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Promoting choice and  
value for all customers

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Dear Steve,

### **System Management Principles Statement - Annual Consultation**

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

In the Report, NGG NTS has proposed that no material changes be made to the current version of the SMPS<sup>1</sup> but that a number of 'house keeping' changes are made. In accordance with Special Condition C5, NGG NTS consulted industry on proposed changes to the SMPS. No responses were received to that consultation.

#### **Ofgem's view**

The Authority has considered the changes to the SMPS proposed by NGG NTS. Ofgem considers that the minor changes proposed are not substantive amendments and reflect only minor textual modifications and therefore that they should be made.

Ofgem also wishes to offer its views on an issue raised under National Grid Electricity Transmissions (NGET) review of the Balancing Principles Statement (BPS) and the Procurement Guidelines (PGs). In its review NGET proposed that these documents be rewritten in plain English. Whilst welcoming this move, we raised concerns regarding the potential for a change in the emphasis of certain obligations arising under the relevant statement. Therefore, as we suggested to NGET, we consider that it would be more appropriate for NGG NTS to refrain from rewriting the documents in plain English and to incorporate a concise plain English summary of its contents into each of its existing documents, including the SMPS.

#### **The Authority's decision**

Pursuant to Special Condition C5(8) of NGG NTS's Gas Transporter Licence, the Authority agrees, having had regard to its principal objective and statutory duties, that NGG NTS may modify the SMPS as set out in the Report to take effect from 1 April 2009.

Yours sincerely

**Ian Marlee**  
**Director, Trading Arrangements**

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

<sup>1</sup> The version of the SMPS (2.4) consulted upon can be found on National Grid's website: [www.nationalgrid.com](http://www.nationalgrid.com)