

National Grid Gas, gas shippers and other interested parties

Promoting choice and value for all gas and electricity customers

Direct Dial: 0207 901 7159

Email: andrew.burgess@ofgem.gov.uk

Date: 31 January 2013

Avonmouth LNG Price Review - Notice under section 23(2) of the Gas Act 1986 - modifications to the special licence conditions of the gas transporter licence held by National Grid Gas plc

Please find attached notice of proposed modifications to Special Condition C3 (Restriction of Prices for Liquefied Natural Gas (LNG) Storage Services) of the gas transporter licence held by National Grid Gas plc.

The numbering of this condition will be modified on 1 February 2013, under RIIO-T1, through a statutory direction from C3 to 11E and this change is expected to come into effect on and from 1 April 2013. For the avoidance of doubt, this change to the numbering of this condition will be taken into account for the purposes of this modification and any reference in this document to Special Condition C3 will include a reference to the future Special Condition 11E under the proposed changes to the Gas Transporters' licence under RIIO-T1.

The reasons for these modifications are to:

- a. update the restriction of the minimum prices for regulated services from the Avonmouth LNG storage facility to apply from 1 May 2013; and
- b. reflect the closure of Partington LNG storage facility.

The effect of the proposed modifications is to:

- a. continue with the restriction of the minimum prices for regulated services from the Avonmouth LNG storage facility; and
- b. remove any references to the Partington LNG storage facility.

Any representations on the proposed licence modifications may be made on or before 28 February 2013 to: Bogdan Kowalewicz, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to gas.transmissionresponse@ofgem.gov.uk.

If you have any questions regarding the proposed modification please contact Bogdan Kowalewicz, (0207 901 7293; bogdan.kowalewicz@ofgem.gov.uk) in the first instance.

Yours faithfully,

Andy Burgess Associate Partner, Transmission and Distribution Policy