

The Company Secretary
National Grid Gas plc
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Making a positive difference
for energy consumers

Consent given to National Grid Gas plc by the Gas and Electricity Markets Authority pursuant to Special Condition 9C.7, and Direction given to National Grid Gas plc by the Gas and Electricity Markets Authority pursuant to Special Condition 9C.8 of the gas transporter licence in respect of the national transmission system

1. This Consent is given by the Gas and Electricity Markets Authority (the "Authority") pursuant to Special Condition 9C.7 of the gas transporter licence in respect of the national transmission system (the "Licence") granted or treated as granted under section 7 of the Gas Act 1986 (the "Act") to National Grid Gas plc (the "Licensee").
2. This Direction is given by the Authority pursuant to Special Condition 9C.8 of the Licence granted or treated as granted under section 7 of the Act to the Licensee.
3. Special Condition 9C.6 provides that the Licensee must, if so directed by the Authority, and in any event at least once in every two years, review the Generic Entry and Exit Revenue Driver Methodology (GRDM) Statement.
4. Special Condition 9C.7 provides that, unless the Authority otherwise consents in writing, the GRDM must be accompanied by a statement from an Independent Examiner. This must confirm that they have carried out an Examination, the scope and objectives of which have been established by the Licensee and approved by the Authority, and give an opinion as to the extent to which the Licensee has developed the GRDM consistent with its duties under the Act and its obligations under the Licence.
5. Special Condition 9C.8 provides that, unless the Authority otherwise directs in writing, the Licensee must:
 - (a) send a copy of the proposed modifications to the Authority and to any person who asks for one;
 - (b) consult with (i) Relevant Shippers and (ii) interested parties, and allow them a period of not less than 28 days in which to make representations;
 - (c) within 14 days of the close of the consultation required by paragraph 9C.8(b) of this condition, submit to the Authority a report setting out (i) the modifications originally proposed, (ii) the representations made by Relevant Shippers and interested parties (if any) to the Licensee and not withdrawn, and (iii) any change to the modifications proposed as a result of such representations; or

(d) where the Authority directs that sub-paragraphs (a), (b) and (c) of this paragraph, or any of them will not apply, comply with such other requirements as are specified in that direction.

6. On 1 November 2017 the Licensee requested that the Authority grant a Consent releasing it of the requirements under Special Condition 9C.7 to provide Independent Examiner Statement and grant a Direction releasing it from its requirement under Special Condition 9C.8 to consult on the changes and submit a report to the Authority as part of its review of the GRDM. The letter set out the reasons for those requests.
7. The Authority hereby consents to the Licensee submitting the GRDM without an Independent Examiner Statement as required under Special Condition 9C.7, and hereby directs that sub paragraphs (a), (b) and (c) of Special Condition 9C.8, which require the Licensee to consult and submit a report, shall not apply in this instance, and additionally that the Licensee shall give due publicity to the proposed GRDM following its review.
8. The considerations and reasons for the Authority's decision are set out in the accompanying letter to the Licensee.

Dated: 5 December 2017

Natasha Zoe Smith

Head of Gas Systems

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