

To: All holders of a gas transporter licence

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

**MODIFICATION OF THE STANDARD CONDITIONS OF GAS TRANSPORTER
LICENCES GRANTED UNDER SECTION 7 OF THE GAS ACT 1986**

Whereas –

1. Each of the companies to whom this document is addressed (a Licence Holder) has been granted a licence (Licence) 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 14 April 2015 (the Notice) that it proposed to modify Standard Licence Condition 9(1B) (Network Code and Uniform Network Code) of the Licence and required any representations in respect of the modification to be made on or before 4 June 2015.
3. In accordance with section 23(4)(b) of the Act, the Authority gave notice of its intention to make the modification to the Secretary of State. The Authority has not received a direction to not make the modification.
4. Prior to the close of the consultation period in respect of the Notice, the Authority received five responses. All non-confidential responses have been placed on the Ofgem website. Our response to these comments is set out in the letter¹ accompanying this Notice.
5. The Authority has carefully considered all responses received in relation to the proposed modification.
6. The Authority gives the following reasons for making the licence modification: that it considers the modification to be the most appropriate way to facilitate the implementation of certain aspects of the EU Network Code² on Capacity Allocation Mechanisms in Gas Transmission Systems³ (CAM) and the EU Network Code on Balancing of Gas Transmission Networks⁴ (BAL). More information on the reason and effects of the licence modification is set out in our accompanying letter to this Notice, in our statutory consultation dated 14 April 2015⁵ and in our open letter consultation dated 28 July 2014.⁶
7. The effect of the modification will be to amend the stated beginning and end times of the Great Britain (GB) gas day set out in the definitions in the licences from 6am to 5am. This change will align the definition with the times of the "gas day" as defined in the above EU Network Codes.

¹ Licence modifications to gas licences under Section 23 of the Gas Act 1986 to ensure Great Britain's (GB's) compliance with the European Union legislative definition of gas day'(12 June 2015) available at: www.ofgem.gov.uk

² The EU Network Codes are a number of legally binding EU Regulations made under the package of EU legislation on European gas and electricity markets that is referred to as the Third Package.

³ 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>.

⁴ 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>.

⁵ "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: <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposed-licence-modifications-ensure-gb-compliance-eu-legislative-definition-gas-day>

⁶ <https://www.ofgem.gov.uk/publications-and-updates/consultation-modification-legislation-and-licences-comply-eu-legislative-definition-gas-day>.

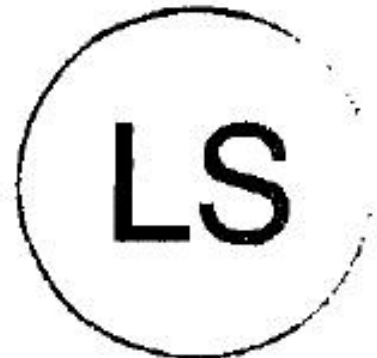
8. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority under section 23B of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules⁷ requires that the appellant must send to any relevant licence holders who are not parties 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. 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)(b) of the Act, the Authority hereby modifies the standard licence conditions for all gas transporter licences (Independent Gas Transporter licensees) in the manner specified in attached Schedule 1. This decision will take effect on and from 1 October 2015.

This document constitutes notice of the reasons for the decision to modify the gas transporter licence 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**



.....
Paul Branston
Associate Partner, Gas Networks
duly authorised on behalf of the Gas and Electricity Markets Authority

[12 June 2015]

⁷ 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). The Competition Commission rules have been adopted by the CMA Board.

Schedule 1: Licence drafting in gas transporter licence

Standard Licence Condition 9(1B) (Network Code and Uniform Network Code)

For the purposes of paragraph 1A, "daily" means over a period beginning at 5~~6~~am on one day and ending immediately before 5~~6~~am on the following day and "year" means a period of 12 months beginning with 1 October;

Schedule 2: Relevant Licence Holders⁸

Energetics Gas Limited
Energy Assets Pipelines Limited
ES Pipelines Limited
ESP Connections Limited
ESP Networks Limited
ESP Pipelines Limited
Fulcrum Pipelines Limited
GTC Pipelines Limited
Independent Pipelines Limited
Indigo Pipelines Limited
Quadrant Pipelines Limited
Greenpark Energy Transportation Limited
INEOS Enterprises Limited
LNG Portable Pipeline Services Limited
Severn Gas Transportation Limited
SP Gas Transportation Cockenzie Limited
SP Gas Transportation Hatfield Limited
WINGAS Storage UK Limited

⁸ Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-gas-licensees-registered-addresses>