

**To: National Grid Gas plc (the "Licensee") (with respect to its gas transmission network)** (Company Number: 02006000)

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

**Whereas –**

1. The Licensee has been granted a Licence under section 7 of the Act and is subject to the conditions contained in the Licence.
2. In accordance with paragraph 10 of SSC A40 the Gas and Electricity Markets Authority (the "Authority") gave notice<sup>1</sup> on 14 March 2018 that it proposed to modify the Regulatory Instructions and Guidance (the "RIGs").
3. 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 Proposals<sup>2</sup>.
4. The Authority requested that any representations to the proposed modifications be made on or before 11 April 2018. The Authority received one response. We have considered this response and made changes as set out in Appendices 1 and 2 to this Direction.
5. The modified RIGs will take effect for the submission of information due in July 2018, which relates to the relevant reporting year from 1 April 2017 to 31 March 2018. The RIIO-T1 Gas Transmission Price Control – Regulatory Instructions and Guidance: Version 5.1 document and the associated Excel and Word templates are included in the Schedule to this Direction.

**Now therefore –**

In accordance with paragraph 8 of SSC A40 of the Licence, the Authority hereby modifies the RIGs in the manner specified in the attached Schedule.

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

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**Steven McMahon**  
**Associate Partner, RIIO Networks**  
**Duly authorised on behalf of the Authority**  
**27 April 2018**

<sup>1</sup> <https://authors.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-qt1-version-51>

<sup>2</sup> <https://www.ofgem.gov.uk/publications-and-updates/riio-t1-final-proposals-national-grid-electricity-transmission-and-national-grid-gas---overview>

## **Schedule to the Authority's Direction dated 27 April 2018**

### **Regulatory Instructions and Guidance**

RIIO-T1 Gas Transmission – Regulatory Instructions and Guidance: Version 5.1

RIIO-T1 Gas Transmission Reporting Template: Version 5.1

## Appendix 1 to the Authority's Direction dated 27 April 2018

### Modifications to RIIO-T1 Gas Transmission Regulatory Instructions and Guidance

Guidance version No.	Full details of the changes made since the last version	Paragraph, page or section reference
	<b>Version published after consultation in 21 April 2018</b>	
5.1	Text changed from: The purpose of this table is to provide a list of all projects to install assets on the NTS system within the reporting period. To: The purpose of this table is to provide a list of all projects to install, relocate or remove assets on the NTS system within the reporting period.	4.2
5.1	Text changed from: Project spend for all years must be shown in the price base of the RRP reporting year. List all current projects. To: Project spend for all years must be shown in the price base of the RRP reporting year. Include all projects with T1 spend.	4.2
5.1	Text changed from: <b>Project name</b> – State the project name. Pipelines are to be identified by start and finish points. Compressors are to be identified by compressor station and under each compressor station each power unit shall be listed. Block valves do not need to be identified separately where they form part of another asset which is listed separately. Pig traps do not need to be identified separately where they form part of another asset which is listed separately. Measure pipeline lengths between recorded start and finish points in km. To: <b>Project name</b> – State the project name. Pipelines are to be identified by start and finish points. Compressors are to be identified by compressor station and, where appropriate, under each compressor station each power unit shall be listed. Block valves do not need to be identified separately where they form part of another asset	4.2

	which is listed separately. Pig traps do not need to be identified separately where they form part of another asset which is listed separately. Measure pipeline lengths between recorded start and finish points in km.	
5.1	The following was deleted as there is no Proect Total column in table 4.2: The 'project total' column must report the total actual/forecast project cost (ie including any pre/post RIIO-T1 costs).	4.2
5.1	The following was removed as it had been duplicated from above: <b>Project name</b> – State the project name. Pipelines are to be identified by start and finish points. Compressors are to be identified by compressor station and under each compressor station each power unit shall be listed. Block valves do not need to be identified separately where they form part of another asset which is listed separately. Pig traps do not need to be identified separately where they form part of another asset which is listed separately. Measure pipeline lengths between recorded start and finish points in km.	4.2
5.1	Wording changes to: The purpose of this table is to understand the make-up of Baseline Asset Health projects with T1 spend.	4.2a
5.1	In the first paragraph of the guidance, all 3 tables requested "enter the requested information for each ... in the reporting year price base", this is duplicated from the high level RIGs requirements and has been removed.	4.3/4.4 - compressor stations and pipelines/4.4 - compressor units
5.1	"Compressor unavailability (Total no. of hours unavailable): Input compressor station and unit. This will autopopulate the cells for the no. of hours available (planned and unplanned) tables."  This has been reworded as "unavailable" as this table is about the compressor unavailability.	5.3
5.1	The following was removed: [Note: National Grid are to provide further clarification on this table for approval by Ofgem.]	5.3
5.1	Wording changed From: "The purpose of this table is to collect key indicators of overall levels of capacity booked and levels of actual demand."	5.4

	To: "information regarding to the maximum".	
5.1	<p>Wording changed from: The purpose of this table is to collect information to identify entry and exit forecast parameters which help to inform network reinforcement investment decisions.</p> <p>To: The purpose of this table is to exhibit the gas supply peak projections for each exit point for all forecast scenarios. The peak forecast for exit points is used as guide which help to inform network reinforcement investment decisions.</p>	5.8
5.1	<p>The wording has been updated from: The forecast scenarios to be reported on will vary from year to year. Values to be entered should be based on the four Future Energy Scenario forecast levels. These forecasts should encompass the maximum peak day 1-in-20 forecast levels and the minimum flow rate expected under 1-in-20 peak day demand conditions.</p> <p>The licensee may need to report additional forecast data resulting from other criteria or tools used for network planning, e.g. SNT, Day1 Severe LDC, Day 'n' Severe LDC or such values as identified.</p> <p>The forecast should be provided for an 8 year period, including, where necessary, extending beyond the 8 years of the RIIO-GT1 price control.</p> <p>To: The forecast scenarios to be reported on this table should be the Peak Supply view, and align with data published in the Future Energy Scenarios (FES) or any other equivalent publication by NGGT.</p> <p>The forecast should be provided for an 8 year period, including, where necessary, extending beyond the 8 years of the RIIO-T1 price control.</p>	5.8
5.1	Wording changed from: "Licensees must input costs which have been incurred in the current reporting year."	4.8

	To: "Licensees must input all Physical Security capex projects spend during RIIO-T1."	
5.1	<p>Wording changes from:</p> <p>"Data for decommissioned units should be captured in the decommissioned section of the table. Sites which have been decommissioned during RIIO-T1 must be reported in both unit/station utilisation tables and the decommissioned table. NGGT should populate the relevant cells for Unit thermal rating / Unit power rating (MW) sections with "N/A" as decommissioned units capacity should not be included within the overall compressor site capacity calculation."</p> <p>To: "Compressor units and sites which have been decommissioned during RIIO-T1 must be reported in both unit/station utilisation tables and the decommissioned table. NGGT should populate the relevant cells for Unit thermal rating / Unit power rating (MW) sections with "N/A" as decommissioned units capacity should not be included within the overall compressor site capacity calculation."</p>	5.5

## Appendix 2 to the Authority's Direction dated 27 April 2018

### Modifications to RIIO-T1 Gas Transmission Reporting Template

Reporting Pack Version Number	Version published for consultation on 14 March 2018	Specific Tables Changed
	<b>Version published after consultation in 21 April 2018</b>	
5.1	Additional rows added: LR Baseline Net Flex - 1 new row; NLR Baseline IED – IPPC - 1 new row; NLR Baseline IED – LCP - 4 new rows; NLR Baseline Decommissioning - 3 new rows. Divider line inserted between "Diversions" and "IED decommissioning".	4.2
5.1	Current year column - 2018 in "Planned Schemes" section has been greyed out. Instead the 2018 data should be reported under the "Sanctioned Schemes" sections. "Total Project Cost" column has been removed in the "Planned Schemes" section. Columns "Baseline/Uncertainty" and "Project Type 1" have been removed from both tables.	4.2a
5.1	Additional row inserted under "ASEP".	6.5
5.1	Week split corrected.	7.3
5.1	Font colour updated of input cells to black.	7.2
5.1	Hyperlink fixed for table 6.6	Index
5.1	The formula in "Maintenance Days Incentive" has been corrected to =IF(N11<=4,(O11-6)*0.025+6*0.015,(IF(AND(5<=N11,N11<=10),O11*0.015,MAX(O11*0.02,P13))))	7.13
5.1	Monthly values updated to convert values from £ to £m, by dividing by 1,000,000.	7.6
5.1	Missing formulae inserted into cells F26-35 in alignment with the rest of the table.	1.4
5.1	Formulae needed remapping in cells H18-H25  Formulae needs remapping Formulae for cells H18 - H25 were auto-populated from table 3.5 - now that this table is removed these cell formulae will need to be auto-populated from table 3.4  - Cell H18 =3.4_Business_Support_Group!K23 - Cell H19 =3.4_Business_Support_Group!K31 - Cell H20 =3.4_Business_Support_Group!K39 - Cell H21 =3.4_Business_Support_Group!K47 - Cell H22 =3.4_Business_Support_Group!K55 - Cell H23 =3.4_Business_Support_Group!K63 - Cell H24 =3.4_Business_Support_Group!K71 - Cell H25 =SUM(H18:H24)	3.1
5.1	"Transmission Total" column inserted and changed from yellow to grey cells.	3.4
5.1	"Margin Row" formulae updated in rows 13 / 20 / 27 / 34 / 41 / 48 / 55 / 62 / 69 / 76 from "Turnover + Total costs" to "Turnover - Total costs".	3.11
5.1	Formula for LR Baseline Entry updated, SO Capex formula cells updated to be auto populated from table 4.6. SO Capex	4.1

	<p>Baseline Formula updated to='4.2_Project_listing'!K14+'4.2_Project_listing'!K34.</p> <p>SO Capex Formula should be auto-populated from table 4.6. Formulae updated in Row I149-P149, e.g. ='4.6_SO_Capex'!G141.</p> <p>SO Capex Baseline Formulae updated so that formula is = Total SO Capex - SO Capex UM. Cells I52 - P52 updated.</p>	
5.1	LDZ column removed, following last years request.	6.5
5.1	8 additional rows inserted to the section "Operational Control".	4.6
5.1	AIP for 16/17 has been populated in the template	Allowances tab
5.1	16/17 has been populated in the template.	Previous Years tab
5.1	Inserted clarification note: "Tables 7.9 and 7.10 are still required for the monthly SO incentive submission, but not required for the end of year RRP submission."	7.9
5.1	Inserted clarification note: "Tables 7.9 and 7.10 are still required for the monthly SO incentive submission, but not required for the end of year RRP submission."	7.10