

## **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 LNG Portable Pipeline Services Limited (LPPS) for the conveyance of gas via a portable pipeline to any pipeline system operated by another gas transporter throughout Great Britain. This will be achieved using specialised road trailers that transport gas via a portable pipeline to another gas transporter's pipeline system; although there will be no connection to any customer. The application was received by the Authority on 08 June 2010. In the Application, LPPS requested a number of modifications be made to the standard conditions of the licence on the grounds that:

- a. There will be no premises connected to LPPS pipeline;
- b. (condition 4E) LPPS will be servicing the needs of other transporters who will themselves comply with this condition;
- c. LPPS will be operating as a temporary support of an existing pipeline system;
- d. No supply shall be given to any premises or Shippers and thus no such parties shall be charged;

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 LPPS (company number 07166716), whose registered office is situated at Cadarache, Bere Court, Pangbourne, Berkshire, Reading, RG8 8HT, Great Britain.
2. The Licence, if awarded, will authorise LPPS to convey gas through a portable pipeline throughout Great Britain using specialised vehicle sets each consisting of three trailers. The first trailer, which is a road tanker, is capable of receiving, holding and releasing LNG. The second road trailer carries ambient vaporisers that can receive liquid from the first trailer and discharge it to a third trailer. The third trailer carries equipment that enables the gas it receives to be metered, odorised, filtered and pressure reduced before discharging the gas into the pipe-work that belongs to another Gas Transporter.
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 LPPS 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 d (under the opening paragraph) inclusive change and
- d. where the Authority issues a direction the standard condition 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
- 4E – Requirement to Enter into Transportation Agreement in Conformity with the Network Code
- 5 – System Development Obligations
- 5A – information to be Provided to the Designated Registrar of Pipes
- 7 – Provision of Information Relating to Gas Illegally Taken
- 8 – Provision and Return of Meters
- 9 – Network Code
- 13 – Change Co-ordinated for the Utilities Act 2000
- 14 – The Supply Point Administration Agreement
- 17 – Provisions of Services for Specific Domestic Customer Groups
- 18 – Arrangements for Access to Premises
- 21 – Reporting on Performance
- 22 – Provision of Information During Unplanned Interruptions
- 25 – Long Term Development Statement
- 27 – Adjustment of Amounts by Reference to the Retail Prices Index
- 28 – Termination of Shipping Arrangements
- 29 – Disposal of assets
- 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 LPPS, or in relation to the proposed modifications, may be made on or before 14 December 2010 and should be addressed to Deborah Burrows at 9 Millbank, London, SW1P 3GE, or [deborah.burrows@ofgem.gov.uk](mailto:deborah.burrows@ofgem.gov.uk).

**Mark Cox**  
**Duly authorised on behalf of the Authority**

**14 October 2010**

## 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 7 (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
- 4E – Requirement to Enter into Transportation Agreement in Conformity with the Network Code
- 5 – System Development Obligations
- 5A – information to be Provided to the Designated Registrar of Pipes
- 7 – Provision of Information Relating to Gas Illegally Taken
- 8 – Provision and Return of Meters
- 9 – Network Code
- 13 – Change Co-ordinated for the Utilities Act 2000
- 14 – The Supply Point Administration Agreement
- 17 – Provisions of Services for Specific Domestic Customer Groups
- 18 – Arrangements for Access to Premises
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