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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 in the operation of the National Transmission System (NTS).

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, representations or objections to the SMPS. NGG may only revise the SMPS with our consent.

NGG has proposed to change the wording from National Grid National Transmission System (NTS) to National Grid Gas Transmission (NGGT) in the SMPS, to reflect how NGG refers to its Gas Transmission business.

NGG has also amended the term 'Gas Deficit Warning' to 'Gas Balancing Notification' throughout the SMPS, reflecting the approval of UNC Modification 0685 "Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'".² NGG has also proposed a series of functional, format, and housekeeping updates.

NGG consulted on these changes to the SMPS from 20 January to 17 February. In accordance with SC 8A.21, NGG submitted the revised statement to us on 18 February 2020 along with a report on the outcome of the consultation and a statement of the proposed revisions to the SMPS. There were no responses to NGG's consultation.

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.

² [UNC 685: Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification' \(UNC685\)](#)

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 changes to better achieve the principles and criteria laid out in SC 8A.9.

Furthermore, our consent is also granted to implement the functional, format, and housekeeping changes as outlined in the SMPS submitted to us. All these revisions will take effect from 1 April 2020.

If you have any questions concerning this Consent, please contact Max Lambert on Max.Lambert@ofgem.gov.uk or 020 7901 3105.

Yours faithfully

David O'Neill

Head of Gas Systems

For and on behalf of the Gas and Electricity Markets Authority