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Direction issued to National Grid Electricity Transmission Plc (NGET) by the Gas and Electricity Markets Authority pursuant to paragraph 4K.6 and 4K.8 of Special Condition 4K of NGET's Electricity Transmission Licence.

1. Paragraphs 4K.6 and 4K.8 of Special Condition 4K of National Grid Electricity Transmission Plc's (NGET) electricity transmission licence places an obligation on NGET to submit for Authority approval the Demand Side Balancing Reserve (DSBR) operational methodology and Supplemental Balancing Reserve (SBR) operational methodology on the next day following the licence conditions coming into effect unless otherwise directed by the Authority.
2. The operational methodologies have the purpose of determining that testing, instructing availability (SBR-only) and utilisation of these services is economic and efficient, including that it provides value for money to consumers in Great Britain.
3. On discussions with NGET, it has become clear that there is a benefit to consumers of allowing it to submit the DSBR and SBR operational methodologies at a later date. This would give NGET more time to refine its methodologies, with consumers benefitting from clearer and more robust methodologies. These services can only be used between November and February, so a later submission date does not create uncertainty on cost recovery for NGET. We would still aim to make our decision on the operational methodologies ahead of this winter.
4. **The Authority therefore directs that NGET submits the DSBR and SBR operational methodology in accordance with paragraph 4K.6 and 4K.8 of Special Condition 4K of the electricity transmission licence by 6 August 2014.**

Dated: 6 June 2014

Emma Kelso
Acting Partner, Markets
Duly authorised on behalf of the Gas and Electricity Markets Authority