

To: National Gas Transmission Plc ('NGT')

6 June 2025

Direction issued by the Gas and Electricity Markets Authority ("the Authority") under Special Condition ("SpC") 3.14.4 and 3.14.9 of the Gas Transporter Licence ("the Licence") held by National Gas Transmission plc to modify the value of licence terms $NARMAHO_t$, $NLAHO_t$ and AH_t , as well as the outputs, delivery dates and allowances in the Asset health Non-Lead Assets PCD tables.

1. The licensee is the holder of a Licence granted or treated as granted under section 7 of the Gas Act 1986.
2. SpC 3.14.4 (Asset health Re-opener AHT) of the Licence provides a mechanism, by which the Licensee may apply for a direction.
 - a) adjusting the value of the AH_t term.
 - b) adjusting the value of the $NARMAHO_t$ term
 - c) adjusting the value of the $NLAHO_t$ term; or
 - d) amending the outputs, delivery dates and allowances in the Asset Health Non-Lead Assets PCD Tables

where it is seeking allowances for work relating to Valves, Compressor Cabs or Plant and Equipment during the period between 1 April 2023 and 31 March 2026.

3. SpC 3.14.9 (Asset health Re-opener AHT) of the Licence provides a mechanism, by which the Authority may direct.
 - a) An adjustment to the value of the AH_t term.
 - b) An adjustment to the value of the $NARMAHO_t$ term
 - c) An adjustment to the value of the $NLAHO_t$ term
 - d) An adjustment to the outputs, delivery dates and allowances in the Asset Health Non-Lead Assets PCD Tables

to reflect actual efficient costs and work volumes relating to Valves, Compressor Cabs or Plant and Equipment during the period between 1 April 2021 and 31 March 2024.

4. On 31 January 2024, the Licensee submitted Asset health Re-opener applications under SpC 3.14.4 and 3.14.9, which complied with the requirements of SpC 9.4 Re-opener Guidance and Application Requirements Document.

Asset health Re-opener Direction

5. The Authority hereby issues a direction under SpC 3.14.4 and 3.14.9 to:
- a) An adjustment to the value of AH_t as specified in Table 1 in paragraph 7.
 - b) An adjustment to the value of $NARMAHO_t$ as specified in Table 1 in paragraph 7.
 - c) An adjustment to the value of $NLAHO_t$ as specified in Table 1 in paragraph 7.
 - d) Modify the outputs, delivery dates and allowances in the Asset Health Non-Lead Assets PCD Tables in the manner set out in Asset health Re-opener Applications Submitted by National Gas Transmission (January 2024); and
 - e) An amendment to the text in Appendix 2 to SpC 3.15 as provided for in paragraph 8.
6. Further details of the reasons for and effect of this direction and the modifications listed in paragraph 5 can be found in our decision document published alongside this direction on 6 June 2025.
7. This direction will amend the value of the relevant licence terms as set out in Table 1 below.

Table 1: Modification to Licence Terms £m 2018-19 prices

Licence Term	Special Condition	2021-22	2022-23	2023-24	2024-25	2025-26	Total
NLAHO _t	3.15	-0.582	-0.538	0.029	0.668	0.263	-0.161
NARMAHO _t	3.1	-11.689	-21.728	-8.656	27.991	53.386	39.304
AH _t	3.14						

8. Further, this direction will amend Appendix 2 to SpC 3.15 of the licensee's licence as follows:

Appendix 2

Title and publication date of document containing the Asset Health – Non-Lead Assets PCD Tables

Title	Publication Date
RIIO- GT2 Asset Health Non-Lead Assets PCD Tables	6 June 2025

9. This direction will take effect immediately.
10. If you have any questions in relation to this direction, please contact:
graham.craig@ofgem.gov.uk

Yours sincerely,

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Thomas Johns
Deputy Director
Duly authorized on behalf of the
Gas and Electricity Markets Authority