



Making a positive difference
for energy consumers

National Grid Gas plc (“NGGT”)

Email: xxx@ofgem.gov.uk

Date: [To be confirmed]

Direction to approve modifications to National Grid Gas Transmission’s Network Asset Risk Metric (NARM) Methodology under Special Condition (SpC) 9.2 its Gas Transporter licence

1. National Grid Gas plc, to whom this Direction is addressed (the “Licensee”) is the holder of one of the following licences (the “licence”) a Gas Transporter licence granted or treated as granted under section 7 of the Gas Act 1986 (the “Gas Act”).
2. The Licensee has in place a NARM Methodology in accordance with Special Condition 9.2 of its Gas Transporter Licence.
3. On 24 May 2021 the Licensee published proposed modifications for consultation with other Network Licensees¹ and with any other interested parties. The consultation closed on 21 June 2021, a period of 28 days in compliance with SpC 9.2.8(a).
4. On 1 September 2021, the Licensee submitted its proposed modified NARM Methodology to the Authority for approval along with other documentation required under SpC 9.2.8(b) to 9.2.8(i).
5. The Authority reviewed the Licensee’s submissions, and on **15 November 2022** published a consultation on its minded to decision to approve the Licensee’s modified NARM Methodology.

¹ Network Licensee means the holder of a licence granted under section 7 of the Gas Act 1986 or section 6(1)(b) or (c) of the Electricity Act 1989. Paragraph 9.2.8(b) of SpC 9.2 requires the Licensee to “consult with other Network Licensees to which a condition of equivalent effect to this condition applies and with any other interested parties, allowing them a period of at least 28 days within which to make any representations on the proposed modification”.

6. The Authority received [number to be confirmed] responses during the 28-day consultation period, which ended on [date to be confirmed]. Summary of the responses and explanation of the Authority's views and responses to them are set out in Appendix 1.

Now Therefore –

7. Pursuant to Part C of Special Condition 9.2 of the Gas Transporter licence, the Authority hereby approves the modified NARM Methodology (version [to be confirmed]) published on the Authority's website² alongside this direction.

8. This document constitutes notice of the Authority's reasons for the Direction as required by section 49A of the Act.

.....
[Name of authorised officer to be confirmed]
Duly authorised on behalf of the Authority
XX XX 2023

² www.ofgem.gov.uk

Appendix 1

Summary of consultation responses

[To be added following close of consultation]