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(By email)

Your Ref:
Our Ref:
Direct Dial: 020 7901 7052
Email: philip.davies@ofgem.gov.uk

1 June 2007

Dear Colleague

NOTICE OF MODIFICATION OF THE STANDARD CONDITIONS OF THE GAS TRANSPORTER LICENCES UNDER SECTION 23 OF THE GAS ACT 1986

In August 2005 Ofgem began a review of the standard conditions of the gas and electricity supply licences as part of its drive towards better regulation. The purpose of the review is to ensure that these licence conditions are simple, enforceable and remain necessary now that competition is firmly established in the retail energy markets.

This notice sets out a number of consequential changes to the standard special conditions of the Gas Transporter licence as a result of the review of the standard conditions of the Gas Supply licence. Ofgem consulted on these proposed changes in an open letter "Supply Licence Review: Consequential modification to special standard condition A11 (Network Code and Uniform Network Code) of the NTS and DN licences and standard condition 9 (Network Code) of the Gas Transporters Licence"¹

For the avoidance of doubt, the proposed licence modifications do not change the substantive provisions of the standard conditions of the gas transporter licences.

Only those licensees who are "relevant licence holders" under paragraph 1 of Standard Special Condition A2 of the NTS licence and DN licences may register their formal objection to any proposed modification; although any person may make representations.

Next Steps

It is our intention to publish our final proposals for the Supply Licence Review shortly.

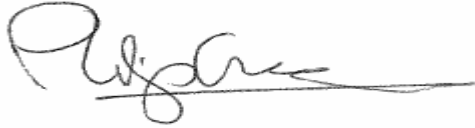
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[http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Documents1/Domestic%20Supply%20Security%20Standards%20\(fv2\)%20\(2\).pdf](http://www.ofgem.gov.uk/Markets/RetMkts/Compl/SLR/Documents1/Domestic%20Supply%20Security%20Standards%20(fv2)%20(2).pdf)

Responses to this consultation letter will be placed on the Ofgem website unless they are marked as confidential.

Please contact Nigel Nash (0207 901 7065: nigel.nash@ofgem.gov.uk) should you have any queries.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Philip Davies', with a long horizontal flourish extending to the right.

Philip Davies
Director, GB Markets