

Appendix 5

To: All holders of a gas transporter licence

Gas Act 1986 Section 23(1)(b)

Modification of the standard conditions of all gas transporter licences

1. Each of the licensees to whom this document is addressed has a gas transporter licence which has been granted or treated as granted under section 7(2) 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 10 May 2016 ('the Notice') that we propose to modify SLC 9 (Network Code and Uniform Network Code).
3. We stated that any representations to the modification proposal must be made on or before 7 June 2016.
4. A copy of the Notice was sent to the Secretary of State in accordance with section 23(4)(b) of the Act, and we have not received a direction that the change should not be made.
5. We received seven responses to the Notice, which we carefully considered. We have placed all the responses on our website. Our response to these comments is set out in the accompanying letter.
6. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are highlighted in grey in the attached Schedule 2. The reasons for any differences between the modifications set out in the Notice and the modifications reflected in Schedule 2 to correct minor typographical errors including those raised in consultation responses.
7. We are making this modification to ensure that the licence and the governance arrangements of all industry codes have in place a process aimed at delivering changes to the codes in an efficient and timely way.
8. The effect of these proposed modifications is to: introduce the ability for Ofgem to raise Significant Code Review (SCR) modification proposals; make amendments to the applicable objectives. Further details on the reasons for these licence modifications are available in the following documents:
 - a. Open Letter on Further Review of Code Governance dated 15 May 2015²
 - b. Code Governance Review (Phase 3): Initial Proposals (2015) dated 23 October 2015³
 - c. Code Governance Review (Phase 3): Final Proposals (2015) dated 31 March 2016⁴
 - d. Code Governance Review (Phase 3): Final Proposals – consultation on licence modifications dated 31 March 2016⁵
 - e. Code Governance Review (Phase 3) Final Proposals – statutory consultation on licence modifications dated 7 June 2016⁶

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

² <https://www.ofgem.gov.uk/publications-and-updates/open-letter-further-review-industry-code-governance>

³ <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-initial-proposals>

⁴ <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-final-proposals>

⁵ <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-final-proposals-consultation-licence-modifications>

9. 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 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 1 provides a list of the relevant licence holders in relation to this modification. Section 23(10) of the Act sets out the meaning of 'relevant licence holder'.

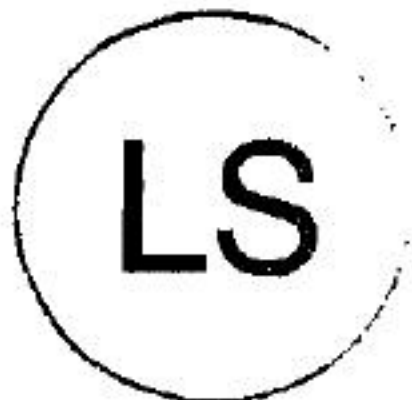
Now therefore

Under the powers set out contained in section 23(1)(b) of the Act, we hereby modify the standard licence conditions for all gas transporter licences in the manner specified in the attached Schedule 2. This decision will take effect on and from 10 August 2016.

This document is notice of the reasons for the decision to modify the gas transporter licences 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**

LESLEY NUGENT



**Lesley Nugent
Head of Industry Codes & Licensing
Duly authorised on behalf of the
Gas and Electricity Markets Authority
14 June 2016**

⁶ <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-final-proposals-statutory-consultation-licence-modifications-0>

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 CMA.

Schedule 1 – Relevant licence holders

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
INOVYN 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

Schedule 2 - Amendments to Standard Licence Condition 9

See separate document