

**To: National Grid Gas plc**

**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 licence (the Licence) held by National Grid Gas plc (NTS) (the Licensee) granted or treated as granted under section 7 of the Act by amending Special Conditions 1A and 5F of the Licence. The full text of the proposed modifications is set out in the Schedule to this Notice.
2. The Authority proposes to make these licence modifications as it considers them to be the most appropriate way to facilitate the implementation of European Regulation 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems (CAM)<sup>1</sup>.
3. The effect of the proposed modifications is to split the current Bacton Aggregated System Entry Point (ASEP) into a Bacton UKCS ASEP and Bacton IP ASEP. The baseline capacity for the Bacton IP ASEP will be set at the sum of the technical capacities of the two interconnectors (IUK and BBL). The baseline capacity of the Bacton UKCS ASEP will be set at the remainder of the current Bacton ASEP baseline capacity. The proposed modifications also identify the Type of Entry Point for all GB entry points and amend the definition of Off Peak Exit Capacity at Interconnection Points. Further information can be found in the following documents:
  - a) Options for Great Britain's implementation of the European Union Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems (Regulation 984/2013) at the Bacton entry point, 31 October 2013
  - b) Facilitating the implementation of aspects of the Capacity Allocation Mechanisms Network Code in Great Britain, 13 June 2014
  - c) Statutory consultation on facilitating the implementation of aspects of the Capacity Allocation Mechanisms Network Code in Great Britain, 15 December 2014
4. A copy of the proposed modifications and other documents referred to in this Notice have been published alongside this Notice and are available on the Ofgem website (<https://www.ofgem.gov.uk>).
5. Any representations with respect to the proposed licence modifications must be made on or before 16 January 2015 to: David McCrone, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to [david.mccrone@ofgem.gov.uk](mailto:david.mccrone@ofgem.gov.uk).
6. 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.
7. If the Authority decides to make the proposed modification it will take effect not less than 56 days after the decision is published.

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<sup>1</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2013.273.01.0005.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2013.273.01.0005.01.ENG)

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**Rob Mills**

**Duly authorised on behalf of the  
Gas and Electricity Markets Authority**

**15 December 2014**

## Schedule

### Special Condition 1A. Definitions

#### Introduction

Off-peak Exit Capacity shall have the meaning given to the term Off-peak Daily NTS Exit (Flat) Capacity in the Network Code unless at an NTS Exit Point of type Interconnection Point, where it shall have the meaning given to the term Interruptible NTS Interconnection Point Capacity in the Network Code.

### Special Condition 5F. Determination of Incremental Obligated Entry Capacity volumes and the appropriate revenue drivers to apply

Part D: Additional Totex allowances in respect of the release of Funded Incremental Obligated Entry Capacity (TotEntRevD<sub>i,j,y</sub>) where a generic entry and exit revenue driver methodology has not been approved by the Authority and published by the Licensee

Table 3: Totex allowances for NTS Entry Points

	EnFIR <sub>z<sub>i</sub></sub>	z =			
		1	2	3	4
		£m per GWh/d capacity release - marginal cost (2009/10 prices)			
Capacity Range	0-25GWh/d	25-100GWh/d	100-500GWh/d	>500GWh/d	
Entry Point i	Easington				
	<del>Bacton</del>				
	<del>Bacton UKCS</del>				
	<del>Bacton IP</del>				
	Isle of Grain				
	Milford Haven				
	St Fergus				
	Teesside				
	Barrow				
	Theddlethorpe				
	Burton Point				
	Hole House Farm				
	Barton Stacey				
	Hatfield Moor				
	Garton				
	Cheshire				
	Hornsea				
	Fleetwood				
	Burton Agnes (Caythorpe)				
	Wytch Farm				
	Blyborough (Welton)				
Winkfield					
Tatsfield					

Glenmavis				
Partington				
Avonmouth				
Dynevor Arms				
Albury				
Palmers Wood				
Portland				
Canonbie				

Part G: Non-incremental Obligated Entry Capacity

5F.29 Licence Baseline Entry Capacity is set out in Tables [6A](#) and [6B](#). For Gas Days prior to 1 November 2015 (or such other date as the Authority may direct in writing), Table 6A shall apply. For Gas Days from 1 November 2015 (or such other date as the Authority may direct in writing), Table 6B shall apply.

Table [6A](#): Licence Baseline Entry Capacity

NTS Entry Point	Baseline capacity (in GWh/d)
Bacton	1,783.4
Barrow	309.1
Easington	1,062.0
St. Fergus	1,670.7
Teesside	476.0
Theddlethorpe	610.7
Glenmavis	99.0
Partington	215.0
Avonmouth	179.3
Isle of Grain	218.0
Dynevor Arms	49.0
Hornsea	175.0
Hatfield Moor (storage)	25.0
Hatfield Moor (onshore)	0.3
Cheshire	285.9
Hole House Farm	131.6
Wytch Farm	3.3
Burton Point	73.5
Milford Haven	0
Barton Stacey	172.6
Garton	420
Burton Agnes (Caythorpe)	0
Winkfield	0
Blyborough (Welton)	0
Tatsfield	0
Albury	0

Palmers Wood	0
Fleetwood	0
Portland	0
Canonbie	0
Moffat	0

Table 6B: Licence Baseline Entry Capacity

<u>NTS Entry Point</u>	<u>Type of Entry</u>	<u>Baseline capacity (in GWh/d)</u>
<u>Bacton (UKCS)</u>	<u>BEACH TERMINAL</u>	<u>485.6</u>
<u>Bacton (IP)</u>	<u>INTERCONNECTION POINT</u>	<u>1297.8</u>
<u>Barrow</u>	<u>BEACH TERMINAL</u>	<u>309.1</u>
<u>Easington</u>	<u>BEACH TERMINAL</u>	<u>1,062.0</u>
<u>St. Fergus</u>	<u>BEACH TERMINAL</u>	<u>1,670.7</u>
<u>Teesside</u>	<u>BEACH TERMINAL</u>	<u>476.0</u>
<u>Theddlethorpe</u>	<u>BEACH TERMINAL</u>	<u>610.7</u>
<u>Glenmavis</u>	<u>STORAGE SITE</u>	<u>99.0</u>
<u>Partington</u>	<u>STORAGE SITE</u>	<u>215.0</u>
<u>Avonmouth</u>	<u>STORAGE SITE</u>	<u>179.3</u>
<u>Isle of Grain</u>	<u>LNG IMPORTATION TERMINAL</u>	<u>218.0</u>
<u>Dynevor Arms</u>	<u>STORAGE SITE</u>	<u>49.0</u>
<u>Hornsea</u>	<u>STORAGE SITE</u>	<u>175.0</u>
<u>Hatfield Moor (storage)</u>	<u>STORAGE SITE</u>	<u>25.0</u>
<u>Hatfield Moor (onshore)</u>	<u>ONSHORE FIELD</u>	<u>0.3</u>
<u>Cheshire</u>	<u>STORAGE SITE</u>	<u>285.9</u>
<u>Hole House Farm</u>	<u>STORAGE SITE</u>	<u>131.6</u>
<u>Wytch Farm</u>	<u>ONSHORE FIELD</u>	<u>3.3</u>
<u>Burton Point</u>	<u>ONSHORE FIELD</u>	<u>73.5</u>
<u>Milford Haven</u>	<u>LNG IMPORTATION TERMINAL</u>	<u>0</u>
<u>Barton Stacey</u>	<u>STORAGE SITE</u>	<u>172.6</u>
<u>Garton</u>	<u>STORAGE SITE</u>	<u>420</u>
<u>Burton Agnes (Caythorpe)</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Winkfield</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Blyborough (Welton)</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Tatsfield</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Albury</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Palmers Wood</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Fleetwood</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Portland</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Canonbie</u>	<u>STORAGE SITE</u>	<u>0</u>
<u>Moffat</u>	<u>INTERCONNECTION POINT</u>	<u>0</u>