

To all interested parties and stakeholders

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Consent granted to National Grid Gas plc under Special Condition 8A.22 of the Gas Transporter Licence to revise the System Management Principles Statement

This letter sets out our¹ consent for National Grid Gas plc (NGG) to revise the System Management Principles Statement (SMPS) in accordance with Special Condition (SC) 8A.22 of the Gas Transporter licence.

Background

SC 8A.9 of the Gas Transporter Licence requires NGG to have in place at all times a SMPS. The purpose of the SMPS is to set out the principles and criteria by which NGG will determine the use of System Management Services.

SC 8A.19 requires that NGG review its SMPS at least once in each Formula Year. NGG must consult with interested parties and then submit to the Authority a report on the outcome of the review, any consultation responses received and proposed revisions to the SMPS. NGG may only revise the SMPS with our consent.

Having reviewed the SMPS, NGG has not proposed changes save for version control and date updates. Between 13 February and 13 March NGG consulted on its proposals, to which no responses were received.

In accordance with SC 8A.21 NGG submitted the revised statement to us on 19 March 2018 along with a report on the outcome of the consultation and a statement of the proposed revision to the SMPS.

Our decision

We have reviewed the SMPS submitted to us and are content that it complies with NGG's licence obligations. In accordance with SC 8A.22, we consent to NGG making the proposed version control and date updates. These will take effect from 13 April 2018.

If you have any questions concerning this Consent, please contact my colleague Bogdan Kowalewicz on bogdan.kowalewicz@ofgem.gov.uk or 020 7901 7293.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document to refer to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

Yours faithfully

Natasha Zoe Smith

Head of Gas Systems

For and on behalf of the Gas and Electricity Markets Authority