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16<sup>th</sup> November 2018

Dear Rachel,

Thank you for the opportunity to respond to Ofgem's consultation on the '*Switching Programme: Regulation and Governance - way forward and statutory consultation on licence modifications*'. This response is provided on behalf of National Grid Gas plc ('NGG'). NGG owns and operates the gas National Transmission System and in association with the gas Distribution Network Operators, also jointly provides for the administration of the Uniform Network Code (UNC) Governance arrangements through the Joint Office of Gas Transporters (JO).

NGG is also a shareholder in Xoserve which is currently the Central Data Services Provider ('CDSP') for the competitive gas market in GB. NGG procures CDSP Services from Xoserve via the Data Services Contract ('DSC'). We own the primary energy balancing and gas allocation system in GB (known as 'Gemini') which is operated by Xoserve on our behalf.

As the scope of Ofgem's Switching Programme explicitly excludes gas Supply Points connected directly to the National Transmission System, the impacts of the switching programme for NGG are principally limited to the consequential changes which are likely to be necessary to the Gemini system, regardless of who is appointed as the Central Switching Service provider. Given this, we have no view to offer in respect of the specific questions asked in the consultation. We do however offer comments in respect of the following:

#### **Gas Transporters Licence Condition 14**

We welcome clarification in para 2.10 of the consultation that it was not Ofgem's intention to capture NGG in the revised obligation and confirmation of Ofgem's intention (expressed in para 2.11) to exempt NGG from the requirement to accede to the new Retail Energy Code ('REC') and our existing obligation to be party to the Supply Point Administration Agreement ('SPAA'). We agree exemption from these obligations is logical given that the focus of both contracts is limited to arrangements in respect of points that are not connected to our Network.

Our agreement with the proposed revisions to this Condition is therefore contingent on the issue of a Direction by the Authority (upon implementation) that NGG is not subject to those provisions requiring accession to REC and SPAA.

#### **REC v1.0**

Given the above, we welcome revision of the definition of *Gas Transporter* in the Interpretation section of the REC to limit the term to those Gas Transporters holding a Gas Transporter Licence where that licence '*...requires that person to become a party to this Code*'. On this basis, where the Authority issues a Direction that NGG is *not* required to accede to REC, NGG notes that it will not fall within the definition of Gas Transporter in the REC.

If you have any further questions in respect of this response, please contact Phil Lucas by telephone on 01926 653546 or by email to [phil.lucas@nationalgrid.com](mailto:phil.lucas@nationalgrid.com).

Yours sincerely,

Chris Logue  
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