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Mark Brackley
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Dear James,

Re: Consultation on the mid-period review parallel work

This response is submitted by National Grid Gas Transmission (NGGT). We operate and own the gas transmission assets in Great Britain. Our response only covers output accountability in relation to National Grid Gas Transmission's compressors output.

We agree with Ofgem's proposed approach of focussing on the output purpose, principally for the reasons set out by Ofgem that this approach encourages companies to find alternative ways of delivering and managing changing circumstances. As also stated this avoids the risk of companies building things that are not needed. We believe this approach delivers the best outcome for consumers both in the short and long term.

We also think that it is important to adhere to the deal that was signed on to by network companies in accepting RIIO-T1 Final Proposals. Within our original business plan compressor solutions were proposed and we were explicit that the solutions may change to take account of changing circumstances, including innovation, as the schemes were developed further. In the accepted Final Proposals, the outputs in relation to the compressor projects at Peterborough, Huntingdon and Aylesbury were defined as outcomes i.e. compliance with specific emission legislation. NGGT did not commit to an output to deliver a particular solution. Therefore we believe that to adopt a different approach to that proposed by Ofgem, within this consultation, would be inconsistent with the basis of the RIIO-T1 deal.

We hope you find this response helpful. If you would like to discuss any of the above points please do not hesitate to contact me.

Yours Sincerely

Mark Brackley
Head of RIIO Delivery
(By e-mail)