

Stark Infra-Gas Limited
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United Kingdom

Our Ref: LIC/GAS/TRA/8
Email: licensing@ofgem.gov.uk

18 December 2024

**TRANSPORTATION SERVICES DIRECTION
(STANDARD CONDITION 2(4) OF THE GAS TRANSPORTER LICENCE) AND
NOTICE OF REASONS FOR DECISION (SECTION 38A GAS ACT 1986)**

WHEREAS:

- A. Stark Infra-Gas Limited ('the Licensee') is the holder of a Gas Transporter Licence ('the Licence') granted by the Gas and Electricity Markets Authority ('the Authority') under section 7 of the Gas Act 1986 ('the Act') on 01 November 2024.
- B. On 01 November 2024 the Authority, with the Licensee's consent, issued to the Licensee a notice in writing under paragraph 3 of Standard Licence Condition 2 'Application of Section C (Transportation Services Obligations)' ('SLC2') of the Licence ending the suspension of paragraphs 4 to 8 of SLC2 and providing for those paragraphs to have effect from the date of the notice.
- C. Paragraph 2 of SLC2 provides that the standard conditions in Section C 'Transportation Services Obligations' of the Licence shall have no effect within the Licence unless the Authority, with the Licensee's consent, issues to the Licensee a Transportation Services Direction under paragraph 4 of SLC2 directing that the standard conditions in Section C (in whole or, as the case may be, in part) shall have effect in the Licence from a specified date to the extent and subject to the terms specified in the Transportation Services Direction.
- D. On 01 November 2024, the Licensee gave its consent to the issuance of a Transportation Services Direction. The terms of the Transportation Services Direction are set out below.

NOW, the Authority having regard to its principal objective and general duties under section 4AA the Act and considering the conditions contained in Section C of the Licence and for the reasons stated in various published documents including:

- [Review of the Ringfence Conditions in Network Operator Licences \(Ref 30/10\)](#) published 3 March 2010;
- [Proposed Modifications to the Ringfence Conditions in Network Operator Licences \(Ref 42/11\)](#) published 25 March 2011;

- [Changes to the Ringfence Conditions in Network Operator Licences \(Ref 85/2012\)](#) published 3 July 2012;
- [Updated Proposals for Changes to Ringfence Conditions \(Ref 129/2012\)](#) published 11 October 2012;
- Open letter dated 17 December 2012: [Formal proposals to modify the Ringfence conditions in network operator licences](#); and
- Open letter dated 1 February 2013: [Modifications to the Ringfence conditions in network operator licences](#).

HEREBY ISSUES pursuant to paragraph 4 of Condition 2 and with the Licensee's consent, this Transportation Services Direction **DIRECTING AND SPECIFYING THAT:**

1. The following standard conditions ('the Conditions') in Section C of the Licence:

- Standard Condition 32 (Interpretation of Section C);
- Standard Condition 43 (Restriction on Activity and Financial Ring Fencing);
- Standard Condition 44 (Availability of Resources);
- Standard Condition 45 (Undertaking from Ultimate Controller);
- Standard Condition 46 (Credit Rating of Licensee);
- Standard Condition 47 (Indebtedness),
- Standard Condition 40A (Notification of Vertical Integration)

shall have effect in the Licensee's licence on and from the date of this direction and

SUBJECT TO the terms that –

- the Licensee shall be obliged to comply with the requirements of the Conditions (in whole or, as the case may be, in part) only on and from the date any of the Conditions, have effect; and
- the Authority may (following prior application to the Authority by the Licensee) issue a further direction relieving the Licensee of its obligations to comply with the requirements of the Conditions or any of the Conditions (in whole or, as the case may be, in part) to the extent and subject to the terms specified in such further direction.

2. The 'transportation services area' within which the Licensee shall be required to comply with the requirements of the Conditions (in whole or, as the case may be, in part) shall be the Specified Area set out in Schedule 1 to the Licence.

This document also constitutes a notice for the purpose of section 38A of the Act, stating the reasons for the Authority's decision to issue this Transportation Services Direction.

Deputy Director, Network Price Controls

Duly authorised on behalf of the Authority

18 November 2024