

Paul Mitchell  
Regulation Manager  
Scotia Gas Networks Limited  
St Lawrence House  
Station Approach  
Surrey  
RH6 9HJ

Direct Dial: 020 7901 1851  
Email: Dora.Guzeleva@ofgem.gov.uk

Date: 15 November 2013

Dear Paul,

**Consent issued by the Gas and Electricity Markets Authority under paragraph 2(b) of Standard Special Condition D4 (Prohibited Procurement Activities) of Scotland Gas Networks plc's Gas Transporter Licence**

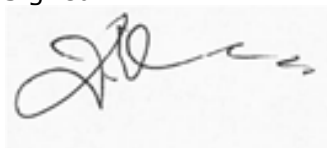
We are writing to grant consent to Scotland Gas Networks plc (SGN) under Standard Special Condition D4 (Prohibited Procurement Activities) to enter into contractual arrangements with SSE Energy Supply Limited for the purpose of ensuring the required LNG capacity holdings are in place at the Zeebrugge terminal. This contractual arrangement is necessary to maintain SGN's transportation licence obligations with respect to the Scottish Independent Networks (SINs) over the 2013/14 winter period.

On 6 September 2013 SGN raised UNC modification proposal 464 (UNC464) seeking to amend the UNC to allow for alternative supplies of LNG to be sourced in order to supply the SINs. We classified this Modification Proposal as urgent to ensure contingency arrangements are in place to secure supplies to the SINs before the start of winter 2013. On 29 October 2013 we published our decision to implement UNC464. This modification allows SGN to use LNG from alternative sources outside of the NTS by creating individual LDZ System Entry Points for each SIN.

In order to facilitate the availability of LNG, SGN has requested consent to enter into an arrangement with a shipper (and affiliate of SGN) to ensure required LNG capacity holdings are in place at the Zeebrugge LNG terminal when and if SGN require them to be so over the 2013/14 winter period. Although a tender process cannot be conducted in time for 2013/14 winter period, we will require SGN to consult with wider industry to develop a more formal process to be used in prospective years. This should include developing a competitive tender process which all shippers can bid for.

The attached consent therefore allows SGN to enter into an agreement with SSE until 30 April 2014.

Signed:



**Dora Guzeleva**  
**Head of Distribution Policy, Smarter Grids and Governance (Distribution)**  
**Duly authorised on behalf of the Gas and Electricity Markets Authority**