

Industry update from Ofgem – up to date as of 02 May 2017

Decision to approve National Grid's updated Transmission Planning Code (2017)

On 7 April 2017 we approved National Grid's updated Transmission Planning Code for 2017. More information can be found at the following URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-approve-national-grids-updated-transmission-planning-code-2017>

Decision on Ofgem's policy for funding Pension Scheme Established Deficits (PSEDs)

On 7 April 2017 we clarified the nature of our commitment to provide funding for Pension Scheme Established Deficits (PSEDs) of network operators. Our decision incorporates further safeguards for the consumer. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/decision-ofgems-policy-funding-pension-scheme-established-deficits>

Direction to use a different price reporting service for the NTS Shrinkage Target

On 20 April 2017 we approved NGG's request to use a different price reporting service for the gas and electricity cost reference prices which are used to calculate the NTS Shrinkage Incentive Target. Following the expiry of their current contract with ICIS Heren, NGG will use Argus for cost reference prices, delivering significant cost reductions. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/direction-use-different-price-reporting-service-nts-shrinkage-target>

System Management Principles Statement (SMPS) consent notice

On 28 April 2017 we consented to NGG's revised System Management Principles Statement (SMPS). The SMPS sets out the principles and criteria by which NGG plc will determine the use of System Management Services. More information can be found at the following URL:

<https://www.ofgem.gov.uk/publications-and-updates/system-management-principles-statement-consent-notice>