management or operation of the Authorised business. This is to ensure the full implementation of Article 9(1)((d) of the Directive and the fifth test in section 8G(13) of the Gas Order which requires that none of the licensee's senior

officers is also a senior officer of a relevant producer or supplier other than an electricity generation undertaking or electricity supply undertaking.

- 2.19. Proposed new conditions 2.12.2 (e) and (f) insert new requirements into condition 2.12 around the movement of employees from the authorised business to any energy business. This is to ensure full compliance with Article 9, in particular the confidentiality requirements of Article 9(7). The licence already contains some requirements in this regard in the existing 2.12.3(e).
- 2.20. We also propose to include a new condition 2.12.3 in the licence which would require that the licensee procure from its ultimate holding company a legally enforceable undertaking whereby the ultimate holding company undertakes to refrain from any action that would cause the licensee to be in contravention of condition 2.12. This is proposed to ensure that the licensee's compliance is not frustrated by the actions of any other company within its group who has control of the licensee.
- 2.21. The changes proposed above require that the terms used are defined therefore there is a new condition 2.12.4 containing the proposed definitions.
- 2.22. We therefore propose to substitute the existing condition 2.12 as follows -

Condition 2.12: Independence of the Licensee

2.12.1 Independence

The Licensee shall:

- (a) unless it has already done so prior to this Condition coming into force, establish; and
- (b) at all times thereafter maintain,

the full legal, managerial and operational independence of the Authorised Business from any Energy Business.

2.12.2 Means of achieving such independence

In order to facilitate its compliance with Condition 2.12.1, the Licensee shall ensure that:

- (a) the Authorised Business is provided with such premises, systems, equipment, facilities, property, personnel, data and management resources as are necessary for its efficient and effective legal, managerial and operational independence;
- (b) it meets the ownership unbundling requirement referred to in Article 8G of the Order by virtue of satisfying, at all times, each of the five tests set out in Articles 8G(2), 8G(4), 8G(6), 8G(12) and 8G(13) of the Order;
- (c) subject to any financial supervisory rights of a Holding Company of the Licensee as provided for in the Licensee's financial plan, commercial and operational decisions relating to the operation, maintenance and development of the Licensee's Network are taken only by those persons who are employed by, and are engaged in the operation and management of, the Authorised Business;
- (d) any Energy Business may not use or have access to:
 - (i) premises or parts of premises occupied by persons engaged in the management or operation of the Authorised Business;
 - (ii) systems for the recording, processing or storage of data to which persons engaged in the management or operation of the Authorised Business also have access;
 - (iii) commercially sensitive or confidential information relating to, or derived from, the Authorised Business;
 - (iv) equipment, facilities or property employed for the management or operation of the Authorised Business; or
 - (v) the services of any persons who are (whether or not as their principal occupation) engaged in the management or operation of the Authorised Business;

- (e) where, in order to comply with this Condition any Energy Business ceases to be an affiliate or related undertaking of the Licensee, the employment of any employee of the Licensee is not transferred to that Energy Business by virtue of the arrangements under which the Energy Business ceases to be an affiliate or related undertaking of the Licensee; and
- (f) in so as far as it is legally possible, prevent any person who has ceased to be employed by the Authorised Business from being employed by, or engaged in the activities of, any Energy Business which, at any time in the six months prior to the date that the person ceased to be employed by the Authorised Business was an affiliate or related undertaking of the Licensee, until the expiry of an appropriate time from the date on which he ceased to be engaged by the Authorised Business.

2.12.3 Undertaking

The Licensee shall procure that the Ultimate Holding Company of the Licensee shall deliver to the Authority not later than seven days after the date on which this Condition comes into full force and effect, a legally enforceable undertaking from the Ultimate Holding company in favour of the Authority, which is expressed to remain in force for so long as the Licensee remains the holder of the Licence, in which the Ultimate Holding Company undertakes to the Authority that it shall refrain, and shall procure that each other Holding Company of the Licensee shall refrain, from taking any action which would cause the Licensee to be in contravention of this Condition.

2.12.4 Additional Definitions

In this Condition:

“Authorised Business”

means the Licensed Business, taken together with (if applicable) where the Licensee has so notified the Department and the Authority, any business of the Licensee (or of any affiliate or related undertaking of the Licensee) that is carrying out activities that require authorisation in accordance with

	Article 6(1)(a) of the Order or with section 5(1)(a) of the Gas Act;
"Energy Business"	means any business that is involved in the generation or supply of electricity or in the production, purchase or supply of gas;
"Gas Act"	means the Gas Act 1986, as amended from time to time;
"Holding Company"	has the meaning given to it in section 1159 of the Companies Act 2006; and
"Ultimate Holding Company"	means any person which is a Holding Company of the Licensee, and which is not itself a subsidiary of another company.

Reasons and effects

2.23. The proposed modification will ensure that the requirements of article 9 are complied with.

Costs and benefits

2.24. The proposal will ensure compliance with the requirements of Article 9. Given that many of the required measures for Article 9 are already in place in respect of PTL and BGTL, we believe that the associated costs should be minimal.

Deletion of existing condition 2.13

Policy background

2.25. The existing condition 2.13 in the TSO licences reflects the unbundling requirements of the second gas directive and applies where the licensee is

also carrying on the activities of a supply business. This is incompatible with the FOU model and is therefore no longer required for licensees who are (or are to be) certified as meeting the FOU requirement. There is no need for a compliance plan because the licensee has, at all times, to meet the test for FOU unbundling .

Proposed modification

2.26. Existing condition 2.13 to be deleted.

Reasons and Effects

2.27. The current condition 2.13 is incompatible with the requirements of Article 9 and with the FOU unbundling requirements of the Gas Order.

Costs and Benefits

2.28. The deletion will ensure compliance with Article 9 and as the effect of the modification is to delete a redundant requirement there will be no costs associated with it.

New condition 2.14 Transmission System Operator

Policy background

2.29. The purpose of the existing condition 2.14 is to state that the licensee is designated as a TSO for the purposes of the second gas directive. Clearly this needs to be updated, including reflecting certification and ongoing requirements in relation to the FOU model.

Proposed modification

2.30. We propose that the existing condition 2.14 be replaced by an entirely new condition which more fully reflects the requirements of certification and certain other requirements of the FOU model.

2.31. Article 9(1)(a) of the Directive provides that 'each undertaking which owns a

transmission system acts as a transmission system operator' and Article 13 of the Directive provides that a TSO must operate, maintain and develop the transmission network.

2.32. The TSOs in Northern Ireland sub contract certain TSO functions to third parties. Revised condition 2.14.3 makes it clear that sub-contracting of activities is not precluded under the FOU model but that where any such sub-contracting is in place the TSO must ensure that there are appropriate arrangements in place to ensure the confidentiality of information received by that third party. Furthermore although the TSO can sub-contract the activities of system operation it cannot through any such arrangements delegate its responsibility to comply with the requirements of the Directive.

2.33. In relation to certification itself the condition also proposes in 2.14.4 an obligation on the licensee to inform the Authority of changes in control of the licensee or changes in circumstances which may affect the grounds on which the Licensee has been certified in accordance with Article 3 of the Gas Regulation. Accordingly it is also necessary to define the term 'control' referred to in proposed Condition 2.14.2 and this is set out in 2.14.5.

2.34. The new condition will read as follows-

Condition 2.14 Transmission System Operator

2.14.1 Transmission system owner and operator

The Licensee shall at all times, while it is the owner of the Network also act as the operator of the Network and shall be responsible for ensuring compliance with all the statutory and regulatory obligations which apply to the conveyance of gas through, and the operation, maintenance and development of, the Network

2.14.2 Sub-Contracting - General

Subject to paragraph 2.14.3, the requirement in paragraph 2.14.1 shall not prevent the Licensee from making contractual arrangements under which a third party carries out the activities of conveying gas through the Network or has contractual responsibility for operating, maintaining and developing the Network in accordance with the instructions of the Licensee.

2.14.3 Sub-Contracting – Terms and Conditions

Where the Licensee makes contractual arrangements under which a third party carries out the activities of conveying gas through the Network or has contractual responsibility for operating, maintaining and developing the Network in accordance with the instructions of the Licensee, the Licensee shall ensure that the contractual arrangements contain such terms and conditions which ensure:

- (a) that any information relating to the Licensee or the Licensed Business which is provided by the Licensee to, or otherwise obtained by, the third party is:
 - (i) kept confidential and secure such that it is not disclosed to any other person; and
 - (ii) not used by that third party for any purpose other than for the purpose of fulfilling the contractual arrangements; and
- (b) that the third party does not:
 - (i) prevent (whether by act or omission) the Licensee from complying with the Directive or its certification as a transmission system operator; or
 - (ii) cause (whether by act or omission) the Licensee to contravene the Directive or its certification as a transmission system operator.

2.14.4 Certification

Where the Licensee is, in accordance with Article 3 of the Gas Regulation, certified by the Authority as a transmission system operator, it shall as soon as practicable after it becomes aware of it, notify the Authority of:

- (a) any proposed or actual change in control of the Licensee;
- (b) any change in circumstance or any transaction undertaken or proposed to be undertaken by the Licensee or any affiliate or related undertaking of the Licensee which may affect or require a reassessment of whether the grounds on which the Licensee is certified continue to apply in respect of the Licensee.

2.14.5 Meaning of Control

For the purposes of Condition 2.14.4(a) there is a change in the control of the Licensee whenever a person obtains control of the Licensee who did not have control of the Licensee at the date that the Authority last certified, in accordance with Article 3 of the Gas Regulation, the Licensee as a transmission system operator; and sub-sections (2), (3) and (4) of Section 450 of the Corporation Tax Act 2010 shall apply for the purpose of determining whether for the purposes of this paragraph a person has or had control of the Licensee, but at any time should no person have control then for the words "the greater part" wherever they occur in said sub-section (3) there shall be substituted the words "one-third or more".

Reasons and effects

2.35. These modifications will ensure full transposition of the unbundling requirements in both the PTL and BGTL Licences.

Costs and benefits

2.36. It will be necessary for the licensee to ensure that any relevant contracts with third parties comply with this condition and to put procedures in place to ensure that the Authority is notified of a change in control or other change in circumstance that might affect the licensee's certification status. However, however any costs associated with this should be minimal and will ensure that the Directive requirements are fully implemented.

Question 2. Respondents are asked to comment on UR's proposals in relation to FOU required conditions.

Chapter 3 Proposed Modifications to the PTL/BGTL Special Conditions

Minor modification to condition 3.2 in PTL and BGTL licences

Policy background

- 3.1. Only one licence modification is proposed to the PTL and BGTL special conditions and this is a minor modification to update a legislative reference in condition 3.2.2 of both licences for the purpose of determining who has control of the licensee.

Proposed modification

- 3.2. The proposal is to substitute the final paragraph of paragraph 3.2.2 in the existing condition 3.2 with the following –

For the purposes of this condition, there is a change in the control of the Licensee whenever a person obtains control of the Licensee who did not have control of the Licensee when this Licence was granted; and sub-sections (2), (3) and (4) of Section 450 of the Corporation Tax Act 2010 shall apply for the purpose of determining whether for the purposes of this paragraph a person has or had control of the Licensee, but at any time should no person have control then for the words "the greater part" wherever they occur in said sub-section (3) there shall be substituted the words "one-third or more".

Reasons and effects

- 3.3. The modification will bring the legislative reference in this condition up to date.

Costs and benefits

- 3.4. The modification will ensure that the legislative reference in this condition is up to date and there will be no costs associated with this.

Question 3. Respondents are asked to comment on UR's proposals in relation to the special conditions.