

**IN THE MATTER OF APPEALS UNDER SECTION 23B GAS ACT 1986 AND
SECTION 11C ELECTRICITY ACT 1989 BETWEEN**

CADENT GAS LIMITED (“Cadent”)

NATIONAL GRID ELECTRICITY TRANSMISSION PLC (“NGET”)

NATIONAL GRID GAS PLC (“NGG”)

NORTHERN GAS NETWORKS LIMITED (“NGN”)

**SOUTHERN GAS NETWORK PLC AND SCOTLAND GAS NETWORKS PLC
 (“SGN”)**

SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC (“SSEN-T”)

SP TRANSMISSION PLC (“SPT”)

WALES & WEST UTILITIES LIMITED (“WWU”)

Appellants

-and-

GAS AND ELECTRICITY MARKETS AUTHORITY (“GEMA”)

Respondent

COSTS ORDER

UPON the applications brought by the appellants on 3 March 2021 for permission to appeal GEMA’s decision of 3 February 2021 to modify the conditions under the appellants’ respective licences to give effect to the RIIO-GD2, the RIIO-T2 and the RIIO-GT2 price control determination (the ‘Decision’) being granted

AND UPON the grant of permission to appeal on 31 March 2021 being conditional upon grounds of appeal common to more than one appellant being considered together

AND UPON the CMA deciding on 21 April 2021 to extend the period for determination of the appeal until 30 October 2021 pursuant to section 11G(4)(a) of the Electricity Act 1989 and section 23F(4)(a) of the Gas Act 1986

AND UPON the CMA granting permission to NGN to withdraw sub-ground 4A(i) and 4(B) of Ground 4 of its notice of appeal on 26 May 2021

AND UPON considering the submissions made, and hearing the appeal, in the above proceedings, and the CMA having made a final determination (the 'Final Determination') on 28 October 2021 pursuant to section 11G of the Electricity Act 1989 and section 23F of the Gas Act 1986, including that:

- The appeal was allowed, and the Decision was quashed in respect of joined Ground B (Outperformance wedge) and NGN Ground 4A(ii) (BPI Stage 4);
- The appeal was dismissed, and the Decision was confirmed, in respect of Cadent Ground 1B (London regional factors), SGN Ground 4 (Efficiency benchmark), SSEN-T Ground 4 (TNUoS), WWU Head A (Cost of debt), WWU Head C (Repex) and WWU Head F (Tax clawback) and joined Ground A (Cost of equity);
- The appeal was allowed in part on joined Ground C (Ongoing efficiency), joined Ground D (Licence modification process) and Cadent Ground 1A (LTS rechargeable diversion projects).

AND UPON considering the submissions made on the matter of costs incurred in connection with the appeal, including submissions on the CMA's two provisional determinations on costs and further submissions on inter partes costs, and the CMA having made a final determination on costs (the 'Costs Determination') on 22 June 2023

IT IS HEREBY ORDERED THAT

Commencement and interpretation

1. This Order shall take effect on the date it is made, with respect to GEMA and all appellants apart from WWU.
2. With respect to WWU this Order shall take effect on the date judicial review proceedings challenging the Final Determination are concluded. The judicial review proceedings challenging the Final Determination will be concluded

upon receipt of a judgment in relation to which any rights of appeal have been exhausted.

3. Terms and expressions used in this Order have the same meaning as in the Final Determination and the Costs Determination except where otherwise indicated.

Costs incurred by the CMA

4. The CMA's costs incurred in connection with the appeal being £1,969,691 shall be paid by those mentioned and in the proportions as set out below:
 - a) Cadent: £116,416 towards non-attributable costs, and £155,696 in respect of costs related to Grounds A and C, and Cadent's Grounds 1A and 1B.
 - b) NGET/NGG: £116,416 towards non-attributable costs, and £31,840 in respect of costs related to Ground A.
 - c) NGN: £116,416 towards non-attributable costs, and £66,144 in respect of costs related to Grounds A and C.
 - d) SGN: £116,416 towards non-attributable costs, and £70,002 in respect of costs related to Ground A and SGN's Ground 4.
 - e) SPT: £116,416 towards non-attributable costs, and £66,144 in respect of costs related to Grounds A and C.
 - f) SSEN-T: £116,416 towards non-attributable costs, and £83,175 in respect of costs related to Grounds A and SSEN-T's Ground 4.
 - g) WWU: £116,416 towards non-attributable costs, and £262,494 in respect of costs related to Grounds A, C and D, and WWU's Heads A, C and F.
 - h) GEMA: £116,416 towards non-attributable costs, and £302,870 in respect of costs related to Grounds B, C, and D, Cadent's Ground 1A and NGN's Ground 4.

Inter partes costs

5. In respect of costs reasonably incurred by GEMA in connection with the appeal, these shall be paid by the appellants and in the net amounts as set out below:
 - (a) Cadent: £[<];
 - (b) WWU: £[<].
6. In respect of costs reasonably incurred by the appellants in connection with the appeal these shall be paid by GEMA in the net amounts as set out below:
 - (a) NGET/NGG: £[<];
 - (b) NGN: £[<];
 - (c) SGN: £[<];
 - (d) SPT: £[<];
 - (e) SSEN-T: £[<].

Time for payment of costs

7. A person required by this Order to make a payment of costs must do so before the end of the period of 28 days beginning with the day after this Order comes into effect.
8. In default of payment within the period prescribed in paragraph 7 of this Order, interest shall be payable on the sums unpaid at one percentage point above the Bank of England's base rate in force.

Kirstin Baker
CMA Appeal Chair
22 June 2023