

Notice under Sections 7(5) and 8(4) of the Gas Act 1986

This notice is issued by The Gas and Electricity Markets Authority ("the Authority") under sections 7(5) and 8(4) of the Gas Act 1986 ("the Act") in connection with an application for a gas transporter licence ("the Application") made by SP Gas Transportation Cockenzie Limited ('SPGTCL') for the conveyance of gas from the Lammer view farm, East Fortune offtake site of the NTS to Cockenzie CCGT Power Station on the south bank of the Firth of Forth. The application was received by the Authority on 07 January 2010. In the Application, SPGTCL requested a number of modifications be made to the standard conditions of the licence on the grounds that:

- a. The pipelines will only be operated at high pressures with gas flowing from the NTS to the CCGT Power Station;
- b. The pipelines will be sized to meet the needs of the CCGT Power Station only;
- c. The pipelines will connect directly to the NTS with no other connection points other than the CCGT Power Station.
- d. As there will be no customers (except for the CCGT Power Station) connecting to the pipelines and Scottish Power Energy Management Limited (an affiliate to SPGTCL) hold a gas shipper licence there is no likelihood of competitive shipper activities happening on the network;
- e. There will be no premises connected to SPGTCL pipeline and no additional construction will occur to connect customers, or enhance the size of the network.

The Authority has considered that request in accordance with Section 8(3) of the Act.

A. Notice under section 7(5)

1. The Authority proposes to grant a gas transporter licence ("the Licence") under Section 7(2) of the Act to SPGTCL (company number SC361054), whose registered office is situated at 5th Floor, 1 Atlantic Quay, Robertson Street, Glasgow, G2 8SP, Great Britain.
2. The Licence, if awarded, will authorise SPGTCL to convey gas through pipes from the NTS offtake site at Lammer view farm, East Fortune to Cockenzie CCGT Power Station on the South bank of the Firth of Forth and within the grid reference points specified below and shown in the map at Appendix 1.
 - NT383757
 - NT549801
 - NT555769
 - NT403731
3. The reasons why the Authority proposes to grant the Licence are:
 - a. to secure that the reasonable demands for energy in Great Britain are met; and
 - b. to secure effective competition in the supply of gas through pipes.

B. Notice under section 8(4)

4. If the Authority decides to grant the Licence to SPGTCL then the Authority proposes to modify the standard licence conditions set out in paragraph 5 below in an identical manner:
 - a. the standard condition shall not have effect in the licence until the Authority has issued a direction;
 - b. the Authority may issue a direction where, on the licensee's application, the Authority grants an extension to the licence;
 - c. the Authority may issue a direction where any of the above stated conditions in paragraphs a to e inclusive change and
 - d. where the Authority issues a direction the standard conditions shall have effect to the extent and subject to the terms specified in the direction.

5. The standard licence conditions to be modified are:
 - 4 – Charging of Gas Shippers - General
 - 4A – Obligations as Regards Charging Methodology
 - 4B – Connection Charging Methodology
 - 4C – Charging of Gas Shippers – Supplemental Connection Charges
 - 8 – Provision and Return of Meters
 - 9 – Network Code and Uniform Network Code
 - 14 – The Supply Point Administration Agreement
 - 17 – Provisions of Services for Specific Domestic Customer Groups
 - 18 – Arrangements for Access to Premises
 - 20 – Payments in Relation to Standards of Performance
 - 21 – Reporting on Performance
 - 22 – Provision of Information During Unplanned Interruptions
 - 27 – Adjustment of Amounts by Reference to the Retail Prices Index
 - 31 – Supply Point Information Service

The proposed modifications are set out in Appendix 2.

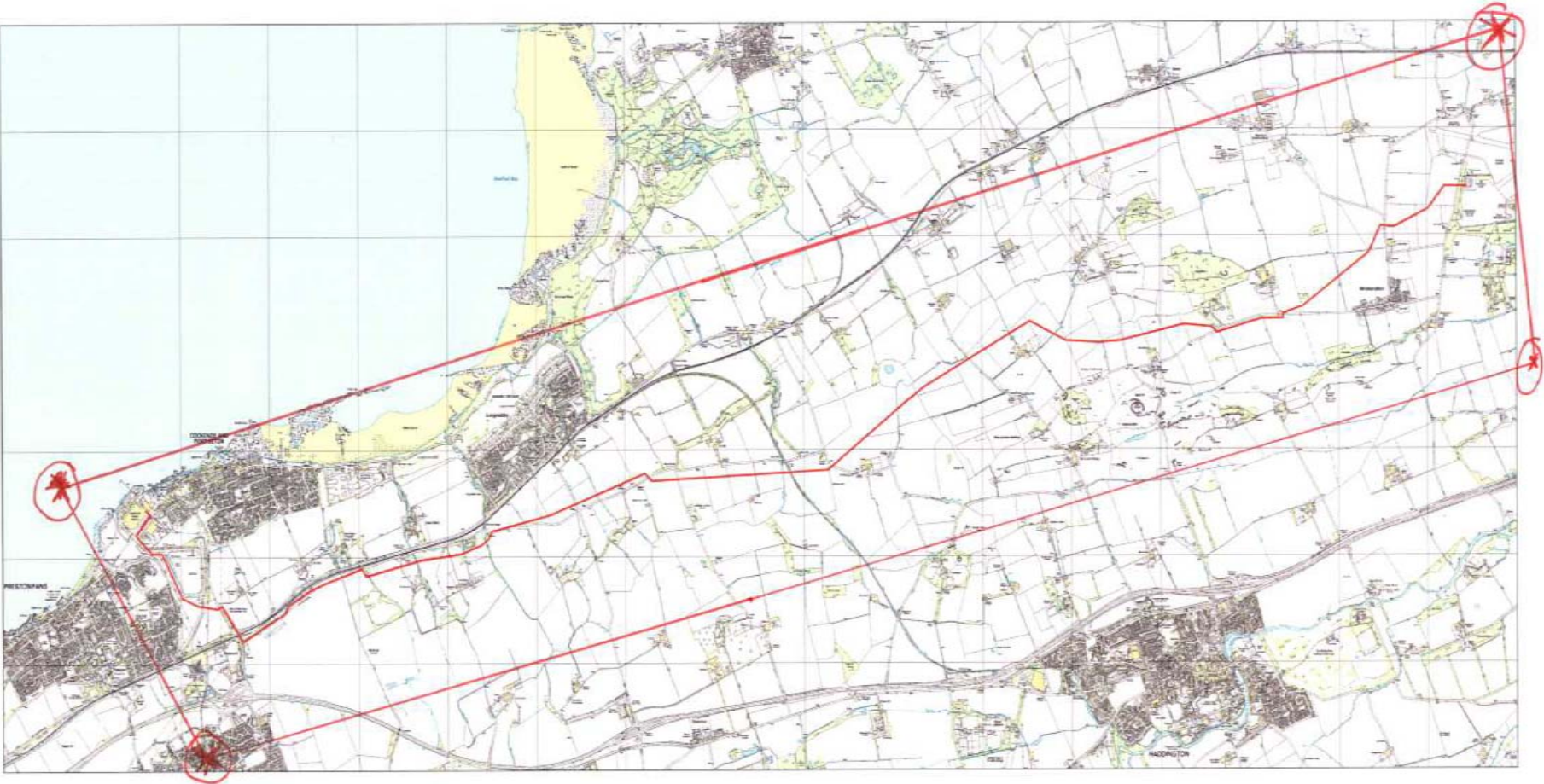
6. The reasons for the proposed modifications are that, having considered the grounds stated above, the Authority is of the view that it is requisite to meet the circumstances of the particular case, in accordance with Section 8(3) of the Act, to modify the licence. Given the limited extent of the licence applied for it is not necessary for the conditions listed above to be in effect in the licence. However, were the licence to be extended in any way it may become necessary for those conditions to have effect.

7. Any representations or objections with respect to the proposed grant of the licence to SPGTCL, or in relation to the proposed modifications, may be made on or before 12 April 2010 and should be addressed to Catherine Wheeler at 9 Millbank, London, SW1P 3GE, or catherine.wheeler@ofgem.gov.uk.

Mark Cox
Duly authorised on behalf of the Authority

12 February 2010

Appendix 1



Appendix 2

Proposed amended standard conditions

Each of the standard conditions to be modified (listed below) shall have two paragraphs (set out below) inserted before what is currently the first paragraph. The numbering of the current paragraphs will change accordingly, with paragraph 1 becoming paragraph 3 and so on. The reference number referred to in paragraph 2 will be the publication reference number of the modification notice should the licence be granted with the proposed modifications.

Paragraphs to be inserted (Note that “X” will be replaced with the number of the final paragraph in each of the standard conditions):

- 1 Until the Authority has issued to the licensee a direction pursuant to paragraph 2, paragraphs 3 – X of this condition shall not have effect within this licence; and the licensee shall not be obliged to comply with any of the requirements in paragraphs 3 – X of this condition.
- 2 Where any of the circumstances of the licence that justify paragraph 3 - X not being in effect (see Modification Notice under Section 11 (Reference Number XXX/XX for a list of these circumstances) in this licence change, the Authority may issue the direction indicated in paragraph 1. When the Authority has issued to the licensee a direction, paragraphs 3 – X of this condition shall have effect within this licence from the date specified in the direction; and the licensee shall be obliged to comply with the requirements of paragraphs 3 – X to the extent and subject to the terms specified in the direction.

Standard conditions to be modified:

- 4 – Charging of Gas Shippers - General
- 4A – Obligations as Regards Charging Methodology
- 4B – Connection Charging Methodology
- 4C – Charging of Gas Shippers – Supplemental Connection Charges
- 8 – Provision and Return of Meters
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