

To: National Grid Gas plc

Notice under Part B of Special Condition 4A (Governance of GT1 Price Control Financial Instruments) of the Gas Transmission Licence to make modifications to the GT1 Price Control Financial Model

1. National Grid Gas plc ("the licensee") is the holder of a Gas Transmission Licence granted or treated as granted under section 7 of the Gas Act 1986.
2. Special Condition (SC) 4A (Governance of GT1 Price Control Financial Instruments) of the Gas Transmission Licence establishes the circumstances in which the Gas and Electricity Markets Authority (the 'Authority')¹, by way of direction, can make changes to the GT1 Price Control Financial Model ('the Model').
3. Part A of SC 4A sets out the assessment process the Authority will follow in order to assess the likely impact of an intended modification and Part B of SC 4A sets out the circumstances in which a modification may be made.
4. In accordance with SC 4A.9, the Authority hereby gives notice to the licensee that it proposes to modify the Model in the manner indicated in Table 1 in this Notice.
5. The Authority considers that it is necessary to modify the Model in the manner indicated in order to simplify the Model by removing no longer required worksheets. This is not a functional change.
6. In the opinion of the Authority and having regard to the views of the GT1 Price Control Financial Model Working Group, the proposed modifications of the Model are not likely to have a significant impact on any of the persons mentioned in SC 4A.4. In particular, the intended modifications will not have any material impact on the licensee's financial revenue.

Table 1 – Location of modifications within the Model

#	Modification	Worksheet in Model	Cell References
1	Removal of Blank Operator worksheets	NGGT TO (Blank - Not Used), NGGT SO (Blank - Not Used) NB: these were hidden sheets	Entire worksheet

7. The Authority proposes that these modifications will come into effect on 30 September 2017.
8. Any representations on the proposed modifications may be made in writing on or before 26 September 2017 to the RIIO Finance team at Ofgem, 9 Millbank, London, SW1P 3GE, or by email to RegFinance@ofgem.gov.uk
9. Unless you mark your response confidential, we will publish it on our website, www.ofgem.gov.uk, and put it in our library. You can ask us to keep your response confidential, and we will respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work.

Information Regulations 2004. If you want us to keep your response confidential, you should clearly mark your response to that effect and include reasons.

10. If the information you give in your response contains personal data under the Data Protection Act 1998, the Gas and Electricity Markets Authority will be the data controller. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. If you are including any confidential material in your response, please put it in the appendices.
11. We prefer to receive responses in electronic form so we can more easily place them on our website.



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Duly Authorised on behalf of the Gas and Electricity Markets Authority
12 September 2017