

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

(Company Number: 02006000)

(the "Licensee")

Direction under paragraph 8 of Standard Special Condition A40 (Regulatory Instructions and Guidance) ("SSC A40") of the Gas Transporter Licence granted to the Licensees under section 7 of the Gas Act 1986

Whereas –

1. The Licensee has been granted a Gas Transporter Licence (the "Licence") under section 7 of the Gas Act 1986 (the "Act") and is subject to the conditions contained in the Licence.
2. SSC A40 came into effect on 1 April 2013, the start of RIIO-T1 price control period.
3. In accordance with paragraph 10 of SSC A40 of the Licence the Gas and Electricity Markets Authority (the "Authority") gave notice¹ on 26 March 2015 that it proposed to modify the Regulatory Instructions and Guidance (the "RIGs").
4. The RIGs are the primary means by which the Authority directs the Licensee to collect and provide the information to the Authority to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-T1 Final Proposals².
5. The modified RIGs will take effect for the submission of information due in July 2015, which relates to the relevant reporting year from 1 April 2014 to 31 March 2015. The RIIO-T1 Gas Transmission Price Control – Regulatory Instructions and Guidance: Version 2.2 document and the associated Excel and Word templates is included in the Schedule to this Direction.
6. The Authority requested that any representations on the proposed RIGS be made on or before 28 April 2015. The Authority received some representations. We have considered the representations from consultees and made changes as set out in Appendix 1 and Appendix 2 included with this Direction.

Now therefore –

In accordance with the powers contained in paragraph 8 of SSC A40 of the Licence, the Authority hereby issues the RIGs in the manner specified in the attached Schedule. Licensees are required to report in accordance with these modified RIGs and reporting template for the purpose of regulatory reporting.

This document constitutes notice of the reasons for the Direction as required by section 38A of the Act.

¹ <https://www.ofgem.gov.uk/publications-and-updates/notice-modification-relation-riio-t1-gas-transmission-price-control-regulatory-instructions-and-guidance-version-2-1>

² <http://www.ofgem.gov.uk/Networks/Trans/PriceControls/RIIO-T1/Pages/RIIO-T1.aspx>

A handwritten signature in black ink, appearing to read "Paul Branston". The signature is stylized with a large, looping initial 'P' and a long, sweeping underline.

Paul Branston
Associate Partner, Costs and Outputs
Duly authorised on behalf of the Authority
14 May 2015

Schedule to the Authority's Direction dated 14 May 2015

Regulatory Instructions and Guidance

RIIO-T1 Gas Transmission Price Control - Regulatory Instructions and Guidance: Version 2.2

<https://authors.ofgem.gov.uk/publications-and-updates/riio-t1-gas-transmission-price-control-regulatory-instructions-and-guidance-version-2-2>

Appendix 1 to the Authority's Decision dated 14 May 2015

Modifications to RIIO-T1 Gas Transmission Price Control Regulatory Instructions and Guidance

Guidance version No.	Full details of the changes made since the last version	Paragraph, page or section reference
2.1	Version published for consultation on 25 March 2015	
2.2	Paragraph relating to forecast data deleted.	Paragraph 5.5
2.2	Paragraph relating to forecast data deleted.	Paragraph 6.4

Appendix 2 to the Authority's Decision dated 14 May 2015

Modifications to RIIO-T1 Gas Transmission Costs and Outputs Reporting Template

Reporting Pack Version No.	Full Details of the changes made since the last version	Specific Tables Changed
2.1	Version published for consultation on 25 March 2015	
2.2	additional rows added to "exceptional items" (34 and 35)	1.1
2.2	Section 1 - update to titles to correct ETO and ESO to GTO and ESO	1.1 - 1.13
2.2	Corrected formula in row 17	1.3
2.2	Cell colour changed in F20:I20	1.4
2.2	F20 formula removed	1.4
2.2	Sign change in formula for F15:I15	1.4
2.2	Formula added to F37, F68	1.4
2.2	Links added in G37, H37, G68, H68	1.4
2.2	Table correction of duplicate ESO to Other in columns X to AC	1.6
2.2	Row 20 link to the new table added in columns F, G, H, I	1.6
2.2	Extra row added for "other adjustment" in deductions	1.7
2.2	Amended formulae to automatically pick up correct year's data from 2.2.	2.1
2.2	Added 'Adjust ongoing pension costs for IAS 19 PV accrual' to 'Item Outside of Totex' (consistent with GT)	3.1
2.2	Cell J7 - formula amended to pick up correct year annual iteration process.	Allowances
2.2	RPI figures for 2014/15 added	Universal Data
2.2	Correct RPI figure for March 2014 of 254.8 added.	Universal Data