

To: All holders of a gas transporters licence

**Gas Act 1986
Section 23(1)(b)**

**MODIFICATION OF THE STANDARD CONDITIONS OF GAS TRANSPORTERS LICENCES
GRANTED UNDER SECTION 7 OF THE GAS ACT 1986**

Whereas –

1. Each of the companies to whom this document is addressed (a "Licence Holder") has been granted a licence ("the Licence") under section 7 of the Gas Act 1986 ("the Act") for the conveyance of gas through pipes subject to the conditions contained in the Licence.

2. In accordance with section 23(2) of the Act the Gas and Electricity Markets Authority ("the Authority") gave notice on 29 July 2013 ("the Notice") that it proposed to make modifications to Condition 9 (Network Code and Uniform Network Code) of the Licence and by requiring any representations to the modifications to be made on or before 28 August 2013.

3. In accordance with section 23(4)(b) of the Act, the Authority gave such notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modifications.

4. Prior to the close of the consultation period in respect of the Notice, the Authority received eight responses, of which one response relates to the modifications referred to above. All non-confidential responses have been placed on the Ofgem website.

5. The Authority has carefully considered in relation to the proposed modifications all representations received.

6. In accordance with section 38A of the Act the Authority gives the following reasons for making the licence modifications:

- To clarify when the Authority's consent would be required before a licensee can withdraw a code modification proposal that it has raised.

7. The effect of the modifications will be to prevent a licensee from withdrawing code modification proposals (which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators) without the Authority's prior consent.

8. Specific details on the reasons and effect of the modifications can be found in the attached Schedule 2.

9. Where an application for permission to appeal the Authority's decision is made to the Competition Commission under section 23B of the Act, Rule 5.7 of the Competition Commission's Energy Licence Modification Appeals Rules requires the appellant to send a notice setting out the matters required in Rule 5.2. The attached Schedule 3 provides a list of the relevant licence holders in relation to this modification direction. The meaning of 'relevant licence holder' is set out in section 23(10) of the Act.

Now therefore

In accordance with the powers contained in section 23(1)(b) of the Act, the Authority hereby modifies the standard licence conditions for all gas transporters in the manner specified in the attached Schedule 1. This decision will take effect on and from 17 December 2013.

This document constitutes notice of the reasons for the decision to modify the gas transporters' licences as required by section 38A of the Act.

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

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Lesley Nugent
Head of Industry Codes and Licensing
Duly authorised on behalf of the
Gas and Electricity Markets Authority

22 October 2013

Schedule 1 - Modifications to the standard conditions of the gas transporter licence

Standard Condition 9: Network Code and Uniform Network Code

Paragraph 7(j)

j. modification proposals made by the Authority or the licensee in accordance with paragraphs 8(a)(i) and 9(a)(i) which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators:

(i) to be accepted into the network code modification procedures by the panel;

(ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent;

(iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 7(k);

Schedule 2 – Reasons for and effect of the proposed modifications to the standard conditions of the gas transporters licence

Proposed modifications	Reason for and effect of the proposed modifications
<p>Modifications proposed to Standard Condition 9(7) (Network Code and Uniform Network Code) to ensure that modification proposals raised by the licensee that the Authority reasonably considers are necessary to comply with or implement the Gas Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators cannot be withdrawn without the Authority's consent.</p>	<p>To clarify when the Authority's consent would be required before a licensee can withdraw a code modification proposal that it has raised.</p> <p>The modification will prevent a licensee from withdrawing a modification that it has raised, whether or not as a result of the Authority's direction, without the Authority's consent where the Authority, in its view, reasonably considers that that the code modification is necessary to comply with or implement the Gas Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators.</p>

Schedule 3 – Relevant licence holders

Licensee	Company registration number
National Grid Gas Plc	02006000
Northern Gas Networks Limited	05167070
Scotland Gas Networks Plc	SC264065
Southern Gas Networks Plc	05167021
Wales & West Utilities Limited	05046791
British Gas Pipelines Limited	03226380
Energetics Gas Limited	SC303150
ES Pipelines Limited	03822878
ESP Connections Limited	03234745
ESP Networks Limited	02865198
ESP Pipelines Limited	03405272
Fulcrum Pipelines Limited	06006362
GTC Pipelines Limited	03104203
Independent Pipelines Limited	02828692
Quadrant Pipelines Limited	02528816
SSE Pipelines Limited	02742721
Greenpark Energy Transportation Limited	06977962
LNG Portable Pipeline Services Limited	07166716
SP Gas Transportation Cockenzie Limited	SC361054
SP Gas Transportation Hatfield Limited	SC361055
INEOS Enterprises Limited	04651437
Severn Gas Transportation Limited	05121224
WINGAS Storage UK Limited	00953066
Wyre Gas Transportation Limited	06658221