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for energy consumers

To all interested parties and stakeholders

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Date: 8 May 2019

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 (SpC) 8A.22 of the Gas Transporter Licence².

Background

SpC 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.

SpC 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 make revisions to the SMPS with our consent.

NGG submitted the required information on the annual SMPS review to the Authority on 18 March 2019. NGG's proposed changes to the SMPS are set out in its SMPS Annual Consultation³.

NGG issued a consultation on the proposed revisions to the SMPS on 11 February 2019. This consultation closed on 11 March 2019. No responses were received.

Our decision

We have reviewed the revised SMPS submitted to us and are content with the changes NGG propose.

We note the changes that have been made in reference to EU law in the document to allow for uncertainty caused by Brexit. We also note that the processes and obligations described in the document shall be interpreted and aligned in accordance with applicable national and

¹ The use of "we", "us" and "our" refers to the Authority. The Authority refers 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.

² National Grid Gas Plc (NTS) Gas Transporter Licence – Special Conditions:
<https://epr.ofgem.gov.uk/Content/Documents/National%20Grid%20Gas%20Plc%20-%20Special%20Conditions%20Consolidated%20-%20Current%20Version.pdf>

³ SMPS Annual Consultation (February 2019) -
<https://www.nationalgridgas.com/sites/gas/files/documents/SMPS%20Annual%20Consultation%20Feb%202019.pdf>

European Union law which, on or after exit day (as defined by section 20 of the European Union Withdrawal Act 2018), continues to be, or forms part of, domestic law by virtue of the operation of the provisions of the European Union Withdrawal Act 2018, including, but not limited to, Article 6 and Article 9 of Regulation EC 312/2014.

The changes NGG has made to the document make the text more clear and concise, without changing the meaning of any of the text. In accordance with SpC 8A.22, we consent to NGG making the proposed revisions. These revisions took effect from 1 April 2019.

If you have any questions concerning this Consent, please contact my colleague Jonathan Coe at Jonathan.Coe@ofgem.gov.uk or on 0207 901 7010.

Yours faithfully,

David O'Neill
Head of Gas Systems, Energy System Transition
For and on behalf of the Gas and Electricity Markets Authority