

Decision

Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

| | |
|-------------------|-------------------------------------|
| Publication date: | 6 June 2025 |
| Contact: | Graham Craig |
| Team: | Large Transmission Project Delivery |
| Email: | graham.craig@ofgem.gov.uk |

We are publishing our decision on the Asset health Re-opener application submitted by National Gas Transmission in January 2024. This decision has been informed by the responses we received following publication of our consultation on 17 January 2025. Alongside this document we are publishing, the non-confidential responses we received in response to our consultation, and the direction to modify the value of the relevant licence terms.

© Crown copyright 2024

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:
10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

Contents

| | |
|---|-----------|
| Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024) | 1 |
| Executive summary..... | 5 |
| 1. Introduction..... | 7 |
| Overview of Asset Health Re-Opener mechanism..... | 7 |
| General feedback | 8 |
| 2. Asset health Re-opener application January 2024 | 9 |
| Section summary | 9 |
| Plant & Equipment | 9 |
| Primary Protection Devices..... | 10 |
| Single Points of Failure | 10 |
| St Fergus - Compressor Cabs | 11 |
| Bacton - Plant & Equipment | 12 |
| Bacton – Fire Water Ring-main Replacement..... | 13 |
| Our Proposed Funding Decision | 13 |
| 3. Summary of responses and our view | 15 |
| Section summary | 15 |
| Responses to specific questions..... | 15 |
| 4. Conclusion | 22 |
| Our decision..... | 22 |
| Appendix 1 – Asset Health Re-opener Network Asset Risk Metric (NARM) Allowances and Volumes..... | 25 |
| Appendix 2 – Plant & Equipment interventions by site during Riio-2. ... | 27 |

Executive summary

The National Transmission System (NTS) in Great Britain is owned and operated by National Gas Transmission (NGT). Economic regulation of the network follows the RIIO (Revenue = Incentives + Innovation + Outputs) price control framework. The current RIIO-T2 price control period will last five years from 1 April 2021 to 31 March 2026.

NGT's Special Condition (SpC) 3.14 Asset health Re-opener is an uncertainty mechanism to adjust NGT's allowances for asset health interventions related to the Valves, Compressor Cabs and Plant & Equipment project themes as defined in SpC 1.15, during the price control period.

In January 2024, NGT submitted an application requesting additional funding of £35.534m for asset health interventions during RIIO-T2. More detail is set out in Table 1 below.

Table 1: January 2024 Funding Request for licence terms and conditions (£m 2018 -19 prices)

| Project | AHt (SpC 3.14) | NARMAHOT (SpC 3.1) | NLAHOT (SpC 3.15) | Total |
|---------------------------------------|-------------------|-----------------------|----------------------|--------|
| Plant & Equipment** | | 36.584 | | 36.584 |
| Priority Protection Devices | | | 0.170 | 0.170 |
| Single Points of Failure | | | 0.380 | 0.380 |
| St Fergus – Compressor Cabs | | | -0.628 | -0.628 |
| Bacton – Plant & Equipment | | -2.239 | | -2.239 |
| Bacton – Fire Water Ring-main | | 1.267 | | 1.267 |
| Total | | 35.612 | -0.078 | 35.534 |

** January 2024 submission £45.778m but revised downwards In October 2024 by NGT to reflect revised volumes in period 1 April 2024 to 31 March 2026.

On 17 January 2025, we published our minded to position to provide additional funding of £33.110m. We received 1 confidential response to our consultation.

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

Having considered the evidence in the application and the single response to the consultation, we have now decided to provide total funding of £39.143m. This is an increase of £6.033m from our minded to position. This increase is a result of updated information provided by NGT in its response.

Table 2: Funding Decisions for licence terms and conditions (£m 2018 -19 prices)

| Project | AHt (SpC 3.14) | NARMAHt (SpC 3.1) | NLAHt (SpC 3.15) | Total |
|---------------------------------------|---------------------------|------------------------------|-----------------------------|--------------|
| Plant & Equipment | | 39.904 | | 39.904 |
| Priority Protection Devices | | | 0.169 | 0.169 |
| Single Points of Failure | | | 0.298 | 0.298 |
| St Fergus – Compressor Cabs | | | -0.628 | -0.628 |
| Bacton – Plant & Equipment | | -2.240 | | -2.240 |
| Bacton – Fire Water Ring-main | | 1.640 | | 1.640 |
| Total | | 39.304 | -0.161 | 39.143 |

The Direction giving effect to this decision has been published in a separate document alongside this decision.

1. Introduction

Overview of Asset Health Re-Opener mechanism

1.1. The NTS in Great Britain is owned and operated by NGT. Economic regulation of the network follows the RIIO (Revenue = Incentives + Innovation + Outputs) price control framework. The current RIIO-T2 price control period will last five years from 1 April 2021 to 31 March 2026. Prior to commencement of the price control period, we set out policy on the economic regulation of NGT during the period in [Final Determinations \(FDs\)](#). These policy decisions were given effect by new Special Conditions (SpCs) in Part C of the NGT gas transporter licence, which came into force on 1 April 2021.

1.2. In our RIIO-T2 FDs we introduced a Re-opener mechanism to adjust allowances for asset health interventions related to the Valves, Compressor Cabs and Plant & Equipment project themes, during the price control period. Allowances for asset health interventions related to the Civils, Electrical, Pipelines and Compressor project themes were not included in this uncertainty mechanism. SpC 3.14 Asset health Re-opener (as modified by [Statutory Notice](#) published on 8 May 2024) established this mechanism which permits the Authority to modify by direction:

- the value of the AH_t term (SpC 3.14 Asset health Re-opener).
- the value of the $NARMAHO_t$ term (SpC 3.1 Baseline Network Risk Outputs); and
- the value of the $NLAHO_t$ term as well as the outputs, delivery dates and allowances in the Asset Health Non-Lead Assets PCD Tables (SpC 3.15 Asset health non-lead assets Price Control Deliverable).

1.3. The Re-opener includes both:

- an ex-post true-up mechanism to adjust allowances for the period 1 April 2021 to 31 March 2024 set at FDs so they align with actual costs efficiently incurred
- an ex-ante mechanism to fund interventions during the period 1 April 2023 to 31 March 2026 not included in FDs.

1.4. On 1 August 2022, we issued a direction under SpC 3.14.5. This added two additional Re-opener application windows to the original single window. NGT may submit applications under SpC 3.14 during.

- January 2023,
- June 2023, and
- January 2024.

1.5. In January 2024 NGT submitted applications under SpC 3.14 Asset health Re-opener seeking increased allowances. Following consideration of the evidence presented in the application, we published our proposed funding decision for consultation on 17 January 2025. The consultation period closed on 21 February 2025, by which time we had received a single confidential response. In reaching our decision we have given due consideration to this response.

General feedback

1.6. We believe that consultation is at the heart of good policy development. We welcome any comments about this decision. We would also like to get your answers to these questions:

1. Do you have any comments about the overall quality of this document?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

1.7. Please send any general feedback comments to stakeholders@ofgem.gov.uk

2. Asset health Re-opener application January 2024

Section summary

This chapter summarises the Asset health Re-opener application submitted by NGT in January 2024 and our proposed funding decision.

Plant & Equipment

2.1. Funding of £36.584m was sought for Plant and Equipment theme interventions:

Interventions during the period 1 April 2021 to 31 March 2024

2.2. A reduction in funding of £39.036m was sought to align baseline funding with the actual cost of 460 interventions. The reduction in costs was caused by both reduced volumes and unit costs when compared to FDs. Table 3 below shows the funding request by year.

Table 3: Plant & Equipment Funding Request (1 April 2021 to 31 March 2024)
(Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|---------|
| Total Cost | | | | | | 29.491 |
| Baseline Funding | | | | | | 68.527 |
| Funding Request | | | | | | -39.036 |

Interventions during the period 1 April 2024 to 31 March 2026

2.3. Funding of £75.620m was sought to deliver 560 interventions. These have been identified utilising maintenance and defect data supplemented through the completion of individual asset condition surveys at individual sites on the NTS. Table 4 below shows the funding request by year.

*Table 4: Plant & Equipment Funding Request (1 April 2024 to 31 March 2026)
(Redacted)*

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|--------|
| Total Cost | | | | | | 75.620 |
| Baseline Funding | | | | | | |
| Funding Request | | | | | | 75.620 |

Primary Protection Devices

2.4. Retrospective funding of £0.170m was sought to install Pressure Protection Devices at 17 sites on the NTS to achieve compliance with relevant regulations. The option selection process and identification of the preferred option were subject to assessment by the Health and Safety Executive. Table 5 below shows the funding request by year.

Table 5: Primary Protection Devices Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|-------|
| Total Cost | | | | | | 0.170 |
| Baseline Funding | | | | | | |
| Funding Request | | | | | | 0.170 |

Single Points of Failure

2.5. Funding of £0.380m was sought to complete a feasibility assessment of alternative mitigations to address nine Single Points of Failure on the NTS. Table 6 below shows the funding request by year.

Table 6: Single Points of Failure Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|-------|
| Total Cost | | | | | | 0.380 |
| Baseline Funding | | | | | | |
| Funding Request | | | | | | 0.380 |

St Fergus - Compressor Cabs

2.6. A reduction in funding of £0.628m was sought to align baseline funding with the actual cost of delivering two projects during the period 1 April 2021 to 31 March 2024 and to provide funding to complete these projects during the period 1 April 2024 to 31 March 2026 where necessary. Tables 7 and 8 below show these funding requests by year.

Table 7: Fire Water Ring-main Replacement Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|--------|
| Total Cost | | | | | | 0.257 |
| Baseline Funding | | | | | | 0.885 |
| Funding Request | | | | | | -0.628 |

Table 8: Minor Remediation Works Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|-------|
| Total Cost | | | | | | 0.555 |
| Baseline Funding | | | | | | 0.555 |
| Funding Request | | | | | | 0.000 |

Bacton - Plant & Equipment

2.7. A reduction in funding of -£2.195m was sought to align baseline funding with the actual cost of delivering five projects during the period 1 April 2021 to 31 March 2024 and to provide funding to complete these projects during the period 1 April 2024 to 31 March 2026 where necessary. Tables 9 and 13 below show these funding requests by year.

Table 9: Cathodic Protection Investigations & Rectification Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------------|---------|---------|---------|---------|---------|--------|
| Total Cost | | | | | | |
| Baseline Funding | | | | | | 1.219 |
| Funding Request | | | | | | -1.219 |

Table 10: Replacement of Failed Isolation Joints on AGIs Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------------|---------|---------|---------|---------|---------|--------|
| Total Cost | | | | | | |
| Baseline Funding | | | | | | 0.972 |
| Funding Request | | | | | | -0.972 |

Table 11: AGI Pipework Painting (Full, Partial and Patch) Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------------|---------|---------|---------|---------|---------|-------|
| Total Cost | | | | | | 0.269 |
| Baseline Funding | | | | | | 0.269 |
| Funding Request | | | | | | 0.000 |

Table 12: Filters PSSR Inspections & Major Overhauls Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------------|---------|---------|---------|---------|---------|-------|
| Total Cost | | | | | | 0.106 |
| Baseline Funding | | | | | | 0.099 |
| Funding Request | | | | | | 0.007 |

Table 13: Preheater PSSR Revalidation WBH Inspection & Major Refurbishment Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|--------|
| Total Cost | | | | | | |
| Baseline Funding | | | | | | 0.056 |
| Funding Request | | | | | | -0.056 |

Bacton – Fire Water Ring-main Replacement

2.8. Funding of £1.267m was being sought to align baseline funding with the actual cost of delivering two projects during the period 1 April 2021 to 31 March 2024 and to provide the funding necessary to complete these projects during the period 1 April 2024 to 31 March 2026. Table 14 below shows the funding request by year.

Table 14: Fire Water Ring-main Replacement Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|-------|
| Total Cost | | | | | | 2.134 |
| Baseline Funding | | | | | | 0.867 |
| Funding Request | | | | | | 1.267 |

Our Proposed Funding Decision

2.9. On 17 January 2025 we published a consultation setting out our assessment of the evidence presented in the January 2024 Asset health Re-opener application. We proposed modification by direction to the value of the relevant licence terms (AHT, NARMAHOT and NLAHOT) as set out in Table 15 below. More detail on each of these terms is provided in paragraph 1.2 above.

2.10. We proposed reduced funding for the following projects

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

- Plant & Equipment
- Single Points of Failure

2.11. The consultation period closed on 21 February 2025, with one confidential response having been received.

Table 15: Proposed Funding Decisions (£m 2018 -19 prices)

| Project | AHt (SpC 3.14) | NARMAHt (SpC 3.1) | NLAHt (SpC 3.15) | Total |
|---------------------------------------|---------------------------|------------------------------|-----------------------------|--------------|
| Plant & Equipment | | 34.264 | | 34.264 |
| Priority Protection Devices | | | 0.170 | 0.170 |
| Single Points of Failure | | | 0.277 | 0.277 |
| St Fergus – Compressor Cabs | | | -0.628 | -0.628 |
| Bacton – Plant & Equipment | | -2.240 | | -2.240 |
| Bacton – Fire Water Ring main | | 1.267 | | 1.267 |
| Total | | 33.291 | -0.181 | 33.110 |

3. Summary of responses and our view

Section summary

This section contains a summary of the responses we received and our views on the various issues raised.

Responses to specific questions

Question 4.1: Do respondents agree with our minded-to position on funding for the January 2024 Asset health Re-opener application?

3.1. The single respondent (NGT) highlighted adjustments to the original funding request that they believed should be reflected in the final funding decision. These adjustments are set out below.

Plant & Equipment interventions during the period 1 April 2021 to 31 March 2024

3.2. The volume and cost of interventions delivered during the period 1 April 2023 to 31 March 2024 has been amended to reflect actual performance as reported in the Regulatory Reporting Pack submitted in July 2024. Table 16 below provides a comparison between the data used in reaching our minded to decision and actual performance as reported by NGT.

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

*Table 16: Analysis of Variance between Actual Performance and January 2024
Submission for the Period 1 April 2023 to 31 March 2024 (Redacted)*

| UID | Description | Actual Cost | Actual Volume | Original Submission Cost | Original Submission Volume |
|------------------|---|----------------|------------------|--------------------------------|----------------------------------|
| | | | | | |
| Sub-total | Pipework/Cladding/Cathodic Protection | 20.246 | 177 | 16.887 | 220 |
| | | | | | |
| Sub-total | Filter / Scrubbers / Preheaters | 1.075 | 31 | 4.144 | 85 |
| | | | | | |
| Sub-total | Pressure Reduction/Flow Control/Slamshut | 0.141 | 15 | 0.246 | 24 |
| Total | Plant & Equipment | 21.462 | 223 | 21.276 | 329 |

Our View

3.3. We will reflect this update in our final funding decision. While the volume of interventions delivered has decreased total cost has increased slightly representing an

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

increase in unit costs. The largest impact is observed in the case of resolving pipeline corrosion CM/4 defects.

3.4. A full list of interventions by site is provided in Appendix 2

Plant & Equipment interventions during the period 1 April 2024 to 31 March 2026

3.5. The volume and cost of interventions have been updated to align with the final outage plan for the period and to optimise site availability, access, supply chain and NGT resources. Table 17 below provides a comparison between the data used in reaching our minded to decision and the updated funding request.

Table 17: Analysis of Variance between Updated and January 2024 Submission for the Period 1 April 2024 to 31 March 2026 (Redacted)

| UID | Description | Updated Cost | Updated Volume | Original Submission Cost | Original Submission Volume |
|-----------|---------------------------------------|--------------|----------------|--------------------------|----------------------------|
| | | | | | |
| Sub-total | Pipework/Cladding/Cathodic Protection | 62.915 | 476 | 58.998 | 489 |
| | | | | | |
| Sub-total | Filter / Scrubbers / Preheaters | 14.095 | 125 | 13.120 | 57 |
| | | | | | |

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

| | | | | | |
|------------------|---|--------|-----|--------|-----|
| | | | | | |
| Sub-total | Pressure Reduction/Flow Control/Slamshut | 1.744 | 23 | 3.502 | 14 |
| Total | Plant & Equipment | 78.754 | 624 | 75.620 | 560 |

Our View

3.6. We will reflect this update in our final funding decision. Our analysis indicates that updated costs align with updated volumes and that when interventions have been moved from year three the original cost estimate have been applied, for example Flow Control Valve – Upgrade.

3.7. We note that the updated data supplied by NGT indicates a total expenditure of £108.431m over the price control period. At FDs we provided funding of £68.527m for interventions under the various UIDs listed in Tables 16 and 17 above during the first three years of the period. Actual expenditure during this period was £29.677m. Delivery of the full program set out in Table 17 will require a significant uplift in expenditure and liquidation of interventions in the final two years of the price control period. As stated in our minded to decision an appropriate delivery review process has been followed. As a result, we are satisfied that the 624 interventions identified can be liquidated during the period. In making this assessment we note that these interventions set out in Table 17 above will be included in the Network Asset Risk Metric (NARM). At RIIO-T2 closeout the NARM Funding Adjustment and Penalty Mechanism will hold network companies to account for their NARM delivery during RIIO-2.

3.8. A full list of interventions by site is provided in Appendix 2

Primary Protection Devices

3.9. A small number of the planned interventions have been moved from year three into year four, with a small reduction in overall volume. The impact of these changes on the original funding request are set out in Table 18 Below.

Table 18: Primary Protection Devices Updated Funding Request (Redacted)

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|------------------------|---------|---------|---------|---------|---------|-------|
| Funding Request | | | | | | 0.170 |
| Updated Request | | | | | | 0.169 |

Our View

3.10. We will reflect this update in our final funding decision.

Single Points of Failure

3.11. An additional £0.021m is sought to complete the feasibility study. Following discussion with the Department of Energy Security and Net Zero (DESNZ) the number of Single Points of Failure has increased from nine to eleven. In addition, NGT requested that funding for this output be shifted from year three to year four of the Price Control Period.

Our View

3.12. We will reflect this update in our final funding decision.

Bacton – Fire Water Ring-main Replacement

3.13. Clarification the existing Fire Water Ring Main will be left in situ due to accessibility challenges and disproportionate costs and safety risks to remove. The new replacement Fire Water Ring Main will pick up the full duty required for Bacton Gas Terminal and ensure the safety case is met.

3.14. An additional £0.373m is sought to complete the replacement project. This reflects an error in the original funding request that came to light during the preparation of the NGT consultation response. The impact of these changes on the original funding request are set out in Table 19 Below.

*Table 19: Bacton – Fire Water Ring-main Replacement Updated Funding Request
(Redacted)*

| £m 2018-19 prices | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-------------------|---------|---------|---------|---------|---------|-------|
| Funding Request | | | | | | 1.267 |
| Updated Request | | | | | | 1.640 |

Our View

3.15. We are content that this clarification will not affect our final funding decision.

3.16. We will reflect the updated funding request in our final funding decision.

Contingency - Plant & Equipment

3.17. The single respondent (NGT) challenged our proposal to reduce from 7.4% to 5.0% the contingency component of cost estimates for interventions due to be delivered during the period 1 April 2024 to 31 March 2026. Additional evidence was presented in support of the inclusion of all the identified risks in the P50 analysis.

Our View

3.18. Having reviewed the evidence presented we continue to believe that 5.0% represents an appropriate level of contingency. We continue to believe that the risks highlighted in our consultation should be excluded from the P50 analysis. They are either properly within the control of NGT or are already borne by consumers through other uncertainty mechanisms. This is in the context of the level of risk borne by consumers through the Totex Incentive Mechanism (TIM) and indexation.

3.19. As the updated data set out in Table 17 above includes draft final cost information from the period 1 April 2024 to 31 March 2025 a risk and contingency allowance will only be provided for the final year of the price control period 1 April 2025 to 31 March 202.

3.20. These decisions have been reflected in the updated funding request set out in Table 17 above.

Question 5.1: Do respondents agree with our proposed draft direction?

3.21. No responses received.

Our View

3.22. We will amend the value of the relevant licence terms in the direction to reflect our final determination of the appropriate level of funding as set out in Chapter 4 below.

4. Conclusion

Our decision

4.1. In accordance with SpC 3.14.4 and 3.14.9, we have decided to modify by direction the value of the relevant licence terms as set out in Tables 20 and 21 below.

4.2. In reaching our decision we have assessed the evidence presented in the January 2024 Re-opener application. Our assessment was set out in our Consultation published on 17 January 2025. We have also taken account of the single confidential consultation response received from NGT in reaching our decision.

4.3. SpC 3.14 permits the Authority to modify by direction the outputs, delivery dates and allowances set out in the Asset Health Non-Lead Assets PCD Tables. At FDs, these PCD Tables remained confidential between us and NGT. We have decided to maintain this confidence. The Direction has been published in a separate document alongside this decision.

Table 20: January 2024 Asset Health d Adjustments (Redacted)

| £m 2018-19 prices | Licence Term | UID Code | 2021- 22 | 2022- 23 | 2023- 24 | 2024- 25 | 2025- 26 | Total |
|-------------------|-----------------|----------|-------------|-------------|-------------|-------------|-------------|--------|
| Plant & Equipment | NARMAHOT | | | | | | | -2.775 |
| Plant & Equipment | NARMAHOT | | | | | | | 0.443 |
| Plant & Equipment | NARMAHOT | | | | | | | 3.747 |
| Plant & Equipment | NARMAHOT | | | | | | | 24.606 |
| Plant & Equipment | NARMAHOT | | | | | | | 0.257 |
| Plant & Equipment | NARMAHOT | | | | | | | 6.467 |
| Plant & Equipment | NARMAHOT | | | | | | | 3.359 |
| Plant & Equipment | NARMAHOT | | | | | | | -0.449 |
| Plant & Equipment | NARMAHOT | | | | | | | -0.440 |
| Plant & Equipment | NARMAHOT | | | | | | | -3.393 |
| Plant & Equipment | NARMAHOT | | | | | | | 0.126 |
| Plant & Equipment | NARMAHOT | | | | | | | 0.571 |
| Plant & Equipment | NARMAHOT | | | | | | | 0.178 |
| Plant & Equipment | NARMAHOT | | | | | | | 0.544 |
| Plant & Equipment | NARMAHOT | | | | | | | -0.080 |

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

| | | | | | | | |
|---|----------|---------|---------|--------|--------|--------|--------|
| Plant & Equipment | NARMAHOT | | | | | | 2.754 |
| Plant & Equipment | NARMAHOT | | | | | | 3.211 |
| Plant & Equipment | NARMAHOT | | | | | | -0.161 |
| Plant & Equipment | NARMAHOT | | | | | | 0.072 |
| Plant & Equipment | NARMAHOT | | | | | | -0.618 |
| Plant & Equipment | NARMAHOT | | | | | | 1.582 |
| Plant & Equipment | NARMAHOT | | | | | | -0.069 |
| Plant & Equipment | NARMAHOT | | | | | | -0.026 |
| Total Plant & Equipment | | -11.392 | -20.056 | -7.402 | 27.378 | 51.375 | 39.904 |
| Priority Protection Device | NLAHOT | | | | | | 0.026 |
| Priority Protection Device | NLAHOT | | | | | | 0.118 |
| Priority Protection Device | NLAHOT | | | | | | 0.025 |
| Total Priority Protection Device | | | | 0.147 | 0.022 | | 0.169 |
| Single Points of Failure | NLAHOT | | | | | | 0.298 |
| St Fergus Fire Water Ring-main | NLAHOT | | | | | | -0.628 |
| St Fergus Minor Remediations | NLAHOT | | | | | | 0.000 |
| Total St Fergus Compressor Cabs | | -0.582 | -0.538 | -0.118 | 0.348 | 0.263 | -0.628 |
| Bacton Cathodic Protection Investigations | NARMAHOT | | | | | | -1.219 |
| Bacton Replacement of Failed Isolation Joints | NARMAHOT | | | | | | -0.972 |
| Bacton AGI Pipework Painting | NARMAHOT | | | | | | 0.000 |
| Bacton Filters PSSR Investigations & Major Overhauls | NARMAHOT | | | | | | 0.007 |
| Bacton Preheater PSSR Revalidation WBH Inspection & Major Refurbishment | NARMAHOT | | | | | | -0.056 |
| Total Bacton Plant & Equipment | | -0.223 | -1.235 | -1.004 | 0.043 | 0.180 | -2.240 |
| Bacton Fire Water Ring-main Replacemen | NARMAHOT | | | | | | 1.640 |

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

Table 21: Modification by Direction to Licence Terms £m 2018-19 prices

| Licence Term | Special Condition | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-----------------|----------------------|---------|---------|---------|---------|---------|--------|
| NLAH0t | 3.15 | -0.582 | -0.538 | 0.029 | 0.668 | 0.263 | -0.161 |
| NARMAH0t | 3.1 | -11.689 | -21.728 | -8.656 | 27.991 | 53.386 | 39.304 |
| AHt | 3.14 | | | | | | |
| Total | | -12.271 | -22.266 | -8.627 | 28.660 | 53.649 | 39.143 |

4.4. Taken together with our decision on the January 2023 and June 2023 Re-opener applications the total effect on the value of the relevant licence terms is set out in Table 22 below.

Table 22: Final Value of Relevant Licence Terms £m 2018-19 prices

| Licence Term | Special Condition | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Total |
|-----------------|----------------------|---------|---------|---------|---------|---------|---------|
| NLAH0t | 3.15 | 8.314 | 9.787 | 6.555 | 36.040 | 13.301 | 73.997 |
| NARMAH0t | 3.1 | 0.775 | -10.334 | -2.618 | 33.529 | 59.487 | 80.838 |
| AHt | 3.14 | | | 0.102 | 4.008 | 2.417 | 6.527 |
| Total | | 9.089 | -0.547 | 4.040 | 73.577 | 75.205 | 161.362 |

4.5. Now that all three Asset health Re-opener applications (January 2023, June 2023, and January 2024) have been assessed and determinations made we will proceed to update the Network Asset Risk Metric (NARM) Price Control Deliverable using the data set out in Appendix 1.

Appendix 1 – Asset Health Re-opener Network Asset Risk Metric (NARM) Allowances and Volumes

Table 23 below sets out the final volumes and allowances for those Network Asset Risk Metric UIDs subject to the January 2023, June 2023 and January 2024 re-opener submissions by NGT. The revised data will be used to update the Network Asset Risk Metric (NARM) Price Control Deliverable.

Table 23: Final RIIO-2 NARM Outputs and Allowances £m 2018-19 prices (Redacted)

| UID | Intervention Type | Output Volume | Baseline Allowance NARMA _t | Re-opener Modification NARMAH _{0t} | RIIO-2 Allowances |
|-----|-------------------|---------------|---------------------------------------|---|-------------------|
| | | | | | 17.933 |
| | | | | | 3.182 |
| | | | | | 1.117 |
| | | | | | 11.579 |
| | | | | | 10.434 |
| | | | | | 2.507 |
| | | | | | |
| | | | | | |
| | | | | | 0.269 |
| | | | | | 0.106 |
| | | | | | |
| | | | | | 0.497 |
| | | | | | 14.423 |
| | | | | | 47.388 |
| | | | | | 1.184 |
| | | | | | 13.197 |
| | | | | | 10.554 |
| | | | | | 3.317 |
| | | | | | 1.205 |
| | | | | | 0.088 |
| | | | | | 1.177 |
| | | | | | 1.262 |
| | | | | | 0.228 |

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

| | | | | |
|--------------|--|--|---------------|---------|
| | | | | 2.404 |
| | | | | 0.197 |
| | | | | 5.606 |
| | | | | 3.819 |
| | | | | 0.046 |
| | | | | 0.221 |
| | | | | 0.032 |
| | | | | 1.582 |
| | | | | |
| | | | | 0.004 |
| Total | | | 74.718 80.840 | 155.558 |

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

[illegible]

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

[illegible]

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

[illegible]

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

| Site Name | | | | | |
|--------------|--|--|--|--|--|
| A22.12.1.1 | | | | | |
| A22.12.1.2 | | | | | |
| A22.12.1.3 | | | | | |
| A22.12.1.4 | | | | | |
| A22.12.1.5 | | | | | |
| A22.12.1.6 | | | | | |
| A22.12.2.1 | | | | | |
| A22.12.2.2 | | | | | |
| A22.12.2.3 | | | | | |
| A22.12.2.4 | | | | | |
| A22.12.2.5 | | | | | |
| A22.12.2.6 | | | | | |
| A22.12.2.7 | | | | | |
| A22.12.3.1 | | | | | |
| A22.12.3.2 | | | | | |
| A22.12.3.3 | | | | | |
| A22.12.3.4 | | | | | |
| A22.12.3.5 | | | | | |
| A22.12.3.6 | | | | | |
| A22.12.3.8 | | | | | |
| A22.22.5.3 | | | | | |
| Total Volume | | | | | |

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

[illegible]

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

[illegible]

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024)

[illegible]

Decision –Asset health Re-opener Applications Submitted by National Gas Transmission
(January 2024)

| Site Name | A22.12.1.1 | A22.12.1.2 | A22.12.1.3 | A22.12.1.4 | A22.12.1.5 | A22.12.1.6 | A22.12.2.1 | A22.12.2.2 | A22.12.2.3 | A22.12.2.4 | A22.12.2.5 | A22.12.2.6 | A22.12.2.7 | A22.12.3.1 | A22.12.3.2 | A22.12.3.3 | A22.12.3.4 | A22.12.3.5 | A22.12.3.6 | A22.12.3.8 | A22.22.5.3 | Total Volume |
|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| | | | | | | | | | | | | | | | | | | | | | | |
| Total | 217 | 371 | 10 | 40 | 73 | 30 | 71 | 1 | 16 | 2 | 11 | 58 | 1 | 26 | 8 | 1 | 23 | 1 | 11 | 2 | 5 | 978 |