

To:
National Grid Gas Plc

Direction under paragraph 4A.12 of Special Condition 4A (Governance of GT1 Price Control Financial Instruments) of the Gas Transporter Licence to make modifications to the GT1 Price Control Financial Model

1. The company to whom this Direction is addressed ("the licensee") is the holder of a Gas Transporter Licence granted or treated as granted under section 7 of the Gas Act 1986.
2. In accordance with paragraph 4A.9 of Special Condition (SC) 4A (Governance of GT1 Price Control Financial Instruments) of the Gas Transporter Licence, the Gas and Electricity Markets Authority (the 'Authority')¹, gave notice on 06 August 2019 ('the Notice') of proposed modifications to the GT1 Price Control Financial Model ('the Model') and specified the date from which the Authority proposes that these modifications should take effect as 06 September 2019. The Notice also specified the date for any representations on the proposed modifications to be made on or before 04 September 2019.
3. We received no representations in response to the Notice, prior to the close of the above mentioned period.
4. 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.
5. In accordance with SC 4A.12, the Authority hereby modifies the Model in the manner indicated in Table 1 in this Direction, in order to align labels between the Financial Model and the licensee's Cost and Output Reporting template.
6. These modifications take effect from the date of this Direction.

Table 1 – Location of modifications within the Model

Nature of Modification	Sheet reference	Cell reference
Two labels have been changed from "Uncertain costs - Enhanced Physical Site Security" to "Uncertain costs – Enhanced Security Cost".	SystemOperator	E10, E30

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



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Steve McMahon
Deputy Director, Electricity Distribution and Cross Sector Policy
Duly authorised on behalf of the Gas and Electricity Markets Authority
06 September 2019