

Alison Kay The Company Secretary National Grid Electricity Transmission plc 1-3 Strand London WC2N 5EH

Tel: 020 7901 7000

Email: soincentive@ofgem.gov.uk

Date: 8 June 2015

Dear Alison,

System Management Principles Statement 2015-2016

As required by Special Condition 8A.21 of the Gas Transporter Licence (Special Condition 8A), National Grid Gas (NGG) has submitted a report (the report) to the Gas and Electricity Markets Authority (the Authority) on its review of the System Management Principles Statement (SMPS).

NGG proposed adding a requirement to publish information designated by section 4(1) of the REMIT regulation as "inside information" on the NG REMIT website to the document.

There was one response received in relation to the February 2015 SMPS consultation. This respondent recommended a drafting change to page 9 of the SMPS, suggesting that the wording of the amendment be simplified as they felt unfamiliar terminology was being used. They also suggested that references to License conditions should be updated. NGG included the recommended changes. Some further very minor "housekeeping" changes were suggested by NGG, which have been incorporated.

Pursuant to Special Condition 8A.22, having had regard to its principal objective statutory duties and the principles and criteria in SpC 8A.9, the Authority hereby consents to NGG making the modifications to the SMPS as set out in the version submitted to the Authority on 20 March 2015 to take effect from 1 April 2015.

Please contact Amy O'Mahoney (<u>soincentive@ofgem.gov.uk</u>) if you have any questions relating to this decision.

Mark Copley,	Associate	Partner,	Markets
Yours faithfully,	,		