

The Company Secretary
National Grid Gas Plc
(Company No. 2006000)
1-3 Strand
London
WC2N 5EH

DIRECTION ISSUED PURSUANT TO SPECIAL CONDITION 1C OF THE GAS TRANSPORTER LICENCE FOR NATIONAL GRID GAS PLC (IN RESPECT OF ITS DISTRIBUTION NETWORKS), ALLOWING PASS-THROUGH ITEMS UNDER THE MISCELLANEOUS PASS-THROUGH TERM (MP_t)

WHEREAS:

1. National Grid Gas plc ("NGG") holds a Gas Transporter licence ("the licence") (in respect of its distribution networks) granted or treated as granted by the Gas and Electricity Markets Authority (the "Authority") under section 7 of the Gas Act 1986 (the "Act").
2. Paragraph 3 of Standard Condition 7 (Provision of Information Relating to Gas Illegally Taken) of the licence provides that NGG should suffer no financial detriment, and acquire no financial benefit, as a result of the taking of gas and compliance with paragraph 1 of that condition.
3. Special Condition 1C (Distribution Network allowed pass-through items) of the licence contains term (MP_t) which represents miscellaneous pass-through items directed by the Authority.
4. In accordance with Special Condition 1C, the Authority directs NGG to use the miscellaneous pass-through term (MP_t) in respect of the following amounts recovered by NGG in compliance with Standard Condition 7:

East of England distribution network	£ 9,630.13
London distribution network	£ - 95,590.37
North West distribution network	£ 16,834.16
West Midlands distribution network	£ - 23,385.53

The reasons for this direction are set out in a letter to NGG dated 16 September 2015, attached to this direction.

NOW THEREFORE

The Authority hereby directs the licensee to use the miscellaneous pass-through term (MP_t) contained in Special Condition 1C for the purposes of passing through the amounts set out above.

This direction is effective immediately.



Paul Branston
Associate Partner, Gas Networks
For and on behalf of the Authority
16 September 2015