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To all interested parties

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11 April 2005

Dear Colleague

European Commission decision on Ofgem's decision to grant Dragon LNG Ltd (Dragon) an exemption under section 19C(5) of the Gas Act 1986 (the "Gas Act") from the application of section 19D of the Gas Act

On 1 February 2005, Ofgem published final views on Dragon's application under section 19C of the Gas Act for an exemption from section 19D of the Gas Act.¹ Ofgem considered that all the exemption criteria are met and therefore the Authority decided to grant Dragon an exemption under section 19C(5) of the Gas Act from the application of section 19D of the Gas Act.

Ofgem's final views, together with the exemption orders and all supporting documents were subsequently submitted to the European Commission. The European Commission has two months in which it can veto a decision by the relevant authority in a Member State to grant an exemption, or request that the regulatory authority amend its decision.²


On 29 March 2005, Ofgem received a decision from the European Commission. The European Commission has decided not to request Ofgem to amend or withdraw its decision. Therefore, the exemption granted to Dragon remains in place.

¹ "Application by Dragon LNG Limited under section 19C of the Gas Act 1986 for an exemption from section 19D of the Gas Act 1986" Ofgem final views, November 2004

² This two month period may be extended by one additional month where additional information is sought by the Commission.

If you have any further queries in relation to the issues raised in this letter, please feel free to contact Matt Buffey on 020 7901 7088.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jo Witters', is centered within a light gray rectangular box.

Jo Witters
Head of Wholesale Markets Policy