



Making a positive difference
for energy consumers

The Company Secretary
National Grid Electricity Transmission plc
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Date: 31st March 2016

Dear Company Secretary,

Approval of Methodology Statements for the Determination of System-to-System Flows in relation to the Interconnectors between England and France, Northern Ireland and Scotland, England and the Netherlands and between Ireland and Wales.

As required by Section R7.5.3 of the Balancing and Settlement Code, National Grid Electricity Transmission plc ("NGET") has written to the Gas and Electricity Markets Authority (the "Authority") seeking approval of the methodology statements for the determination of system-to-system flows in relation to the interconnectors between England and France, Northern Ireland and Scotland, England and the Netherlands and between Ireland and Wales (the "Methodology Statements")¹.

The Methodology Statements approved by the Authority on 20th April 2015 are due to expire on 31st March 2016. We understand that NGET has reviewed the Methodology Statements and is proposing to maintain them for the period from 1st April 2016 until 31st March 2017.

The Authority has considered NGET's proposal in relation to the Methodology Statements and agrees with NGET that the Methodology Statements be maintained in their current form. Please find attached copies of the Authority's written approval for the four Methodology Statements.

Yours sincerely

Mark Copley

**Associate Partner
Wholesale Markets**

¹ See proposed methodologies on National Grid's website at <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Balancing-and-Settlement-code/>

APPROVAL OF METHODOLOGY STATEMENT FOR DETERMINATION OF SYSTEM-TO-SYSTEM FLOWS IN RELATION TO THE INTERCONNECTOR BETWEEN FRANCE AND ENGLAND

Whereas:

- a) National Grid Electricity Transmission ("NGET") holds a licence to transmit electricity treated as granted under section 6(1) of the Electricity Act 1989 as amended;
- b) Standard Licence Condition C3.1 of that licence requires NGET to have a balancing and settlement code ("BSC") in force at all times, and NGET has such a code in force;
- c) The BSC has been modified with effect from 21 March 2001 to incorporate, among other things, Section R7.5 which relates to system-to-system flows (as defined in the BSC);
- d) Section R7.5.3 of the BSC requires NGET to determine system-to-system flows on a basis for the time being approved in writing by the Gas and Electricity Markets Authority (the "Authority");
- e) NGET has prepared a methodology as the basis for its determination of system-to-system flows in relation to the Interconnector (as defined in the BSC) with France; and
- f) NGET has submitted the methodology as the basis for its determination of such flows in relation to the Interconnector with France to the Authority for its approval pursuant to Section R7.5.3 of the BSC,

NOW the AUTHORITY, for the purposes of Section R7.5 of the BSC, hereby approves the methodology prepared by NGET as annexed hereto as the basis for NGET's determination of system-to-system flows in relation to the Interconnector with France. This approval shall be in force in relation to the period from 1 April 2016 until 31 March 2017 and shall lapse on the earlier of 1 April 2016 and the date of approval of a revised Methodology Statement.

Dated: 31 March 2016

Mark Copley, Associate Partner, Wholesale Markets

SIGNED on behalf of the Authority and authorised for that purpose by the Authority

APPROVAL OF METHODOLOGY STATEMENT FOR DETERMINATION OF SYSTEM-TO-SYSTEM FLOWS IN RELATION TO THE INTERCONNECTOR BETWEEN NORTHERN IRELAND AND SCOTLAND.

Whereas:

- a) National Grid Electricity Transmission ("NGET") holds a licence to transmit electricity treated as granted under section 6(1) of the Electricity Act 1989 as amended;
- b) Standard Licence Condition C3.1 of that licence requires NGET to have a balancing and settlement code ("BSC") in force at all times, and NGET has such a code in force;
- c) The BSC has been modified with effect from 21 March 2001 to incorporate, among other things, Section R7.5 which relates to system-to-system flows (as defined in the BSC);
- d) Section R7.5.3 of the BSC requires NGET to determine system-to-system flows on a basis for the time being approved in writing by the Gas and Electricity Markets Authority (the "Authority");
- e) NGET has prepared a methodology as the basis for its determination of system-to-system flows in relation to the Interconnector (as defined in the BSC) with Northern Ireland; and
- f) NGET has submitted the methodology as the basis for its determination of such flows in relation to the Interconnector with Northern Ireland to the Authority for its approval pursuant to Section R7.5.3 of the BSC.

NOW the AUTHORITY, for the purposes of Section R7.5 of the BSC, hereby approves the methodology prepared by NGET as annexed hereto as the basis for NGET's determination of system-to-system flows in relation to the Interconnector with Northern Ireland. This approval shall be in force in relation to the period from 1 April 2016 until 31 March 2017 and shall lapse on the earlier of 1 April 2017 and the date of approval of a revised Methodology Statement.

Dated: 31 March 2016

Mark Copley, Associate Partner, Wholesale Markets

SIGNED on behalf of the Authority and authorised for that purpose by the Authority

APPROVAL OF METHODOLOGY STATEMENT FOR DETERMINATION OF SYSTEM-TO-SYSTEM FLOWS IN RELATION TO THE INTERCONNECTOR BETWEEN THE NETHERLANDS AND ENGLAND

Whereas:

- a) National Grid Electricity Transmission ("NGET") holds a licence to transmit electricity treated as granted under section 6(1) of the Electricity Act 1989 as amended;
- b) Standard Licence Condition C3.1 of that licence requires NGET to have a balancing and settlement code ("BSC") in force at all times, and NGET has such a code in force;
- c) The BSC has been modified with effect from 21 March 2001 to incorporate, among other things, Section R7.5 which relates to system-to-system flows (as defined in the BSC);
- d) Section R7.5.3 of the BSC requires NGET to determine system-to-system flows on a basis for the time being approved in writing by the Gas and Electricity Markets Authority (the "Authority");
- e) NGET has prepared a methodology as the basis for its determination of system-to-system flows in relation to the Interconnector (as defined in the BSC) with the Netherlands; and
- f) NGET has submitted the methodology as the basis for its determination of such flows in relation to the Interconnector with the Netherlands to the Authority for its approval pursuant to Section R7.5.3 of the BSC.

NOW the AUTHORITY, for the purposes of Section R7.5 of the BSC, hereby approves the methodology prepared by NGET as annexed hereto as the basis for NGET's determination of system-to-system flows in relation to the Interconnector with the Netherlands. This approval shall be in force in relation to the period from 1 April 2016 until 31 March 2017 and shall lapse on the earlier of 1 April 2017 and the date of approval of a revised Methodology Statement.

Dated: 31 March 2016

Mark Copley, Associate Partner, Wholesale Markets

SIGNED on behalf of the Authority and authorised for that purpose by the Authority

APPROVAL OF METHODOLOGY STATEMENT FOR DETERMINATION OF SYSTEM-TO-SYSTEM FLOWS IN RELATION TO THE INTERCONNECTOR BETWEEN IRELAND AND WALES

Whereas:

- a) National Grid Electricity Transmission ("NGET") holds a licence to transmit electricity treated as granted under section 6(1) of the Electricity Act 1989 as amended;
- b) Standard Licence Condition C3.1 of that licence requires NGET to have a balancing and settlement code ("BSC") in force at all times, and NGET has such a code in force;
- c) The BSC has been modified with effect from 21 March 2001 to incorporate, among other things, Section R7.5 which relates to system-to-system flows (as defined in the BSC);
- d) Section R7.5.3 of the BSC requires NGET to determine system-to-system flows on a basis for the time being approved in writing by the Gas and Electricity Markets Authority (the "Authority");
- e) NGET has prepared a methodology as the basis for its determination of system-to-system flows in relation to the Interconnector (as defined in the BSC) with Ireland; and
- f) NGET has submitted the methodology as the basis for its determination of such flows in relation to the Interconnector with Ireland to the Authority for its approval pursuant to Section R7.5.3 of the BSC.

NOW the AUTHORITY, for the purposes of Section R7.5 of the BSC, hereby approves the methodology prepared by NGET as annexed hereto as the basis for NGET's determination of system-to-system flows in relation to the Interconnector with Ireland. This approval shall be in force in relation to the period from 1 April 2016 until 31 March 2017 and shall lapse on the earlier of 1 April 2017 and the date of approval of a revised Methodology Statement.

Dated: 31 March 2016

Mark Copley, Associate Partner, Wholesale Markets

SIGNED on behalf of the Authority and authorised for that purpose by the Authority