

To:

**National Grid Gas plc (with respect to its transmission business)
National Grid Gas plc (with respect to its gas distribution networks)
(Company Number: 02006000)**

**Northern Gas Networks Limited
(Company Number: 05167070)**

**Scotland Gas Networks plc
(Company Number: SC264065)**

**Southern Gas Networks plc
(Company Number: 05167021)**

**Wales and West Utilities Limited
(Company Number: 05046791)**

("the licensees")

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 licensees granted or treated as granted under section 7 of the Act by amending Standard Special Condition A3(1) (Definitions and Interpretation) and Standard Special Condition A11(1B) (Network Code and Uniform Network Code).
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 (CAM) and the EU Network Code on Balancing of Gas Transmission Networks (BAL).² More information on the reason and effects of the proposed licence modification 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 modification to Standard Special Condition A3(1) (Definitions and Interpretation) is to amend the definition of the term "formula year" to change the start time stated in the definition from 6am on 1 April to 5am on 1 April. The effect of the proposed modification to Standard Special Condition A11(1B) (Network Code and Uniform Network Code) is to amend the definition of "daily" to change the start of the period from 6am and ending immediately before 6am the following day to a period beginning at 5am and ending immediately before 5am the following day. These changes will align the definitions with the times of the "gas day" as defined in the above EU Network Codes.
4. The proposed changes to Standard Special Condition A3(1) and Standard Special

¹ Commission Regulation (EU) No 984/2013 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/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0312&rid=1>

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>.

Condition A11(1B) 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

Annex 1: Proposed changes to the Standard Special Conditions of the gas transporter licence

Standard Special Condition A3(1) (Definitions and Interpretation)

“formula year” means a period of twelve months commencing on 1 April at 065:00 hours;

Standard Special Condition A11(1B) (Network Code and Uniform Network Code)

For the purposes of paragraph 1A, “daily” means over a period beginning at 65am on one day and ending immediately before 65am on the following day and “year” means a period of 12 months beginning with 1 October;...