

**To: National Grid Gas plc (with respect to its gas transmission business)**  
(Company Number: 02006000)

**(the "Licensee")**

**Direction under paragraph 8 of Standard Special Condition A40 (Regulatory Instructions and Guidance) ("SSC A40") of the Gas Transporter Licence granted to the Licensees under section 7 of the Gas Act 1986**

**Whereas –**

1. The Licensee has been granted a Gas Transporter Licence (the "Licence") under section 7 of the Gas Act 1986 (the "Act") and is subject to the conditions contained in the Licence.
2. In accordance with paragraph 10 of SSC A40 of the Licence the Gas and Electricity Markets Authority (the "Authority") gave notice on 11 March 2014 that it proposed to issue Regulatory Instructions and Guidance (the "RIGs").
3. The reason for issuing the RIGs is to enable the Authority to collect the information to enable it to administer the Special Conditions of the Licence and, where not referenced in the Licence, the RIIO-T1 Final Proposals.
4. SSC A40 came into effect on 1 April 2013, the start of RIIO-T1 price control period and the Authority proposed to issue the RIGs with effect from 1 April 2013.
5. A copy of the proposed RIGs and the associated Excel and Word templates are included in this Notice.
  - a. RIIO-T1 Gas Transmission Price Control – Regulatory Instructions and Guidance: Version 1.5
  - b. RIIO-T1 Gas Transmission Costs and Outputs Reporting Template: Version 1.5
6. The Authority requested that any representations on the proposed RIGs be made on or before 8 April 2014. The Authority received some representations. We have considered the representations from consultees and made changes as set out in Appendix 1 included with this notice

**Now therefore –**

In accordance with the powers contained in paragraph 8 of SSC A40 of the Licence, the Authority hereby issues the RIGs in the manner specified in the attached Schedule. The RIGs will have effect on and from 1 April 2013.

This document constitutes notice of the reasons for the Direction as required by section 38A of the Act.

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**Paul Branston**  
**Associate Partner, Costs and Outputs**  
**Duly authorised on behalf of the Authority**  
**16 April 2014**

**Appendix 1 to the Authority's Decision dated 16 April 2014  
Modification of Regulatory Instructions and Guidance**

<b>Table</b>	<b>Comment Made</b>	<b>Change</b>
1.5	Net debt & interest – please note that Ofgem are currently considering some further suggestions for this table made at a meeting with Ofgem/NG on Monday 24th March.	No change to the table. Further discussion with NGGT about how it should be completed
3.13	NIA expenditure – please note that changes made to this table in version 1.4 of the Electricity RIGs should also apply to the Gas Transmission RIGs, as per my email of 28th March.	No change, the table is the same as electricity
3.3	Direct opex (gas) – please note that there are ongoing discussions over the format of this table per my email of 21st March.	Agreed Table included in the latest pack
6.5	Physical capability of connectees (gas) – please note that the final version of the RIGs will need to reflect the further guidance provided to you on 3rd March (after v1.3 of RIGs was issued on 28th Feb).	Guidance as suggested by Claire Spedding has been added to the guidance
5.5	Compressor utilisation (gas) & 5.6 Environmental compressor emissions (gas) – there are compressors listed in the tables in v1.3 of the pack which are no longer in service, plus a few additional decommissioned sites. We have attached a more up to date list of compressors which could be captured in the final version of the packs. We understand that the cells in question are highlighted in yellow (as input cells) so we could just submit the new list in July, but thought you should see sight of the list first, so that you can decide which is the best approach.	Removed the list of compressors in Tables 5.5 and 5.6. Coloured yellow for NG input. Amended table and guidance so that decommissioned assets are clearly reported.
5.3	We sent a response to Dan on 28Feb (which was after v1.3 was issued) regarding clarification of definitions for table 5.3 of the Gas Transmission pack – these comments will need to be included in the updated RIGs.	Changed to Table to include reporting of planned and unplanned hours unavailability for each compressor unit. Updated guidance.
Guidance	Commentary and publication	Changed the commentary and publication details in Chapter 1 to align with agreed details agreed with NGGT