

Notice under section 23 (3) of the Gas Act 1986

The Gas and Electricity Markets Authority (the “**Authority**”) hereby gives notice pursuant to section 23(3) of the Gas Act 1986 (the “**Act**”) as follows:

1. The Authority proposes to modify the conditions of the gas transporter licence treated as granted to National Grid Gas plc (“**NGG**”) in respect of its National Transmission System (“**NTS**”) under section 7 of the Act by removing Table A2: *Initial NTS SO baseline entry capacity (GWh/day)* from Schedule A: *NTS output measures for the price control* and replacing this table with the table set out in the Appendix to this Notice.
2. The Authority proposes to make this licence modification within the context of implementing the revised transmission price control for NGG with effect from 1 April 2007 as set out in the document “Transmission Price Control Review: Final Proposals, Decision Document, 4 December 2006, Ref: 206/06”. This document is available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE or from the Ofgem website at www.ofgem.gov.uk.
3. The Authority has consulted informally on two occasions setting out draft licence modifications it considers necessary to give full effect to the proposed revised transmission price controls. During this consultation process, the Authority has received several comments and responses from NGG and other interested parties which have identified the need for further refinement of the proposed licence modifications before they can be formally implemented.
4. In the light of these comments, the Authority proposes to implement the transmission price control review final proposals in two stages:
 - (a) the first stage involves bringing forward a proposed licence modification which is deemed necessary to roll forward the current regulatory and commercial regime beyond 31 March 2007; and
 - (b) the second stage involves a further statutory consultation on further proposed licence modifications which are considered necessary to give full effect to the transmission price control review final proposals, which the Authority proposes will be applied with retrospective effect from 06:00 hours on 1 April 2007.
5. This Notice represents the first stage in the process outline above.
6. In summary the effect of the proposed licence modification is to introduce NTS SO baseline entry capacity (GWh/day) values for the formula year commencing 1 April 2007, which are necessary for the continued operation of the regulatory and commercial regime.

7. Any representations or objections to the proposed licence modification may be made before 16 March 2007 and sent to:

Robert Hull
Director-Transmission
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Or by email to Robert.Hull@ofgem.gov.uk

8. All responses will normally be published on Ofgem's website and held in the Research and Information Centre. However, if respondents do not wish their response to be made public then they should clearly mark their responses as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the website.

Robert Hull
Director -Transmission
Duly authorised on behalf of the Gas and Electricity Markets
Authority 16 February 2007

Appendix

Schedule A: NTS output measures for the price control

Table A2: Initial NTS SO baseline entry capacity (GWh/day)

	MONTH					
	1≤m≤12	13≤m≤24	25≤m≤36	37≤m≤48	49≤m≤60	m≥61
Terminal	2002/3	2003/4	2004/5	2005/6	2006/7	2007/08
Bacton	1374	1481	1655	1745	1745	1783.4
Barrow	731	711	711	712	712	309.1
Easington	995	887	1027	1062	1062	1062.0
St. Fergus	1520	1549	1628	1648	1677	1670.7
Teesside	819	741	751	761	761	361.3
Theddlethorpe	682	565	791	848	848	610.7
Glenmavis	99	99	99	99	99	28.5
Partington	215	215	215	215	215	174.6
Avonmouth	149	149	149	149	149	179.3
Isle of Grain	218	218	218	218	218	175.0
Dynevor Arms	50	50	50	50	50	8.0
Hornsea	175	175	175	175	175	164.1
Hatfield Moor (storage)	54	54	54	54	54	14.9
Hatfield Moor (onshore)	1	1	1	1	1	0.3
Cheshire	0	0	107	161	214	285.9
Hole House Farm	26	26	26	26	26	131.6
Wyth Farm	3.2	3.2	3.2	3.2	3.2	3.3
Burton Point	55	55	55	55	55	73.5
Milford Haven	0	0	0	0	0	0

Barton Stacey	0	0	0	0	0	82.6
Garton	0	0	0	0	0	0
Burton Agnes (Caythorpe)	0	0	0	0	0	0
Winkfield	0	0	0	0	0	0
Blyborough (Welton)	0	0	0	0	0	0
Tatsfield	0	0	0	0	0	0
Albury	0	0	0	0	0	0
Palmers Wood	0	0	0	0	0	0
Fleetwood	0	0	0	0	0	0