

To: National Grid Gas plc (NTS)

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 held by National Grid Gas plc (NTS) (the Licensee) granted or treated as granted under section 7 of the Act (the Licence) by amending Special Condition 1A.4 (Definitions) and Special Condition 3D.32 (The daily linepack performance measure).
2. The reason why the Authority proposes to make these licence modifications is that it considers the modifications to be the most appropriate way to facilitate the implementation of certain aspects of the legally binding EU Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems¹ and the EU Network Code on Balancing of Gas Transmission Networks.² More information on the reason and effects of the proposed licence modifications is set out in our covering letter to this Notice³ and in our open letter consultation dated 28 July 2014.⁴
3. The effect of the proposed modifications is to amend the definitions of Formula Month, Formula Year, Gas Year, Subscript d, Subscript m, Subscript n and Subscript t to the effect that, after 1 October 2015, the stated start and end times for gas days will be 5am, instead of 6am as reflected in the current definitions. These changes are to align the definitions with the times of the "gas day" as defined in the above EU Network Codes.
4. The proposed changes to Special Condition 1A.4 are marked up in Annex 1 to this Notice, which forms part of this Notice. Copies 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 (www.ofgem.gov.uk).
5. Any representations with respect to the proposed licence modifications must be made to the Authority on or before 15 May 2015. They should be sent to: Victoria Volossov, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or emailed to gasday@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 However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication.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 modifications they will take effect not less than 56 days after the decision is published, or on 1 October 2015, whichever is later.

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

14 April 2015

¹ Commission 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: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:273:0005:0017:EN:PDF>.

² Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks: http://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=OJ:JOL_2014_091_R_0015_01&from=EN.

³ "Statutory consultation on proposed licence modifications to ensure Great Britain's ("GB's") compliance with the European Union legislative definition of gas day" (14 April 2015) available on our website www.ofgem.gov.uk.

⁴ <https://www.ofgem.gov.uk/publications-and-updates/consultation-modification-legislation-and-licences-comply-eu-legislative-definition-gas-day>.

Annex 1: Proposed changes to Special Conditions of National Grid Gas plc's (NTS) gas transporter licence

Special Condition 1A.4 (Definitions)

Formula Month	means a period commencing at 056:00 in the first day of a calendar month and ending at 056:00 on the first day of the subsequent calendar month.
Formula Year	means a period of twelve months commencing on 1 April at 056:00 hours.7 The first such formula year (t=1) commencing on 1 April 2002 at 06:00 hours; from 1 April 2016, formula years will commence at 05:00 hours.
Gas Year	means a period of twelve months commencing on 1 October at 056:00 hours.
Subscript d	means the relevant Day. d=1 refers to the Day commencing at 06:00 on 1 April 2013; from 1 October 2015 Days will commence at 05:00.
Subscript m	means the relevant Formula Month. m=1 refers to the Formula Month commencing at 06:00 on 1 April 2013; from 1 October 2015 Formula Months will commence at 05:00.
Subscript n	means the day relevant for the purposes of determining the Licensee's Permit Arrangements. n=1 refers to the day commencing at 06:00 on 1st April 2013; from 1 October 2015 days will commence at 05:00.
Subscript t	subject to the definition for "Formula Year t" above, means the relevant Formula Year. t=1 refers to the Formula Year commencing at 06:00 on 1st April 2013; from 1 October 2015 Formula Years will commence at 05:00.

Special Condition 3D.32 (The daily linepack performance measure)

where:

$OLP_{t,d}$	means the total NTS linepack in respect of Day d of Formula Year t as at 056:00 hours on Day d.
$CLP_{t,d}$	means the total NTS linepack in respect of Day d of Formula Year t as at 056:00 hours on Day d+1.