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**Decision to extend the System Operator incentive scheme for the period 2018/19 - 2020/21 and proposal to change National Grid Gas plc's gas transporter licence by inserting new dates to reflect this.**

Dear Bogdan

Thank you for the opportunity to respond to Ofgem's decision to extend the System Operator incentive scheme for the period 2018/19 to 2020/21 for the three incentives:

- Two-to-five days ahead (D-2 to D-5) demand forecast
- Maintenance and outage planning
- Greenhouse Gas Emissions (GHG)

This response is made on behalf of National Grid Gas' Transmission business (NGG) and we agree to Ofgem's decision on all three incentives and the proposed modifications to the gas transporters licence, on the basis that this is applicable from 1<sup>st</sup> April 2018. We understand the rationale behind the decisions that have been made although believe that many aspects of our proposals hold merit for future discussions. If you wish to discuss any element of our response, please do not hesitate to contact me.

Yours sincerely,



Steve Fisher  
Commercial Operations Manager – Gas