

To: National Grid Gas plc

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

**MODIFICATION OF THE GAS TRANSPORTER LICENCE HELD BY NATIONAL GRID
GAS PLC**

Whereas –

1. National Grid Gas plc (NTS) (the Licence Holder) is the holder of a gas transporter licence (the Licence) granted or treated as granted under section 7 of the Gas Act 1986 (the Act).
2. In accordance with section 23(2) of the Act the Gas and Electricity Markets Authority (the Authority) gave notice on 15 December 2014 (the Notice) stating that it proposed to modify condition Special Conditions 1A and 5F of the Licence, setting out the proposed modifications and their effect and stating the reasons why it proposed to make the modifications. The Notice specified that any representations with respect to the proposed modifications were to be made on or before 16 January 2015.
3. In accordance with section 23(4)(b) of the Act, the Authority published the Notice and sent a copy to the relevant persons specified in the Act, including the Secretary of State on 15 December 2014. The Authority has not received a direction from the Secretary of State to not make the modification.
4. Prior to the close of the consultation period in respect of the Notice, the Authority received seven responses. All non-confidential responses have been placed on the Ofgem website.¹ A summary of these comments and our responses to them are set out at <https://www.ofgem.gov.uk/publications-and-updates/modification-special-conditions-1a-and-5f-national-grid-gas-plc%E2%80%99s-gas-transporter-licence-facilitate-implementation-capacity-allocation-mechanisms-network-code>.
5. The Authority considers it necessary to alter some minor details in the proposed modifications that were set out in the Notice. We no longer propose to amend Special Condition 5F Part D Table 3. The reason is that the Authority's decision to modify the Licence in respect of Planning and Advanced Reservation Agreements (PARCA) means that the proposed modification to Table 3 of Special Condition 5F is no longer necessary.² The PARCA licence modification also changed the numbering of Special Condition 5F. In our statutory consultation we proposed changes to Special Condition 5F Table 6. The PARCA changes mean that Table 6 has been renumbered as Table 4. We have reflected this in the proposed licence text. We have also changed the description of the Type of Entry for the Canonbie Entry Point from Storage Site to Onshore Field in Table 4B of Special Condition 5F to correct an incorrect description of that Entry Point in our statutory consultation.
6. The Authority has carefully considered all responses received in relation to the proposed modification and, subject to the changes described in paragraph 5 of this modification notice, has decided to proceed with the modifications in Schedule 1.
7. In accordance with section 38A of the Act, the reasons for making the licence modifications are to facilitate the implementation in Great Britain of Commission

¹ These can be found here: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposed-licence-modifications-facilitate-implementation-capacity-allocation-mechanisms-network-code-great-britain>

² The decision to modify the Licence in respect of PARCAs came into effect on 31 January 2015 and can be found here: <https://www.ofgem.gov.uk/publications-and-updates/decision-licence-changes-implement-planning-and-advanced-reservation-capacity-agreements>

Regulation (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009 of the European Parliament and of the Council. Further details of the reasons for the licence modifications are set out in the following documents which can be found on our website (www.ofgem.gov.uk):

- 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
 - Facilitating the implementation of aspects of the Capacity Allocation Mechanisms Network Code in Great Britain, 13 June 2014
 - Statutory consultation on proposed licence modifications to facilitate the implementation of the Capacity Allocation Mechanisms Network Code in Great Britain, 15 December 2014
 - Modification of Special Conditions 1A and 5F of National Grid Gas plc's Gas Transporter Licence to facilitate implementation of the Capacity Allocation Mechanisms Network Code, 10 February 2015
8. The effects of the modifications are described in the documents referred to in paragraph 7 of this modification notice.
9. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority (CMA) under section 23B of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules³ requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification notice. 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)(a) of the Act, the Authority hereby modifies the gas transporter licence of National Grid Gas plc in the manner specified in attached Schedule 1. This decision will take effect on and from 8 April 2015.

This document and the Decision Letter referred to in paragraph 7 above constitute publication of the decision and the modifications in accordance with section 23(7) of the Act. This document constitutes notice of the reasons for the decision to modify the gas transporter licence held by National Grid Gas plc 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



.....
Frances Warburton,
Duly authorised on behalf of the
Gas and Electricity Markets Authority

10 February 2015

³ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the Competition and Markets Authority (CMA).

Schedule 1 – Licence drafting

Special Condition 1A. Definitions

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 G: Non-incremental Obligated Entry Capacity

5F.27 Licence Baseline Entry Capacity is set out in Tables 4A and 4B. For Gas Days prior to 1 November 2015 (or such other date as the Authority may direct in writing), Table 4A shall apply. For Gas Days from 1 November 2015 (or such other date as the Authority may direct in writing), Table 4B shall apply.

Table 4A: 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 4B: 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>ONSHORE FIELD</u>	<u>0</u>
<u>Moffat</u>	<u>INTERCONNECTION POINT</u>	<u>0</u>

Schedule 2 – Relevant Licence Holders

Name	Address
National Grid Gas plc	The Company Secretary 1-3 Strand London WC2N 5EH