



Making a positive difference
for energy consumers

The Company Secretary
National Grid Gas plc
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Consent given to National Grid Gas plc by the Gas and Electricity Markets Authority pursuant to Special Condition 9A.7 of the gas transporter licence in respect of the national transmission system

1. The Gas and Electricity Markets Authority (the "Authority") is giving consent pursuant to Special Condition 9A.7 of the gas transporter licence in respect of the national transmission system (the "Licence") granted or treated as granted under section 7 of the Gas Act 1986 (the "Act") to National Grid Gas plc (the "Licensee").
2. Special Condition 9A.3 requires the Licensee to have in place capacity methodologies which facilitate the achievement of capacity objectives set out in more detail in Special Condition 9A.5, and which must be applied for the purpose of the Licensee fulfilling its duties and obligations. These Capacity Methodology Statements must previously have been approved by the Authority and then published by the Licensee on its website.
3. Special Condition 9A.6 provides that the Licensee must, if so directed by the Authority, and in any event at least once in every two years, review the current methodologies and Capacity Methodology Statements.
4. Special Condition 9A.7 provides that, unless the Authority otherwise consents in writing, the methodologies and Capacity Methodology Statements must be accompanied by a statement from an Independent Examiner. The Independent Examiner must confirm that they have carried out an Examination and give an opinion as to the extent to which the Licensee has developed a methodology that is consistent with its duties under the Gas Act and its obligations under the Licence.
5. On 20 May 2014, the Licensee requested that the Authority grant a Consent releasing it of the obligation under Special Condition 9A.7 to provide an Independent Examiner statement alongside the Entry Capacity Transfer and Trade Methodology Statement (the "ECTT") and set out the reasons for that request.
6. The Licensee requested the Consent on the basis that there is little or no benefit to be gained from obtaining an Independent Examiner statement at this time. The reasons given are as follows:

- a. since April 2009, no transfers or trades of Firm Entry Capacity have been required; all capacity requests, at all ASEPs, have been satisfied by using either unsold or surrendered capacity at the same ASEP; and
 - b. any changes in the forthcoming review are likely to be limited to those necessary to ensure consistency with the new Licence.
7. Having approved previous versions of the ECTT methodology, it does not appear to the Authority that the envisaged minor changes to the methodology will adversely affect the Licensee's performance of its duties under the Licence and the Act. The Authority therefore agrees that an Independent Examiner statement would provide little valuable additional information.
8. The Authority, having regard to the reasons set out above, hereby consents to the Licensee submitting the ECTT statement for 2014 without an Independent Examiner statement as required under Special Condition 9A.7.
9. This Consent constitutes notice of the reasons for the Authority's decision pursuant to section 38A of the Act.

Andrew Burgess

Associate Partner, Transmission and Distribution Policy

Signed on behalf of the Authority and authorised for that purpose by the Authority

Dated: 20 June 2014