

To: National Grid Gas plc (with respect to its gas transmission business)

Direction to modify the Stakeholder Engagement Reward Guidance document pursuant to paragraph 2C.9 of Special Condition 2C (Stakeholder Satisfaction Output) of the gas transporter licence (for gas transmission) granted or treated as granted under section 7 of the Gas Act 1986 (“the Act”).

WHEREAS

1. National Grid Gas plc (the “Licence Holder”) is the holder of a Gas Transporter Licence in respect of its National Transmission System (“the NTS”) (“the Licence”) granted or treated as granted under section 7 of the Gas Act 1986 (“the Act”).
2. On 6 February 2014 the Gas and Electricity Markets Authority¹ (the “Authority”) gave notice of its proposal to modify the Stakeholder Engagement Reward Guidance document, in accordance with Part C of Special Condition 2C (Stakeholder Satisfaction Output). The text of the modified guidance and the reasons for the Authority’s proposed modifications were specified in that Notice and included:
 - to ensure that the volume of information presented is manageable;
 - to allow us to us to clarify any queries about a company’s submission before making a decision on whether it has met the minimum requirements; and
 - to ensure consistency across all forms of the Stakeholder Engagement Reward and reduce the number of changes required each year.
3. The Authority requested that any representations with respect to the proposed guidance be made on or before 20 March 2014. We received eight responses to our consultation. All non-confidential responses have been placed on our website at www.ofgem.gov.uk.
4. Having carefully considered the responses received, we hereby issue a direction modify the Stakeholder Engagement Reward Guidance document.
5. The reasons for this direction are set out more fully in a decision letter dated 30 April 2014, attached to this direction. A copy of the revised RIIO-T1 Stakeholder Engagement Reward Guidance document is also attached.

DIRECTION

In accordance with paragraph 2C.9 of Special Condition 2C, the Authority hereby modifies the Stakeholder Engagement Reward Guidance document in the manner specified in the associated document attached to this direction. The modified Stakeholder Engagement Reward Guidance will have effect from 30 April 2014.

This document constitutes notice of the reasons for the Authority’s decision for the purposes of section 38A of the Act.



Andy Burgess
Associate Partner, Transmission and Distribution Policy
Duly Authorised on behalf of the Authority
30 April 2014

¹ The terms “the Authority”, “Ofgem” and “we” are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.