

+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')¹ gave notice on 29 August 2017 ('the Notice') that we propose to modify Special Condition 5F of the Licence and by requiring any representations with respect to the proposed modifications to be made on or before 26 September 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 29 August 2017 and has not received a direction not to make the modifications.
4. We received two responses 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 these responses and our views to the points raised are set out in the accompanying letter.
5. We are making these modifications to reduce the amount of entry capacity NGG is obliged to release at the Fleetwood National Transmission System (NTS) point as set out in Special Condition 5F.
6. The effect of this modification is to amend Special Condition 5F.29 Table 6 to reduce the amount of entry capacity National Grid Gas plc are obliged to provide at the Fleetwood NTS point from 650 GWh/day to 350 GWh/day.
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 Rules² 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

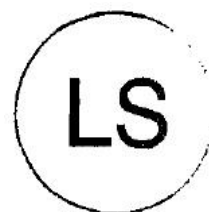
In accordance with the powers contained in section 23(1)(a) of the Act, the Authority hereby modifies the gas transporter licence of National Grid Gas plc in the manner specified in attached Schedule 1. This decision will take effect on and from 29 November 2017.

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

² 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.

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.

**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

4 October 2017

SCHEDULE 1: DRAFTING OF AMENDED LICENCE TEXT

Special Condition 5F. Determination of Incremental Obligated Entry Capacity volumes and the appropriate revenue drivers to apply

5F.29 Legacy TO Entry Capacity and the dates from which it must be offered for sale as Non-incremental Obligated Entry Capacity is set out in Table 6.

Table 6: Legacy TO Entry Capacity

NTS Entry Points	Applicable date	Legacy TO Entry Capacity (GWh/d)
Milford Haven	April 2017	650
Milford Haven	April 2017	300
Isle of Grain	April 2017	235.4
Easington	April 2017	345
Hornsea	April 2017	58.1
Fleetwood	April 2017 <u>to November 2017</u>	650
	<u>December 2017</u>	<u>350</u>
Cheshire	April 2017	64.2
Cheshire	April 2017	192.6
Isle of Grain	October 2015	246.24
Caythorpe	October 2016	90
Hole House Farm	October 2016	165

SCHEDULE 2: RELEVANT LICENCE HOLDERS³

National Grid Gas plc

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