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Date: 21 March 2013

Dear Martin,

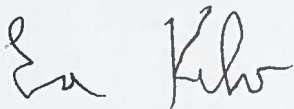
System Management Principles Statement 2013-2014

As required by Special Condition C5 (8) of the Gas Transporter Licence (Special Condition C5), National Grid Gas (NGG) has submitted a report (the report) to the Gas and Electricity Markets Authority (the Authority) on its review of the System Management Principles Statement (SMPS).

NGG proposed changes to reflect UNC Modification 0415 - Revision of the Gas Balancing Alert Arrangements. In accordance with Special Condition C5 (8), NGG consulted industry on the proposed changes in February 2013. NGG did not receive any responses to its consultation.

Pursuant to Special Condition C5 (8), having had regard to its principal objective and statutory duties, the Authority hereby consents to NGG making the modifications to the SMPS as set out in the version submitted to the Authority on 5 March 2013 to take effect from 1 April 2013.

Yours sincerely



Emma Kelso

Associate Partner, Wholesale Markets

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