

**To: National Grid Gas plc**

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

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

1. National Grid Gas plc holds a gas transporter licence ("the Licence") granted or treated as granted under section 7 of the Gas Act 1986 ("the Act").
2. Under section 23(2) of the Act, the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 1 August 2017 ('the Notice') that we propose to modify Special Condition 1A and Special Condition 11C of the Licence and by requiring any representations with respect to the proposed modifications to be made on or before 29 August 2017.
3. In accordance with section 23(4)(b)(ii) of the Act, the Authority gave notice to the Secretary of State that it proposed to make the modifications on 1 August 2017 and has not received a direction not to make the modifications.
4. We received one response to the Notice, which we carefully considered. The responses were not marked as confidential and we have placed them on our website. A summary of this and our response to the points raised are set out in the accompanying letter.
5. We are making these modifications to amend existing definitions related to Planning and Advanced Reserved Capacity Agreement Process contained in Special Condition 1A and Special Condition 11C.
6. The effect of this modification is:
  - Special Condition 1A: changing the definitions for 'PARCA' and 'PARCA Applicant' so that they refer to the Uniform Network Code European Interconnection Document
  - Special Condition 11C: changing the definition of 'PARCA activities' so that it cross references to Table 4B in Special Condition 5F.27 and Table 8 in Special Condition 5G.31, and refers to the Uniform Network Code European Interconnection Document.
7. Where an application for permission to appeal our 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 Rules<sup>2</sup> 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. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

**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 7 November 2017.

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.

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<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

<sup>2</sup> 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 CMA.

**The Official Seal of the Gas and Electricity Markets Authority  
here affixed is authenticated by the signature of**



.....  
**Chris Brown**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**12 September 2017**



## SCHEDULE 1: DRAFTING OF AMENDED LICENCE TEXT

### Special Condition 1A. Definitions

**PARCA** means any (i) "PARCA" as that expression is defined in the Uniform Network Code and (ii) agreement between the Licensee and a PARCA Applicant relating to the reservation and allocation of Entry Capacity or Exit Capacity under the Uniform Network Code, European Interconnection Document, Section E. ~~has the meaning given to that term in the Network Code.~~

**PARCA Applicant** means any (i) "PARCA Applicant" as that expression is defined in the Uniform Network Code and (ii) person applying to reserve and then be allocated Entry Capacity or Exit Capacity under the Uniform Network Code, European Interconnection Document, Section E. ~~has the meaning given to that term in the Network Code~~

## **Special Condition 11C. Services treated as Excluded Services**

ES7. PARCA activities: This category consists of the works relating to the initial investigations and assessment of technical options for the provision of Entry Capacity or Exit Capacity carried out by the Licensee pursuant to a PARCA, which will culminate with the provision of a Phase 1 PARCA Works Report to the PARCA Applicant prior to entering into a PARCA, which may lead to the provision of a Phase 1 PARCA Works Report to the PARCA Applicant, or in the case of the provision of Entry Capacity or Exit Capacity at a point described in Table 4B in Special Condition 5F.27 as an interconnection point, or in Table 8 in Special Condition 5G.31 as an interconnector, which may lead to the provision of a joint notice published under the Uniform Network Code, European Interconnection Document Section E.

## **SCHEDULE 2: RELEVANT LICENCE HOLDERS<sup>3</sup>**

National Grid Gas plc

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<sup>3</sup> Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-gas-licenseesregistered-addresses>