

To: The Company Secretary
National Grid Gas plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

MODIFICATION OF THE GAS TRANSPORTER LICENCE UNDER SECTION 23 OF THE GAS ACT 1986

Whereas:

- 1 National Grid Gas plc, ("the NTS Licensee") is the holder of a gas transporter (GT) licence in respect of its National Transmission System (NTS) ("the NTS Licence") treated as granted under section 7 of the Gas Act 1986 ("the Act").
- 2 Pursuant to section 23(3) of the Act, the Gas and Electricity Markets Authority ("the Authority") gave notice on 29 April 2008 ("the Notice") that it proposed to modify a Special Condition of the NTS Licence.
- 3 Prior to the close of the consultation period in respect of the Notice, the Authority received one response in relation to the proposed modification of the NTS Licence.
- 4 The Authority has carefully considered all representations made in relation to the proposed modification of the NTS Licence and not withdrawn.
- 5 Pursuant to section 23(4)(b) of the Act, the Authority gave notice of its intention to modify the NTS Licence to the Secretary of State and has not received a direction from the Secretary of State not to make the modification.
- 6 On 16 May 2008 the NTS Licensee gave its written consent to the proposed modification of the NTS Licence.

7 In accordance with section 38A of the Act, the reasons for making this decision to modify the NTS Licence are set below:

- (a) to enable the licensee to offer entry capacity for sale in the Quarterly System Entry Capacity auctions in response to a request received by the licensee to create a new Aggregate System Entry Point at Portland.

Pursuant to the powers contained in section 23(1)(a) of the Act, and with effect from 29 May 2008, the Authority hereby modifies the NTS Licence by amending Table 3 in Part A 2 c) (v) of Special Condition C8D *NTS gas entry incentives, costs and revenues (the "Condition")* and Table 7 in Part C 9 c) iii) (bb) of the Condition, in the manner set out in the Schedule to this Notice.

The official seal of the Gas and Electricity Markets Authority is affixed to this decision and is authenticated by

A handwritten signature in black ink, appearing to be 'S. Smith', written over a horizontal dotted line.

Steve Smith

Managing Director, Networks

Duly authorised on behalf of the Authority

29 May 2008

SCHEDULE

Special Condition C8D NTS gas entry incentives, costs and revenues

Part A: The Gas Entry Revenue Restriction Calculations

Paragraph 2 c) (v): Maximum revenue entitlement allowed in respect of the release of incremental obligated entry capacity

Table 3

	£m/GWh/month	z=			
		1	2	3	4
i	Easington	0.0013	0.0019	0.0059	0.0044
	Bacton	0.0026	0.0057	0.0063	0.0072
	Isle of Grain	0.0029	0.0026	0.0047	0.0105
	Milford Haven	0.0088	0.0137	0.0116	0.0184
	St Fergus	0.0002	0.0054	0.0163	0.0126
	Teesside	0.0013	0.0013	0.0020	0.0072
	Barrow	0.0037	0.0014	0.0021	0.0081
	Theddlethorpe	0.0016	0.0000	0.0021	0.0068
	Burton Point	0.0013	0.0021	0.0013	0.0027
	Hole House Farm	0.0065	0.0001	0.0021	0.0041
	Barton Stacey	0.0052	0.0016	0.0016	0.0131
	Hatfield Moor	0.0019	0.0004	0.0035	0.0015
	Garton	0.0021	0.0021	0.0049	0.0015
	Cheshire	0.0008	0.0000	0.0006	0.0010
	Hornsea	0.0008	0.0012	0.0030	0.0030
	Fleetwood	0.0072	0.0000	0.0011	0.0053
	Burton Agnes (Caythorpe)	0.0031	0.0028	0.0058	0.0053
	Wytch Farm	0.0020	0.0007	0.0078	0.0032
	Blyborough (Welton)	0.0030	0.0013	0.0055	0.0037
	Winkfield	0.0021	0.0015	0.0054	0.0035
	Tatsfield	0.0039	0.0048	0.0075	0.0146
	Glenmavis	0.0011	0.0000	0.0005	0.0110
	Partington	0.0009	0.0002	0.0008	0.0012
	Avonmouth	0.0067	0.0024	0.0060	0.0088
	Dynevor Arms	0.0037	0.0081	0.0071	0.0205
	Albury	0.0180	0.0013	0.0056	0.0043
	Palmers Wood	0.0073	0.0037	0.0075	0.0146
	Portland	0.0102	0.0030	0.0108	0.0118

Special Condition C8D NTS gas entry incentives, costs and revenues

Part C: Capacity release obligations

Paragraph 9 c) iii) (bb) Obligations to release entry capacity

Table 7

NTS Entry Point i	IBEnC _{i,m,h} (in GWh/day)
Bacton	1,783.4
Barrow	309.1
Easington	1,062.0
St. Fergus	1,670.7
Teesside	361.3
Theddlethorpe	610.7
Glenmavis	28.5
Partington	174.6
Avonmouth	179.3
Isle of Grain	175.0
Dynevor Arms	8.0
Hornsea	164.1
Hatfield Moor (storage)	14.9
Hatfield Moor (onshore)	0.3
Cheshire	285.9
Hole House Farm	131.6
Wytch Farm	3.3
Burton Point	73.5
Milford Haven	0
Barton Stacey	82.6
Garton	0
Burton Agnes (Caythorpe)	0
Winkfield	0
Blyborough (Welton)	0
Tatsfield	0
Albury	0
Palmers Wood	0
Fleetwood	0
Portland	0