MODIFICATION OF SPECIAL CONDITION C8D OF NATIONAL GRID GAS PLC'S GAS TRANSPORTER LICENCE IN RESPECT OF ITS NATIONAL TRANSMISSION SYSTEM UNDER SECTION 23(1)(a) OF THE GAS ACT 1986

NOTICE OF REASONS FOR THE DECISION TO MODIFY SPECIAL CONDITION C8D OF NATIONAL GRID GAS PLC'S GAS TRANSPORTER LICENCE UNDER SECTION 38A OF THE GAS ACT 1986

Whereas -

1. National Grid Gas plc ("the Licence Holder") is the holder of a Gas Transporter Licence in respect of its National Transmission System ("the NTS") ("the Licence") granted or treated as granted under section 7 of the Gas Act 1986 ("the Act").

2. In accordance with section 23(3) of the Act the Gas and Electricity Markets Authority ("the Authority"):

- i. gave notice on 9 November 2010 ("the Notice")¹ that it proposed to make a modification to Special Condition C8D of the Licence and setting out its effect;
- ii. stated the reasons for the proposed modification; and
- iii. served a copy of the Notice on the Licence Holder, the HSE and the Council requiring any objections or representations to the modification to be made on or before 21 December 2010.

3. In accordance with Section 23(4)(b) of the Act, the Authority gave notice to the Secretary of State on 9 November 2010 and has not received a direction not to make the modification before the relevant time period specified in the Notice.

4. The Licence Holder has given written consent to the modification set out in the attached Schedule.

5. The Authority received two written responses in relation to the proposed modification one of which was confidential. Both responses supported the modification. No responses were received which constituted a formal objection.

6. The Authority has carefully considered the consent received in relation to the proposed modification and the supporting representation and considers that no further amendment is necessary to the Notice.

7. In accordance with section 38A of the Act the Authority gives the following reasons for making the Licence modification. The Licence modification is necessary to ensure that interruptible reverse flow products can be offered at Moffat. This will enable additional transactions between Great Britain and Ireland, improve efficiency and benefit competition.

 Copies of this document and the non-confidential documents referred to in this modification are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE or from the Ofgem website at <u>www.ofgem.gov.uk</u>.

THEREFORE

In accordance with Section 23(1)(a) of the Act, the Authority hereby modifies the Licence in the manner specified in attached Schedule A with effect on and from 21 January 2011.

This document constitutes Notice pursuant to section 38A of the Act.

¹ A notice was issued on 4th August 2010 but this was subsequently re-issued on 9th November 2010 to correct a minor procedural issue.

The Official Seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of

Martin Crouch Partner, European Strategy

Duly Authorised on behalf of the Authority 21 January 2011

Schedule A

Special Condition C8D NTS gas entry incentives revenues from the sale of entry capacity to TOR and SOR Paragraph 9(c)(iv) Obligations to release entry capacity

Table 7		
	For paragraph 9 (c) (ii)	For paragraph 9 (c) (iii)
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NTS Entry Point i Bacton	IBEnC _{i,m,h} (in GWh/day) 1,783.4	RIBEnCi,m,h (in GWh/day) 1,783.4
Barrow	309.1	309.1
Easington	1,062.0	1,062.0
St. Fergus	1,670.7	1,670.7
Teesside	361.3	476.0
Theddlethorpe	610.7	610.7
Glenmavis	28.5	99.0
Partington	174.6	215.0
Avonmouth	179.3	179.3
Isle of Grain	175.0	218.0
Dynevor Arms	8.0	49.0
Hornsea	164.1	175.0
Hatfield Moor (storage)	14.9	25.0
Hatfield Moor (onshore)	0.3	0.3
Cheshire	285.9	285.9
Hole House Farm	131.6	131.6
Wytch Farm	3.3	3.3
Burton Point	73.5	73.5
Milford Haven	0	0
Barton Stacey	82.6	82.6
Garton	0	0
Burton Agnes (Caythorpe)	0	0
Winkfield	0	0
Blyborough (Welton)	0	0
Tatsfield	0	0
Albury	0	0
Palmers Wood	0	0
Fleetwood	0	0
Portland	0	0
Canonbie	0	0
Moffat	0	0