

Industry update from Ofgem – up to date as of 3 January 2019

Addition of new exit and entry points and associated EU relevant points decision – Modification of Special Conditions 5G and 5F of the gas transporter licence held by National Grid Gas plc

Following our [statutory consultation](#) on licence changes published in October, on 12th December 2018 we published a [decision](#) letter and notice on changes to the gas transporter licence held by NGG. We have added two new exit points and one new entry point to the licence. This is part of the ongoing CLoCC (Customers Low Cost Connections) project.

Consent and approval decision letters with regard to the Capacity and Capacity Release Methodology Statements

On 13th December 2018 we [Consented to NGG to submit modifications to the Entry & Exit Capacity Substitution methodologies and Transfer and Trade methodology unaccompanied by the report from the Independent Examiner](#); and [Approved the scope and objectives for an Independent Examination of the review of the Entry and Exit Capacity Release methodologies](#). Under the Licence, NGG is obliged to review the five capacity & capacity release methodology statements at least once every two years. The reviewed methodology statements must be accompanied by a report from an Independent Examiner, the scope of which we approve.

Publication of the RIIO-2 Sector Specific Consultation

On 18th December we published the RIIO2 Sector Specific public consultation which can be found [here](#). The consultation on the sector methodology for the next price control (RIIO-2) follows our consultation and decision announcement on the RIIO-2 Framework in July 2018. We've also published supporting documents, eg [the RIIO-2 Business Plans Draft Guidance Document](#) and the [Supporting presentation to accompany the analyst and investor call following the publication of the RIIO-2 Sector Specific Methodology Consultation](#). The consultation is due to close on 14th March 2019.

Direction issuing the Stakeholder Engagement Incentive Scheme Guidance for RIIO-GD1 and RIIO-T1

The Stakeholder Engagement Incentive (SEI) applies to the Gas Distribution Network operators (GDNs) and Transmission Owners (TOs) and was introduced in the regulatory year 2013-14. We issued a notice on 3 November 2018, proposing changes to the guidance. We have considered the responses we received and [this direction](#), published on 18th December 2018, formally issues the SEI Guidance document.

[Decision regarding modification UNC621 and its alternative proposals to amend the Gas Transmission Charging Regime](#)

On 20 December 2018 we [rejected](#) modification proposal UNC621 and its alternative proposals which aim to implement the necessary changes required by the European Network Code on harmonised transmission tariff structures for gas as well as introduce wider changes to the transmission charging methodology.