

CADENT GAS LIMITED

NATIONAL GRID ELECTRICITY TRANSMISSION PLC

NATIONAL GRID GAS PLC

NORTHERN GAS NETWORKS LIMITED

SOUTHERN GAS NETWORKS PLC AND SCOTLAND GAS NETWORKS PLC

SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC

SP TRANSMISSION PLC

WALES & WEST UTILITIES LIMITED

Appellants

-and-

GAS AND ELECTRICITY MARKETS AUTHORITY

Respondent

BRITISH GAS TRADING LIMITED

Intervener

Permission to intervene

1. On 31 March 2021, the Competition and Markets Authority (CMA) granted the Appellants permission to appeal, pursuant, variously, to section 11C of the Electricity Act 1989 (EA 89) and section 23B of the Gas Act 1986 (GA86), against the decisions by the Gas and Electricity Markets Authority (GEMA), dated 3 February 2021, to modify the conditions of the Appellants' licences to give effect to the RIIO-ET2 price control decision, the RIIO-GT2 price control decision and the RIIO-GD2 price control decision (the Decisions).

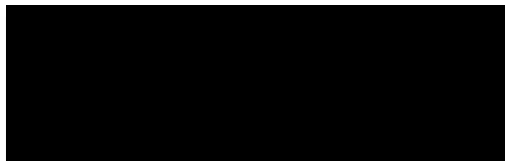
2. On 31 March 2021, the CMA granted permission to the Appellants on condition that the following common grounds of appeal were joined across Appellants which pleaded the ground:
 - Cost of equity
 - Outperformance wedge
 - Ongoing efficiency
 - Licence modification process
3. Other grounds pleaded by individual Appellants are to be heard between the CMA, GEMA and the relevant Appellant.
4. On 23 April 2021, British Gas Trading Limited (BGT) applied for permission to intervene in the appeals on the following grounds:
 - Cost of equity
 - Outperformance wedge.

Requirement for permission to intervene

5. Under Rule 10.1 of the Competition and Markets Authority Rules for Energy Licence Modification Appeals, 2017 (the Rules), the CMA's permission is required to intervene.
6. Under Rule 10.3, in considering whether to give permission to intervene, the CMA shall take account of all the circumstances including:
 - (a) whether the applicant is materially interested in the outcome of the appeal;
 - (b) whether the applicant's intervention in the appeal will assist the CMA to determine the appeal; and
 - (c) whether the nature and extent of the intervention sought is proportionate to the matters to be determined.

Decision on permission

7. As a licensed electricity supplier and a licensed gas supplier, BGT would have been able to bring an appeal against the final determinations under s11C(2)(b) EA89 and s23(2)(b) GA86 as a person who holds a licence under section 6(1) EA89 and s7A GA86 whose interests are materially affected by the decision. The CMA considers that BGT is a business which is directly and materially impacted by the outcome of the appeals. Accordingly, the CMA is satisfied that BGT has a material interest in the outcome of the appeals on the two grounds above for the purposes of Rule 10.3(a).
8. The CMA further considers that BGT's intervention, providing evidence from its perspective and experience as a supplier and industry participant, will assist it to determine the appeals on the two grounds above.
9. In the CMA's view, BGT's proposed intervention, which is limited in scope to the two grounds above, is proportionate to the matters to be determined.
10. Accordingly, taking all the relevant circumstances into account pursuant to Rule 10.3, the CMA grants BGT permission to intervene in the appeals on the two grounds above.



Kirstin Baker
Group Chair
6 May 2021