

Appendix 5

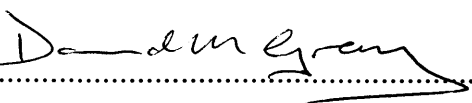
NOTICE UNDER PARAGRAPH 3(a) OF STANDARD SPECIAL CONDITION A2

MODIFICATION PROPOSED TO SIX RELEVANT GAS TRANSPORTER LICENCES

The Gas and Electricity Authority (“the Authority”) hereby gives notice pursuant to paragraph 3(a) of Standard Special Condition A2 (Private Collective Licence Modification Procedure in respect of Standard Special Conditions applicable to both NTS and DN licensees) as follows:

- 1 The Authority proposes to modify the following gas transporter (GT) licences:
 - (a) the GT licence held by National Grid Gas plc in respect of its National Transmission System (“the NTS Licence”) treated as granted under section 7 of the Gas Act 1986; and
 - (b) the GT licences held in respect of Distribution Network businesses (“the DN Licences”) by National Grid Gas plc in respect of its gas distribution business, Northern Gas Networks Limited, Scotland Gas Networks Limited, Southern Gas Networks Limited and Wales and West Utilities Limited respectively, granted under section 7 of the Gas Act 1986.
- 2 The Authority is proposing to modify Standard Special Condition A3 (Definitions and Interpretation) of the NTS Licence and the DN Licences by introducing a definition of “NTS exit flat capacity”. The proposed licence modification is set out in Appendix 7A to the Final Proposals consultation on the transitional incentive schemes and formal licence consultation under section 23 of the Gas Act 1986 and paragraph 3(a) of Standard Special Condition A2 (“the Final Proposals consultation”).

- 3 In summary, the effect of the proposed licence modification is to clarify the application of the term “NTS exit capacity” within the NTS Licence and the DN Licences.
- 4 The reasons why the Authority proposes to make these licence modifications are set out in the following documents:
- (a) 204/05 - Initial proposals on transitional incentive schemes supporting the offtake arrangements, Ofgem, 21 September 2005; and
 - (b) the Final Proposals consultation, in particular appendix 4 of this document.
- 5 Copies of the documents referred to in this Notice are available on request from Ofgem or are on the Ofgem website at www.ofgem.gov.uk.
- 6 Any representations or objections with respect to the proposed modifications may be made on or before 23 December 2005 and should be addressed to Mark Feather, Ofgem, 9 Millbank, London SW1P 3GE or mark.feather@ofgem.gov.uk. A pro forma that may be used in order to register a formal objection with respect to the proposed modifications is provided in Attachment 1 to this Notice.



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David Gray

Managing Director, Networks

Duly authorised on behalf of the Authority

25 November 2005

Attachment 1

Proposed Modification of Standard Special Conditions A3 (Definitions and Interpretation) of the Gas Transporter licence

On 25 November 2005, the Authority published a Notice pursuant to paragraph 3(a) of Standard Special Condition A2 (Private Collective Licence Modification Procedure in respect of Standard Special Conditions applicable to both NTS and DN licensees) in respect of the proposed modification of Standard Special Condition A3 (Definitions and Interpretation) of the NTS Licence and the DN Licences (the "Proposed Modification").

This Notice constitutes a formal objection to the Proposed Modification ("Notice of Objection") on behalf of [state full name of each relevant licence holder making the objection].

I confirm that I am duly authorised to give this Notice of Objection on behalf of [each of] the above named compan[y/ies].

[Signed]

Date: []

[Address for acknowledgement, preferably including email address]