

All Network Operators and other interested parties

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Version two of the Network Innovation Competition (NIC) Governance Documents

On 25 February 2015 we¹ published notice saying we planned to issue version two of the NIC Governance Documents (the governance documents), and specifying the date on which we proposed the revised governance documents should take effect. We provided the revised text and our reasons for changing it.

The governance documents explain the regulation, governance and administration of the electricity and gas NICs. The amendments to this version ensure the governance documents are fit for purpose, and that the electricity document incorporates electricity distributors. The updates also reflect our decision on changes to the NIC governance arrangements. We asked for comments, representations or objections to the proposed amendments to the NIC governance documents to be made on or before 25 March 2015.

Stakeholder comments

We received four responses to our consultation on the proposed amendments. We have published these on our website. None of the respondents objected to the introduction of the revised governance documents. However, they did note some typographical errors and proposed that some additional clarifications should be made. We have therefore made a small number of changes to the text of the governance documents that we published on 25 February.

National Grid Electricity Transmission and National Grid Gas Transmission stated that they had understood an amendment to the Network Innovation Allowance (NIA) intellectual property rights (IPR) arrangements would also be made to the NIC governance documents. This was not our intent – the NICs have separate IPR arrangements and our policy consultation on amending the IPR explicitly referred to the NIA. We will consider the points raised by the National Grid licensees as part of our more substantive review later this year.

Main changes since consultation

- Paragraph 5.6 – we have included alternative means of submission in this paragraph in case the secure portal is unavailable.
- Paragraph 5.10 – we have noted that we will circulate the submission materials at least two months before the submission deadline.
- Paragraph 5.39 – we have referred to alternative means of submission and referred to paragraph 4.22.

¹ The terms “we”, “us” and “the Authority” are used to refer to the Gas and Electricity Markets Authority.

Next steps

In accordance with the NIC licence conditions,^{2,3,4,5,6} we have today published version two of the NIC Governance Documents.

Yours faithfully,



Andrew Burgess
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For and on behalf of the Gas and Electricity Markets Authority

² Electricity Transmission Licence – Special Condition 3I

³ Electricity Distribution Licence – Charge Restriction Condition 5A

⁴ Gas Transporters Licence – National Grid Gas Transmission (NGGT) Special Condition 2F

⁵ Gas Transporters Licence – Distribution Network Operators (DNs) – Special Condition 1I

⁶ Gas Transporters Licence – IGTs – Special Condition 2