

NOTICE UNDER SECTION 23 OF THE GAS ACT 1986

The Gas and Electricity Markets Authority (the "Authority") hereby gives notice pursuant to section 23(3) of the Gas Act 1986 (the "Act") as follows:

1. The Authority proposes to modify the conditions of the gas transporter licence treated as granted to National Grid Gas plc ("NGG") in respect of the National Transmission System ("NTS") under section 7 of the Act by amending
 - (a) Special Condition C8A *Revenue restriction definitions in respect of the NTS transportation owner activity and NTS system operation activity* in the manner set out in Schedule A of this Notice; and
 - (b) Special Condition C8D *NTS gas entry incentives, costs and revenues* in the manner set out in Schedule B of this Notice.
2. The reasons why the Authority proposes to make these licence modifications are set out in the Decision Document, titled 'TPCR Gas Entry baseline Review – Final Proposals' with reference number 72/08, published on 30 May 2008. The Decision Document is available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE or from the Ofgem website at www.ofgem.gov.uk.
3. The effects of the licence modifications are to:
 - (a) Revise the baseline obligated entry capacity at a number of entry points to the NTS, in relation to the amount of NTS entry capacity that NGG is obligated to offer for sale as set out in Special Condition C8D; and
 - (b) Revise the entry capacity operational buy-back target cost, in relation to NGG's entry capacity operational buy-back incentive revenue as provided for in Special Condition C8D.
4. Any representations or objections to the proposed licence modifications must be made in writing before 27 June 2008 to Steve Smith, Managing Director – Networks, Office of Gas and Electricity Markets, 9 Millbank, London SW1P 3GE or by email to:

gas.transmissionresponse@ofgem.gov.uk,
5. All responses will normally be published on Ofgem's website and held in the Research and Information Centre. However, if a respondent does not wish its response to be made public, the response should be clearly marked as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website.



Steve Smith, Managing Director – Networks
Duly authorised on behalf of the Gas and Electricity Markets Authority
30 May 2008