

To: All holders of a gas supply licence

NOTICE OF MODIFICATION OF THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCE UNDER SECTION 23 OF THE GAS ACT 1986

WHEREAS:

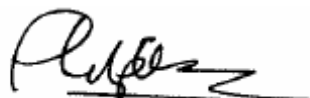
1. Each of the companies to whom this notice is addressed holds a gas supply licence granted, or treated as granted, pursuant to section 7A(1) of the Gas Act 1986 (the "Act").
2. In accordance with section 23(3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority") gives notice ("Notice") that it proposes to modify the standard conditions of the gas supply licence in accordance with the Schedule to this Notice.
3. The proposed licence modification is intended to clarify the basis on which objections to a proposed customer transfer can be raised. The modification is intended to ensure that suppliers do not use the objection window to obtain and then rely on new rights to raise an objection. This means that once a loss notification has been received, a customer transfer must proceed unless there is an existing reason that would permit an objection to be made.
4. The reasons why the Authority proposes to make this modification have been published by the Authority in the following documents:
 - (a) Ofgem. September 2007 *Modifying the gas and electricity supply licences for the use of objections in the non-domestic market. Ref 251/07*
 - (b) Ofgem. July 2007 *Modifying the arrangements for the use of objections in the non-domestic market for gas and electricity supply. Ref 191/07*
 - (c) Ofgem. April 2007 *Modifying the arrangements for the use of objections in the non-domestic market*

These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE (0207 901 7003) or from the Ofgem website at www.ofgem.gov.uk.

5. Any representations or objections to the proposed modification may be made before 22 November 2007 and sent to:

Nigel Nash
Head, Market Infrastructure
Ofgem
9 Millbank
London
SW1P 3GE

or by email to nigel.nash@ofgem.gov.uk.

A handwritten signature in black ink, appearing to read 'Philip Davies', with a horizontal line underneath.

Philip Davies
Director, GB Markets
Ofgem
Authorised on behalf of the Authority

22 October 2007

SCHEDULE 1

PROPOSED MODIFICATION OF THE STANDARD CONDITIONS OF THE GAS SUPPLY LICENCE UNDER SECTION 23 OF THE GAS ACT 1986

1. Standard condition 14 (Customer transfer blocking) is amended as follows.

2. For paragraph 14.2(a), substitute:

“at the time the licensee receives Notice under the Network Code by way of the Relevant Gas Shipper that another Gas Supplier has applied under the requirements of the Network Code to supply the premises, the licensee’s Contract with that customer for the supply of gas to the premises includes a term which:

(i) allows the licensee to prevent the Proposed Supplier Transfer;
and

(ii) may be relied upon in the circumstances arising at that time;”.