

Reference: Re-opener Draft Determinations: NGT Project Union FEED Studies

Date : 30th September 2025

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Ofgem: Price Control Operations – Small & Medium Sized Projects Team

By Email: allan.rankine@ofgem.gov.uk

Dear Allan,

I am writing in response to Ofgem's RIIO-2 NZASP Re-opener Draft Determinations: NGT Project Union St. Fergus to Teesside and North West Hydrogen Network FEED Studies, published on the 29th August 2025.

We are very supportive of the positive decision to provide funding for the NGT Project Union St. Fergus to Teesside and North West Hydrogen Network FEED Studies. This decision will enable the development of vital hydrogen projects across the country and assist the UK in meeting its net zero goals.

We have included our responses to the specific questions within the consultation document in the Annex below.

Yours sincerely

A handwritten signature in blue ink that reads "S. Easterbrook".

Stuart Easterbrook
Head of Net Zero Energy Frameworks, Cadent



Annex – Cadent’s response to the consultation questions

Q1: Do you agree with our assessment of the Needs Cases for the PU: North West and PU: St. Fergus to Teesside projects?

We strongly support the furthering of hydrogen infrastructure and projects as we anticipate them playing a crucial role for future customers in providing a low-cost, resilient and practicable option to support the transition to net zero and are therefore pleased that NGT is receiving funding to further investigate the potential for repurposing assets.

However, we would welcome further clarity on how the needs case for a core network was reached and how it aligns with NESO’s strategic plans. This clarity would enable us and others to understand any read across to other developing plans.

Our understanding was that regional projects were DESNZ’s primary initial focus, and without any SSEP/NESO longer term planning at this stage, we would be grateful for further clarity on how this supports the current priorities.

Q2: Do you agree with our proposed approach to protect consumer value by standardising our approach to funding in some areas?

We would like to understand the rationale to socialising costs across all gas consumers nationally when the work is entirely in the North. Cadent’s East Coast FEED studies are being funded by consumers in the region they benefit, and we would suggest that there should be a consistent approach. This could be achieved through the NTS charging methodology recovering these costs regionally. Alternatively, and we believe a better approach as it avoids discrimination and penalising first movers, would be to recover all such FEED costs on a national basis.

Q3: Do you agree with our proposal to approve funding for the PU: North West project under the NZASP re-opener mechanism at the proposed value?

We agree with the proposal.

Q4: Do you agree with our proposal to approve funding for the PU: St. Fergus to Teesside project under the NZASP re-opener mechanism at the proposed value?

We agree with the proposal.

Q5: Do you agree with our proposed deliverables for PU: North West and PU: St Fergus to Teesside?

We agree with the deliverable as proposed.

Q6: Do you agree with our draft directions for NGT PU: North West and PU: St Fergus to Teesside?

We support the directions.

Cadent Gas Limited

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