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Date: 22 May 2025

Decision on System Management Principles Statement

Dear Gavin,

Thank you¹ for submitting your proposal on 21 March 2025 to amend the current System Management Principles Statement (SMPS), in accordance with special condition 9.19.13. This letter sets out our² decision to approve the proposed changes, which will be implemented upon National Gas Transmission's publication of the SMPS.

Background

Special Condition 9.19.8 of the National Gas Transmission's (NGT) Licence (the Licence) requires NGT to have an SMPS. The SMPS sets out the principles and criteria by which NGT determines the use of System Management Services in the operation of the National Transmission System (NTS). In accordance with Special Condition 9.19.13, NGT must review the SMPS at least once in each Regulatory Year. As part of this review, NGT must consult with the parties specified in this condition and, within seven days after the consultation closes, NGT must submit a report to the Authority that outlines the outcome of the review, summarises the consultation responses, and detail any proposed changes, representations, or objections to the SMPS. NGT may then only revise the SMPS where we consent to the proposed changes, pursuant to 9.19.16 of its Licence.

Proposed Amendments

NGT has proposed amendments to the SMPS as part of its annual review, in line with Special Condition 9.19 of the Gas Transporter Licence. These amendments do not alter the principles or criteria that govern the use of System Management Services in the operation of the NTS and are therefore not considered material.

¹ References to the "you" and "your" are used in this document to refer to National Gas Transmission Plc.

² References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document to refer to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

The proposed changes are limited to administrative, editorial and formatting updates. These include corrections to capitalisation, removal of redundant text, updates to contact information and website URLs, and revisions to reflect current terminology and references, including those related to emergency procedures and supporting operational documents.

In addition, the SMPS has been updated to reflect the implementation of UNC Modification 0866,³ which relates to amendments to Demand Side Response (DSR) arrangements.⁴ Corresponding updates have been made to the 'Modification and Document Revision History' tables to ensure alignment with the latest approved changes and document versions.

NGT consulted relevant parties on the proposed amendments between 14 February and 14 March 2025, in accordance with its licence obligations. It also sent the Authority a summary of changes and consultation outcomes. No responses were received during the consultation period.

Our Decision

We have reviewed the SMPS submitted to us on 21 March 2025 and in accordance with Special Condition 9.19.16, we consent to NGT making the proposed changes to the SMPS. These revisions will take effect immediately.

If you have any questions concerning this consent notice, please contact Gas.Systems@Ofgem.gov.uk

William Duff

Head of Gas Systems and Operations

For and on behalf of the Gas and Electricity Markets Authority

³ <https://www.gasgovernance.co.uk/0866>

⁴ DSR entails consumers adjusting their energy consumption in response to the needs and requirements of the energy system, while still enabling consumers to use the electricity they need. DSR is key in enabling demand to better correspond with supply.