

To: All holders of a gas shipper licence

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

**MODIFICATION OF THE STANDARD CONDITIONS OF GAS SHIPPER LICENCES
GRANTED UNDER SECTION 7A(2) 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 (a Licence) under section 7A(2) 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 16 June 2014 (the Notice) that it proposed to insert new condition 15A into the Licence and by requiring any representations to the modification to be made on or before 16 July 2014.
3. In accordance with section 23(4)(b) of the Act, the Authority gave notice on 16 June 2014 of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification.
4. Prior to the close of the consultation period in respect of the Notice, the Authority received 2 responses. All non-confidential responses have been placed on the Ofgem website. Our response to these comments are set out in our Gas Security of Supply Significant Code Review – Conclusions, 23 September 2014.
5. The Authority has carefully considered in relation to the proposed modification all representations received.
6. In accordance with section 38A of the Act, the reasons for making this licence modification are to implement our reforms to the emergency cash-out arrangements in Great Britain pursuant to the aims of the Gas Security of Supply Significant Code Review. Further details of reasons for the licence modification are stated in the following documents:
 - (a) Gas Security of Supply Significant Code Review - Launch Statement
 - (b) Gas Security of Supply Significant Code Review - Initial Consultation
 - (c) Gas Security of Supply Significant Code Review - Draft Policy Decision, 8 November 2011
 - (d) Gas Security of Supply Significant Code Review - Draft Impact Assessment, 8 November 2011
 - (e) Gas Security of Supply Significant Code Review - Proposed Final Decision, 3 July 2012
 - (f) Gas Security of Supply Significant Code Review – Impact Assessment for the Proposed Final Decision, 31 July 2012
 - (g) Gas Security of Supply Significant Code Review – Updated Proposed Final Decision, 23 July 2013
 - (h) Gas Security of Supply Significant Code Review Updated Proposed Final Decision – Responses document, 23 July 2013

- (i) Gas Security of Supply Significant Code Review – Demand-Side Response Tender Consultation, 23 July 2013
- (j) Gas Security of Supply Significant Code Review - Final Policy Decision, 12 February 2014
- (a) Gas Security of Supply Significant Code Review - Consultation on Business Rules and Legal Text, 12 February 2014
- (b) Gas Security of Supply Significant Code Review - Impact Assessment for Final Policy Decision, 12 February 2014
- (c) Gas Security of Supply Significant Code Review – Statutory Consultation, 16 June 2014
- (d) Gas Security of Supply Significant Code Review – Conclusions, 23 September 2014

7. The effect of the modification(s) is described in the following documents:

- a) Gas Security of Supply Significant Code Review – Updated Proposed Final Decision, 23 July 2013
- b) Gas Security of Supply Significant Code Review - Final Policy Decision, 12 February 2014
- c) Gas Security of Supply Significant Code Review – Statutory Consultation, 16 June 2014
- d) Gas Security of Supply Significant Code Review – Conclusions, 23 September 2014

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 Rules¹ 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 shippers in the manner specified in attached Schedule 1. This decision will take effect on and from 19 November 2014.

This document constitutes notice of the reasons for the decision to modify the gas shipper 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

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Rachel Fletcher
Senior Partner, Markets
Duly authorised on behalf of the
Gas and Electricity Markets Authority

23 September 2014

¹ 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).

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Schedule 1: Insertion of new standard condition 15A

The text set out below is to be inserted after existing standard condition 15 of the gas shipper licence.

Condition 15A. Payments Received in Relation to Demand Side Response

1. Any DSR Payment made to the licensee shall be paid, as soon as reasonably practicable after its receipt, to the relevant supplier.
2. On receipt of evidence from the relevant supplier pursuant to standard condition 19D paragraph 19D.4 of the gas supply licence, the licensee shall provide the same evidence to the relevant transporter as soon as reasonably practicable.
3. On receipt of evidence from the relevant supplier pursuant to standard condition 19D paragraph 19D.6 of the gas supply licence, the licensee shall provide the same evidence to National Grid NTS as soon as reasonably practicable.
4. In this condition:

DSR Payment means a credit made by National Grid NTS to the licensee:

- a. for the provision of an involuntary demand side response service provided by a customer to a relevant supplier; and
- b. made pursuant to Transportation Principal Document Section Q of the Uniform Network Code;

Firm Load Shedding has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

involuntary demand side response service means the curtailment of gas as a result of Firm Load Shedding due to a Gas Deficit Emergency;

National Grid NTS has the meaning given in Transportation Principal Document Section Q of the Uniform Network Code;

Uniform Network Code means the document of that title required to be prepared pursuant to Standard Special Condition A11 (Network Code and Uniform Network Code) of licences granted under section 7 of the Act (as from time to time modified pursuant to that condition).

Schedule 2: Relevant Licence Holders²

Name
Abbey Securities (UK) Limited
Abeer INT UK LTD
Actogas GmbH
AES Ballylumford Limited
Aikafour Limited
Alpha Fuels Limited
Alpiq Ltd
Alpiq Suisse Ltd
Arco British Limited
Axpo UK Limited
Barclays Bank Plc
Barrow Shipping Limited
Better Energy Supply Limited
BG Gas Services Limited
BNP Paribas
Bord Gais Energy Limited
BP Exploration Operating Company Limited
BP Gas Marketing Limited
British Gas Trading Limited
Britoil Public Limited Company
BTG Pactual Commodities (Switzerland) S.A.
Business Energy Solutions Limited
C&M Distributors (UK) Limited
Calor Gas Limited
Canatxx Shipping Limited
Cargill International S.A.
Cargill PLC
Castleton Commodities Merchant Eurooe Sarl
Cemcor Energy Trading GmbH
Centrica Energy Limited
Centrica Storage Limited
Ceres Energy Limited
CEZ a.s.
Chevron North Sea Limited
Chevron Products UK Limited
Chive Fuels Limited
Citigroup Global Markets Limited
COER2 Commodities
Commerzbank AG
Conocophillips (UK) Limited
Contract Natural Gas Limited
Co-Operative Energy Limited
Corona Energy Retail 1 Limited
Corona Energy Retail 2 Limited
Corona Energy Retail 4 Limited
Corona Gas Management Limited
Credit Suisse International

² Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/all-gas-licensees-registered-addresses>

Daligas Limited
Danske Commodities A/S
DB Energy Commodities Limited
Delta Commodities (UK) Plc
Delta Energy B.V.
Deutsche Bank AG London
Distrigaz S.A/NV
Dong Energy Sales (UK) Limited
Dong Naturgas A/S
Drax Power Limited
Dual Energy Shipping Limited
Dufenergy Trading SA
E.ON Energy Gas (Eastern) Limited
E.ON Energy Gas (North West) Limited
E.ON Energy Solutions Limited
E.ON Global Commodities SE
E.ON UK Gas Limited
E.ON UK Industrial Shipping Limited
E.ON UK Plc
Eclipse Energy Supply Limited
EconGas GmbH
Economy Energy Trading Limited
Ecotrade Solutions Limited
EDF Energy PLC
EDF Trading Limited
Electrabel n.v./s.a.
Electrade S.p.A.
Electricite de France SA
Electricity Supply Board
Elektrizitats-Gesellschaft Laufenburg AG
ELF Exploration UK Plc
Endesa Trading SA
Eneco Business B.V.
Eneco Energy Trade BV
Enel Trade SpA
Energy Logistics and Services GmbH
Energy24 Limited
Energys VM Gestion de Energia S.L.
ENI Trading & Shipping S.P.A
ENI UK Limited
ENOI SPA
Epower Supply Limited
ESB Independent Generation Trading Limited
Esso Exploration and Production UK Limited
European Commodity Clearing AG
ExxonMobil Gas Marketing Europe Limited
FCL Petroleum Limited
First Utility Limited
Flogas Britain Ltd
Flow Energy Limited
Freepoint Commodities Europe LLP
Gasrec Limited
GasTerra B.V.

Gateway LNG Company Limited
Gateway Storage Shipping Company Limited
Gazprom Marketing & Trading Limited
Gazprom Marketing & Trading Retail Limited
GDF SUEZ
GDF Suez Marketing Limited
GDF Suez Solutions Limited
GDF Suez Teesside Limited
GDF Suez Trading
GECX Group Limited
Glencore Energy UK Limited
Global Energy Trading SA Luxembourg, Zug Branch
Global Investments Group Limited
Green Eco Trading Limited
Green Energy (UK) plc
Gunvor International B. V.
Hess Energy Power and Gas Company (UK) Limited
Hudson Energy Supply UK Limited
Iberdrola Generacion Espana, S.A.U
Iberdrola Generacion S.A.U
Ineos Chlor Energy Limited
Inspired Energy Solutions Limited
International Power Fuel Company Limited
J Aron & Company NY
J.P. Morgan Energy Europe Limited
J.P. Morgan Markets Limited
J.P. Morgan Securities plc
J.P. Morgan Ventures Energy Corporation
KAL-Energy Limited
KI Energy Trading GmbH
Koch Commodities Europe Limited
Koch Supply & Trading Sarl
LED ECO Lights Limited
Macquarie Bank Limited
Marathon Oil Norge AS
Marathon Oil UK Limited
Masstech Limited
Mercuria Energy Trading SA
Merrill Lynch Commodities (Europe) Limited
Microdyne Limited
Mitsui & Co. Commodity Risk Managemen Limited
Mitsui Global Gas UK Ltd
Morgan Stanley & Co International Limited
Morgan Stanley Capital Group Inc
Mydas A.G.
Nationwide Electricity Limited
Noble Clean Fuels Limited
North Sea Gas Limited
Npower Commercial Gas Limited
Npower Direct Limited
Npower Gas Limited
Npower Northern Limited

Npower Yorkshire Limited
OMV Trading GmbH
Open4Energy Limited
Opus Energy Limited
Opus Gas Limited
Ovo Gas Limited
Palmetto Natural Gas Holdings LLC
PetroChina International (London) Co., Limited
Petronas Energy Trading Limited
Phillips 66 Trading Limited
Plus Shipping Services Limited
Portland Gas Storage Limited
Rabo Trading Netherlands B.V.
Regent Gas Limited
Regent Park Energy Limited
Resource Energies Limited
RRP Investments Limited
RSG Harrow Limited
RWE Generation UK Plc
RWE Supply & Trading Netherlands .B.V.
RWE Supply & Trading Switzerland S.A.
RWE Supply and Trading GmbH
S. C. Isramart SRL
Scottish Power Energy Management Limited
Seaboard Energy Gas Limited
Shell Energy Europe Limited
SmartestEnergy Limited
Social Ventures in Energy Limited
Societe Generale
Société Valmy Défense 17
Sonatrach Gas Marketing UK Limited
South Hook Gas Company Ltd
Southern Electric Gas Limited
Spalding Energy Company Limited
Spark Gas Shipping Limited
SSE Airtricity Gas Supply (NI) Limited
SSE Energy Supply Limited
SSE Hornsea Limited
Star Energy Weald Basin Limited
Statkraft Energi AS
Statkraft Markets GmbH
Statoil (UK) Limited
Statoil Energie AS
Storengy UK Limited
Sutton Bridge (Transactions) Limited
Swift Administration Limited
T. Baden Hardstaff Ltd
The Gas & Electricity Supply Company Ltd
The Nuclear Decommissioning Authority
The Renewable Energy Company Limited
The Royal Bank of Scotland Public Limited Company
Total E&P UK Ltd
Total Gas & Power Limited

Total Global Steel Limited
Trafigura Beheer B.V.
Trafigura Nat Gas Limited
TrailStone GmbH
Tullow Oil SK Limited
Tynagh Energy Limited
UK Healthcare Corporation Limited
Unigas Limited
Universal Bioenergy Limited
Utility Professional Business Operations Ltd
Uttily plc
Valero Energy UK Ltd
Vattenfall Energy Trading Netherlands NV
Vattenfall Energy Trading GmbH
Vayu Limited
Viridian Energy Limited
Vitol S.A. Geneva
VNG - Verbundnetz Gas Aktiengesellschaft
Winchester Gas Distribution Limited
WINGAS GmbH
Wingas Storage Enterprises Limited
Wingas UK Limited
Winnington Networks Limited