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for energy consumers

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Dear Craig,

Standard Special Condition A11(18) of NGG'S Gas Transporter Licence: Approval by the Authority of Designation of a CSEP Ancillary Agreement

Thank you for your letter of 8th December 2015 and the attached draft agreement, the 'St Fergus SEGAL NTS Connected System Exit Point Ancillary Agreement' (the 'Agreement'). Your letter explained that it was the intention of National Grid Gas plc ('NGG') to designate the Agreement as a Connected System Exit Point (CSEP) Ancillary Agreement within the meaning of 6.6.1 of Section J of the Transportation Principal Document of the Uniform Network Code ('UNC')¹, and requested Standard Special Condition A11(18)² Approval from the Authority³ to do so.

In line with paragraph 18 of Standard Special Condition A11 of NGG's licence, Ofgem determines that NGG's determination (regarding the designation of the CSEP Ancillary Agreement) facilitates relevant objectives (a), (b) and (d) of the UNC. So far as relevant, these objectives relate to the coordinated, efficient and economic operation of the pipe-line system, and the securing of effective competition between shippers.

Therefore, we approve the designation of the Agreement as a CSEP Ancillary Agreement in accordance with Standard Special Condition A11(18).

Yours sincerely,

Rob Mills
Head of Gas Systems Integration, Energy Systems
Duly authorised on behalf of the Authority

¹ Section J of the Transportation Principal Document of the Uniform Network Code
http://www.gasgovernance.co.uk/sites/default/files/TPD%20Section%20J%20-%20Exit%20Requirements_20.pdf,
p 41

² <https://epr.ofgem.gov.uk/Content/Documents/Standard%20Special%20Condition%20-%20PART%20A%20Consolidated%20-%20Current%20Version.pdf>

³ The terms "the Authority", "Ofgem", "we" and "us" are used interchangeably in this letter. The Authority is the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.