

To:
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)

("the Independent Gas Transporters")

NOTICE UNDER SECTION 23(2) OF THE GAS ACT 1986

The Gas and Electricity Markets Authority ("the Authority") hereby gives notice pursuant to section 23(2) of the Gas Act 1986 ("the Act") as follows:

1. The Authority proposes to modify the gas transporter licences held by the Independent Gas Transporters granted or treated as granted under section 7 of the Act by amending Special Condition 1 (Charging of Gas Shippers - Relative Price Control) as set out in Annex 1.
2. The reason why the Authority proposes to make this licence modification is to address a number of minor drafting points to remove ambiguity, improve overall clarity and ensure that the Relative Price Control (RPC) operates as originally intended. It should be noted that these modifications do not represent substantial changes to the licence that fundamentally alter the RPC.
3. The effect of the proposed modifications is to make the following changes to Special Condition 1:
 - Paragraph 2 (1) – a change to the charging formula to address the issue of IGT charges inaccurately tracking GDN charges between the RPC cap and floor;
 - Paragraph 2 (2) - clarifying the annual update of charges for properties that enter the RPC in October-December of each year;
 - Paragraph 2 (6) – changes to the definitions to reflect the new term in the new charging formula; and
 - Paragraph 5 - clarifying the drafting of conditions relating to the infill surcharge.
4. A full revised version of Special Condition 1 with the proposed changes highlighted is set out in Annex 1 of this document.
5. Relevant licence holders for the purposes of this Notice are all holders of an Independent Gas Transporters Licence at the relevant time with Special Condition 1 in force.

6. A copy of the proposed modifications and all other documents referred to in this notice are available on the Ofgem website (www.ofgem.gov.uk).
7. Any representations on the proposed licence modifications may be made on or before 28 February 2014 to: Jacob Kane, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to jacob.kane@ofgem.gov.uk
8. All responses will normally be published on Ofgem's website. However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website.
9. If the Authority decides to make the proposed modification it will take effect 56 days after the decision is published.



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Andy Burgess
Associate Partner, Transmission and Distribution Policy
Duly authorised on behalf of the
Gas and Electricity Markets Authority

31 January 2014