

To all interested parties and stakeholders

Email: Joseph.Glews@ofgem.gov.uk

Date: 7 April 2021

Consent granted to National Grid Gas plc under special condition 9.19.16 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 9.19.16² of the Gas Transporter licence (the "licence").³

Background

Special condition 9.19.8 of the licence requires NGG to have in place at all times a SMPS, which sets out the principles and criteria by which NGG will determine the use of System Management Services in operating the National Transmission System (NTS). NGG must review its SMPS at least once in each Regulatory Year in accordance with 9.19.13. NGG must consult with interested parties and then submit to the Authority a report on the outcome of the review, including any consultation responses received and proposed revisions, representations or objections to the SMPS. NGG may only revise the SMPS with our consent.

Proposed amendments to the System Management Principles Statement

NGG has proposed to change the terms 'National Grid Gas Transmission (NGGT)' and 'National Grid Gas System Operator (NGGSO/GSO)' to 'National Grid Gas plc (NGG)', to reflect that there is no longer a National Grid distribution business and the Electricity System Operator is now separate.

NGG has updated references in the SMPS to reflect the new RIIO-GT2 licence in place from 1 April 2021. NGG has also updated references to reflect the changes to charging arrangements resulting from UNC Modification 678A "Amendments to Gas Transmission

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 NGG prepared its consultation report, and the consultation itself, in accordance with Special Condition 8A of the RIIO-GT1 Gas Transporter Licence. As our decision has been published following the implementation of the RIIO-GT2 price control on 1 April 2021, all references in this letter will be in accordance with the relevant conditions of NGG's RIIO-GT2 gas transporter licence (the "licence").

³ The decision on proposed modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licences can be found here: <https://www.ofgem.gov.uk/publications-and-updates/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licences>

Charging Regime (Postage Stamp)⁴, and made a number of functional and housekeeping updates.

NGG consulted on its proposed changes to the SMPS from 19 February to 19 March, and received no responses to its consultation. NGG submitted the revised statement to us on 26 March 2021 along with a report on the outcome of the consultation and a statement of the proposed revisions to the SMPS in accordance with special condition 9.19.15.

Our decision

We have reviewed the SMPS submitted to us and are content that it complies with NGG's licence obligations. In accordance with special condition 9.19.16, we consent to NGG making the proposed changes to the SMPS. These revisions will take effect from 1 April 2021.

If you have any questions concerning this Consent, please contact Joseph Glews on Joseph.Glews@ofgem.gov.uk.

Yours faithfully

David O'Neill

Head of Gas Markets and Systems

For and on behalf of the Gas and Electricity Markets Authority

⁴ [UNC 678A: Amendments to Gas Transmission Charging Regime \(Postage Stamp\) \(UNC678A\)](#)