



No.	Licence Condition	Comment from	Reference (Part X, Para Y)	Comment	Suggested alternative drafting (if necessary)
	SpC 1.1	Northern Gas Networks	Part B, Defined term "Biomethane Connection"	The definition notes that this is connection of a biomethane plane onto the NTS, however, we consider that this should also include GDNs.	
	SpC 1.1	Northern Gas Networks	Part B, Defined term - "Cyber Resilience Baseline Allowances Table"	"Cyber Resilience Allowances Table" is quoted within SpC 3.2.4 but is not included as a defined term.	
	SpC 1.1	Northern Gas Networks	Part B, Defined term - "Cyber Resilience Baseline Allowances Table"	"Cyber Resilience Re-opener Allowances Table" is quoted within SpC 3.2.5 but is not included as a defined term.	
	SpC 1.1	Northern Gas Networks	Part B, Defined term "Digital Platform for Leakage Analytics"	We would suggest that this definition is expanded to explain that this is a digital system for the identification, monitoring and reporting of leakage and shrinkage as the current definition does not clearly state the purpose of the DPLA. It would also be helpful to mention that this is proposed as a long term replacement for the Shrinkage and Leakage Model. Including Cadent and Guidehouse in the definition creates a contractual obligation to continue with these partners.	"DPLA refers to a Digital Platform for Leakage Assessment (sometimes described as a digital system for the identification, monitoring, and reporting of leakage and shrinkage). It is proposed as a long-term replacement for the Shrinkage and Leakage Model (SLM). The platform leverages advanced leak detection technologies and probabilistic modelling to provide reporting of gas shrinkage and leakage across networks."
	SpC 1.1	Northern Gas Networks	Part B, Defined term "Fully Delivered"	There is a minor typo in this definitions where the word "fully" should be amended to "full".	"means where the output specified in the relevant licence condition has been delivered to the <b>full</b> specification on or before the delivery date specified in that licence condition."
	SpC 1.1	Northern Gas Networks	Part B, Defined term "Fully Delivered With An Alternative Specification"	The definition of this term has been amended with "Consumer Outcome" amended to "competition Outcome". It is unclear whether "competition Outcome" should be a defined term given the word "competition" has not been capitalised. Competition Outcome is not currently a defined term and we consider that it should be in order to avoid ambiguity. The amendment to this defined term also introduces an inconsistency with the defined term "Partially Delivered With Alternative Specification" which still refers to "Consumer Outcome". We therefore consider that both of these terms should make reference to the same Outcome.	
	SpC 1.1	Northern Gas Networks	Part B, Defined term "General Reinforcement"	We consider that entry reinforcement should be introduced as its own category of reinforcement. We would therefore suggest that the references to entry reinforcement are removed from this definition of General Reinforcement and properly defined within its own category.	
		Northern Gas Networks	Part B, Defined term "Local Area Plan"	This definition states that the plan is developed "through which a range of stakeholders including the other Network Licensees and local authorities <b>agree on</b> the optimal long-term energy solutions for an area;" We do not agree that this is an accurate definition since local authorities own and develop their own Local Area Energy Plans, with which we do not necessarily provide express agreement. This definition should be updated accordingly.	Local Area Energy Plan means a plan owned by the local authority that has been developed in the context of achieving net zero and on which a range of stakeholders including Network Licensees have been invited to comment.
	SpC 1.1	Northern Gas Networks	Part B, Defined term "Materiality Threshold"	Figures should be reviewed and updated as needed, based on the final ex-ante base revenue recalculated following the Erratum process	
	SpC 2.1	Northern Gas Networks	Paragraph 2.1.3	Given the requirement to ensure that Recovered Revenue has been changed from 'must not exceed' to a definitive 'equals' Allowed Revenue; we consider that the endeavours obligation to meet this should be amended to a reasonable endeavours obligation, rather than best endeavours. Especially given the introduction of a reasonable endeavours obligation in paragraph 2.1.21. Please see below.	

	SpC 2.1	Northern Gas Networks	Paragraph 2.1.9	We have raised our concerns over pass through costs forming part of the forecasting penalty on several occasions previously. We still do not agree that pass through costs are appropriate to include in the forecasting penalty calculation.	
	SpC 2.1	Northern Gas Networks	Paragraph 2.1.9	The formula set out in paragraph 2.1.9 introduces a new term for RIIO-3 called RPA <sub>t</sub> . This has been defined as <i>"the revenue profiling adjustment, has the value set out in the "Revenue" sheet of the GD3 Price Control Financial Model and may be adjusted by the licensee with agreement from the Authority."</i> The RPA <sub>t</sub> term did not exist during RIIO-2 and was not consulted on as part of the RIIO-2 Draft Determinations process. The lack of consultation, combined with the absence of a defined calculation methodology is a concern and limits our ability to comment at this stage.	
	SpC 2.1	Northern Gas Networks	Paragraph 2.1.18	There are several possible instances where differences between the forecast and trued-up BRT values may have been driven by Ofgem's decisions – or the absence of them – such as changes to the NTS charging methodology, delayed decisions on or retrospective adjustments to PCDs or Re-opener values, or extraordinary costs directed by Ofgem (e.g. SOLR, DRS). We therefore suggest the inclusion of wording to capture this.	<i>""For the avoidance of doubt, differences between the values of BRT and BR*t that are due to the effect of inflation <b>and/or cost or policy decisions driven by Ofgem</b> will be disregarded for the purposes of the penalty."</i>
	SpC 2.1	Northern Gas Networks	Paragraph 2.1.21	This paragraph introduces an obligation on the Authority <i>"...the Authority will use reasonable endeavours to issue a direction under..."</i> There has been significant discussion in the past regarding the use of best endeavours vs reasonable endeavours throughout the licence. The introduction of a reasonable endeavours obligation on the Authority, whilst other obligations placed upon licensees are being amended to best endeavours (such as paragraph 2.1.3) creates inconsistency. We consider that the use of reasonable endeavours is more proportionate.	
	SpC 2.1	Northern Gas Networks	Paragraph 2.1.22(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 2.2	Northern Gas Networks	Paragraph 2.2.7(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 2.3	Northern Gas Networks	Paragraph 2.3.7, Definition of RTNR	This definition references paragraph 2.3.8.7, which appears to be a typo that should state 2.3.7	
	SpC 2.3	Northern Gas Networks	Paragraph 2.3.10(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.1	Northern Gas Networks	Paragraph 3.1.8(a)	There is a typo in the referencing in this paragraph which references paragraph 9.2.132 of Special Condition 9.2.	

	SpC 3.1	Northern Gas Networks	Paragraph 3.1.10(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.1	Northern Gas Networks	Appendix 1	Appendix 1 sets out the Cumulative total of Baseline Network Risk Outputs (R£m*) and Baseline Allowed NARM Expenditure (NARMt) for delivering Baseline Network Risk Outputs (£m). Engagement on the appropriate output levels is continuing, meaning the figures included in the RIIO-3 licence condition presently are provisional only, with final figures expected in May 2026 at the earliest. We consider that this needs reflecting in the drafting. There is a need to engage with networks on allowance disaggregation post-erratum to ensure the correct allowances have been allocated to NARM and to ensure the risk figures are fully reflective of FD.	
	SpC 3.1	Northern Gas Networks	Paragraph 3.1.17(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 3.1	Northern Gas Networks	Paragraph 3.1.23(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 3.2	Northern Gas Networks	Paragraph 3.2.4	"Cyber Resilience Allowances Table" is not a defined term in SpC 1.1	
	SpC 3.2	Northern Gas Networks	Paragraph 3.2.5	"Cyber Resilience Re-opener Allowances Table" is not a defined term in SpC 1.1	
	SpC 3.2	Northern Gas Networks	Paragraphs 3.2.4, 3.2.5 and 3.2.6	The formulae set out in these paragraphs appear to suggest that the allowances can only be reduced. To allow for allowances to be increased also, which is particularly important for the re-openers, the formula should allow for both + or -, rather than only -.	
	SpC 3.2	Northern Gas Networks	Paragraph 3.2.14 and 3.2.16	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.2	Northern Gas Networks	Paragraph 3.2.26(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.3	Northern Gas Networks	Paragraph 3.3.10, 3.3.11 and 3.3.18	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	

	SpC 3.3	Northern Gas Networks	Paragraph 3.3.13(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 3.4	Northern Gas Networks	Paragraph 3.4.4	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.4	Northern Gas Networks	Paragraphs 3.4.13(c), 3.4.14(c) and 3.4.15(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.5	Northern Gas Networks	Paragraph 3.5.9(c), 3.5.10(d) and 3.5.12(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.5	Northern Gas Networks	3.5.13, Appendix 1	Allowance values should be reviewed and updated as needed, based on the final allowance calculations following the Erratum process.	
	SpC 3.6	Northern Gas Networks	Paragraph 3.6.6	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.6	Northern Gas Networks	Paragraph 3.6.11(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.7	Northern Gas Networks	Paragraph 3.7.8	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.7	Northern Gas Networks	Paragraph 3.7.11(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.8	Northern Gas Networks	N/A	We would like to note our disagreement with the changes proposed at Draft Determinations, and retained at Final Determinations, for the Coordinated Adjustment Mechanism (CAM). Our response to Question 14 of the Overview Document contains our comments on the proposed changes	



	SpC 3.8	Northern Gas Networks	Paragraph 3.8.6	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.8	Northern Gas Networks	Paragraph 3.8.9(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.9	Northern Gas Networks	3.9.4	Allowance values / unit costs do not match latest PCFM and should be reviewed and updated as needed, based on the final allowance calculations post-erratum process.	
	SpC 3.10	Northern Gas Networks	Appendices 2 & 3	Allowance values / unit rates should be reviewed and updated as needed, based on final allowance calculations post-erratum process. There is a need to engage with networks on allowance disaggregation post-erratum to ensure the correct allowances have been allocated to Tier 1 relative to other areas.	
	SpC 3.11	Northern Gas Networks	Appendices 2 & 3	Allowance values / unit rates should be reviewed and updated as needed, based on final allowance calculations post-erratum process. There is a need to engage with networks on allowance disaggregation post-erratum to ensure the correct allowances have been allocated to Tier 1 relative to other areas.	
	SpC 3.12	Northern Gas Networks	Appendix 1	There is significant uncertainty to Tier 2a workload due to ongoing discussions with the HSE. We request confirmation that this volume driver is uncapped, which is how this reads in the drafting, as is the position NGN supports. Allowance values / unit rates should be should be reviewed and updated as needed, based on final allowance calculations post-erratum process. There is a need to engage with networks on allowance disaggregation post-erratum to ensure the correct allowances have been allocated to Tier 1 relative to other areas.	
	SpC 3.13	Northern Gas Networks	Paragraph 3.13.2 (and subsequent references to Repex only)	We remain concerned with the drafting of this paragraph and subsequent references to Repex only, which confines the scope of this Re-opener to Repex costs only. The updated drafting in this paragraph has limited the scope of this condition compared to RIIO-2. NGN consider this should be kept sufficiently broad to cover all areas of Totex impacted by HSE policy given their broad remit and power to implement changes across areas under Capex and Opex too. The current drafting risks networks becoming exposed to significant unfunded new obligations in RIIO-3 with no opportunity to for Ofgem to assess them. Legacy Gas Safety Disconnections are a capex rather than replacement work and so the condition should be expanded to all totex.	
	SpC 3.13	Northern Gas Networks	Paragraph 3.13.2 (and subsequent references to Repex only)	The reopener window needs to be aligned with the submission of the Business plan, and not the start of the RIIO3 period, as there have been changes in 3rd party requirements e.g. - disposal of waste and other HSE changes that came/come into effect post BP, but prior to RII03	
	SpC 3.13	Northern Gas Networks	Paragraph 3.13.2 (and subsequent references change in policy area)	We remain concerned with the drafting of this paragraph and subsequent references to changes in policy area. HSE don't typical drive policy changes, but they do change enforcement and interpretation. Suggested wording updates given.	Where the condition refers to change in policy area, suggest adding: ' <i>and / or changes to enforcement and interpretation of policy area</i> that will materially impact....'
	SpC 3.13	Northern Gas Networks	Paragraph 3.13.8	Sub-paragraph (a) should form part of paragraph 3.13.8, rather than sitting in sub-heading (a)	

	SpC 3.13	Northern Gas Networks	Paragraph 3.13.9(a)	GS(UI)R relates to an obligation on Suppliers not GDNs (See GS(IU)R 16.3 specifically), therefore this reference (and the respective defined term) need to be amended to reflect the correct obligation for DNs.	Revise definition
	SpC 3.13	Northern Gas Networks	Paragraph 3.13.9 and 3.13.10	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.13	Northern Gas Networks	Paragraph 3.13.11(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.14	Northern Gas Networks	Paragraph 3.14.3	This condition is now limited specifically to Authority directing, and does not seem to allow for any network requested re-opener application. Wording should be broadened to include that networks can request a re-opener and there should be consideration of a pre-dated window at the mid-point of the price control.	
	SpC 3.14	Northern Gas Networks	Paragraph 3.14.3	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.14	Northern Gas Networks	Paragraph 3.14.4(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.15	Northern Gas Networks	Paragraph 3.15.7	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.15	Northern Gas Networks	Paragraph 3.15.8(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.16	Northern Gas Networks	Part C	This condition starts the PART referencing from PART C rather than PART A	
	SpC 3.16	Northern Gas Networks	Paragraph 3.16.7	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.16	Northern Gas Networks	Paragraph 3.16.8(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'

	SpC 3.17	Northern Gas Networks	Paragraph 3.17.7	The wording of this paragraph states " <del>(a)</del> <i>late to permit schemes, lane rental schemes or requirements that have been imposed or are expected to be imposed on or after 1 April</i> <b>2026</b> ;" We request that this date be amended to "1 October 2025" otherwise this leaves a potential funding gap between the Business Plan submission in December 2024 and the beginning of the RIIO-3 regulatory period in April 2026 as a result of changes implemented after BP submission but prior to the start of the price control, as happened in RIIO-GD2.	<i>"(a)</i> <del><i>late to permit schemes, lane rental schemes or requirements that have been imposed or are expected to be imposed on or after 1</i></del> <b>October 2025</b> <i>"</i>																		
	SpC 3.17	Northern Gas Networks	Paragraph 3.17.7	The wording of this paragraph states "(b) <i>costs incurred from the new Material Classification Protocol replacing the existing Environment Agency Regulatory Position Statements (RPS) 298 and 299 from 1st October 2025 to 31st March 2026;</i> " We request that the 'to' date is removed as it is possible that this change could be implemented after 31st March 2026 due to third party delays and this 'to' date is overly restrictive and risks leaving networks unfunded if implemented later.	<i>costs incurred from the new Material Classification Protocol replacing the existing Environment Agency Regulatory Position Statements (RPS) 298 and 299 from 1st October 2025</i> <del><i> to 31st March 2026</i></del>																		
	SpC 3.17	Northern Gas Networks	Paragraph 3.17.8(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'																		
	SpC 3.18	Northern Gas Networks	Paragraph 3.18.3	There appears to be an error in the formula for deriving GDVDt. Logically the formula should state: ((simple number x simple unit rate) + (complex number x complex unit rate)) x conversion to £m	GDVDt = ((SDCt x DCUS) + (CDCt x DCUC)) x 10^-6																		
	SpC 3.18	Northern Gas Networks	Appendix 1 and Appendix 2	Appendices 1 and 2 outline the unit costs for simple and complex disconnections. We understand that these cost rates have been derived from data submitted by Distribution Networks in response to Ofgem’s Request for Information (RFI), issued under section 34A of the Gas Act on 6 August 2025. This approach raises two significant concerns: 1.Data Comparability and Consistency In our RFI response (dated 1 October 2025) and during multiple prior engagements, we explicitly highlighted the inherent difficulty in collating information at the level of granularity requested in a manner that is consistent and comparable across networks. Networks made clear that data is recorded differently by each organisation, rendering direct comparisons unreliable. To address this, networks proposed that Ofgem provide a common set of assumptions to enable meaningful analysis. This was suggested as an essential follow-up activity, however Ofgem did not request further information on this basis. Consequently, the inconsistencies in the RFI data have resulted in significant disparities in funding allocations across the industry, creating an uneven and inequitable regulatory framework. 2.Purpose and Use of RFI Data Networks were repeatedly reassured by Ofgem, through meetings and working groups, that the RFI data would be used solely to build an understanding of the current disconnections process and to inform discussions with DESNZ for a future policy report. For example, at the Gas Disconnections workshop in September 2025, Ofgem stated that the RFI aimed to bridge quantitative gaps, understand cost drivers, and gather evidence to support policy options for the final report. At no point was it communicated that the RFI data would be used to set disconnection cost allowances for RIIO-3. This is particularly concerning given that networks had already raised issues regarding data comparability and its suitability for such purposes. Impact on NGN The use of RFI data as a baseline has resulted in material misalignment between NGN’s disconnection costs and industry averages;	Amend NGN value within Appendix 2 Complex disconnection cost to <b>£1691</b>  <div>Appendix 2 Complex Disconnection unit costs</div> <table><tr><th>Distribution Network</th><th>Complex Disconnection unit cost (£)</th></tr><tr><td><del>EoE</del></td><td>1,485</td></tr><tr><td>Lon</td><td>1,755</td></tr><tr><td>NW</td><td>1,577</td></tr><tr><td>WM</td><td>1,532</td></tr><tr><td>Northern Gas Networks Ltd</td><td><del>693</del> <b>1691</b></td></tr><tr><td>Scotland Gas Networks plc</td><td>1,414</td></tr><tr><td>Southern Gas Networks plc</td><td>2,420</td></tr><tr><td>Wales and West Utilities Ltd</td><td>1,111</td></tr></table>	Distribution Network	Complex Disconnection unit cost (£)	<del>EoE</del>	1,485	Lon	1,755	NW	1,577	WM	1,532	Northern Gas Networks Ltd	<del>693</del> <b>1691</b>	Scotland Gas Networks plc	1,414	Southern Gas Networks plc	2,420	Wales and West Utilities Ltd	1,111
Distribution Network	Complex Disconnection unit cost (£)																						
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Wales and West Utilities Ltd	1,111																						



	SpC 3.19	Northern Gas Networks	Appendices 1-4	We agree that the forecast workloads in Appendices 1 and 3 match our BPDts. However, in the FD Ofgem have spread our allowances over 5 years. The volumes and unit rates should be aligned to the FD, including any post-erratum adjustments.	
	SpC 3.20	Northern Gas Networks	Paragraph 3.20.7	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.20	Northern Gas Networks	Paragraph 3.20.8(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.21	Northern Gas Networks	Paragraph 3.21.12(c), 3.21.13(d) and 3.21.14(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.22	Northern Gas Networks	Paragraph 3.22.7	Applications must be confined to costs incurred or expected to be incurred on or after 1st April 2026. There is the risk of a funding gap between the date of the RIIO-3 business plan submission and the start of the RIIO-3 regulatory period. We consider that the date should be amended to 1st April 2025 to avoid this.	
	SpC 3.22	Northern Gas Networks	Paragraph 3.22.8(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 3.32	Northern Gas Networks	Appendix 1	Table has nil values, currently but may need to be amended following RRP 2025/26 and outturn positions on PCDs & UMs have been confirmed.	
	SpC 3.32	Northern Gas Networks	Paragraph 3.32.2	The crossover adjustment relating to the Gas Holder Demolitions Price Control Deliverable (GHRAt) was previously referred to as GHRRt in GD2.	
	SpC 3.32	Northern Gas Networks	Paragraph 3.32.2	<p>The term "GD2LPTt" which means "the GD2/GD3 crossover adjustment relating to the Legacy pass-through (LPTt) as specified in Special Condition 7.2 of the RIIO-GD2 licence in force from April 2021 to March 2026" appears to be out of place as it is neither a PCD nor a UM. . The value of this term within GD2 states (7.2.4) 'The value of LPTt for Regulatory Years commencing on or after 1st April 2023 is zero' making the inclusion of an addition of this term value redundant. Should there be a reason for its inclusion please clarify the reasoning.</p> <p>and</p> <p>The reference to the GD2 terms for Gas Holder Demolitions Price Control Deliverable is incorrect. At minimum the reference within this description needs amendment, however to follow the drafting principles within the remainder of the condition, the term GD2GHRAt should also be amended throughout the condition and included formula to GD2GHRRt</p>	<p><math>GD2ACA_t = GD2CROT_t + GD2CROTRE_t + GD2CRIT_t + GD2CRITRE_t + GD2NOITRE_t + GD2CAP_t + GD2OTC_t + GD2FPA_t + GD2CA_t + GD2STUB_t + GD2MOBS_t + GD2SMR_t + GD2GHRA_t + GD2GHRR_t + GD2PWF_t \text{ (Cadent Only)} + GD2IPR_t \text{ (SGN Scotland Only)} + GD2RPM_t \text{ (SGN Southern only)} + GD2BMI_t \text{ (SGN Only)} + GD2GER_t \text{ (SGN Only)} + GD2LPT_t + GD2Hy_t \text{ (Cadent Only)}</math></p> <p>(and)</p> <p><math>GD2GHRA_t, GD2GHRR_t</math> means the GD2/GD3 crossover adjustment relating to the Gas Holder Demolitions Price Control Deliverable (<math>GHRA_t, GHRR_t</math>) as specified in Special Condition 3.25 of the RIIO-GD2 licence in force from April 2021 to March 2026 [all licensees]</p>



	SpC 3.32	Northern Gas Networks	Paragraph 3.32.2	There are two terms not included in this licence condition which exist in GD2. The two terms are: RDFt (Net zero and re-opener development fund UIOLI) and REt (Tier 2A mains and services replacement volume driver). Please amend the condition to include these terms, or provide commentary as to why they are intentionally excluded.	Suggest these terms and relevant definitions are added into the licence condition as <i>GD2RDFt</i> and <i>GD2REt</i> . These will also require adding to the above revised formula
	SpC 4.1	Northern Gas Networks		NGN have no comments regarding this condition.	
	SpC 4.2	Northern Gas Networks	Appendices 1-11	All incentive values should be rechecked and adjusted as necessary following the erratum process.	
	SpC 4.3	Northern Gas Networks	Appendix 1	The Table is titled "Maximum penalty in respect of the complaints metric" and then references CMt. It looks as though the reference should be to CMMPt.	<i>Maximum penalty in respect of the complaints metric (CMMPt) (£m)</i>
	SpC 4.3	Northern Gas Networks	Paragraph 4.3.3	The paragraph numbering is out of sequence from paragraph 4.3.3 onwards	
	SpC 4.3	Northern Gas Networks	Paragraph 4.3.4 (currently 1.1.1 due to incorrect referencing)	This paragraph sets out the definition of CMASt. However, the later paragraph 4.3.5 (incorrectly referenced as 1.1.2) refers to CMSt. Please update and correct the number referencing as well as the term references.	
	SpC 4.3	Northern Gas Networks	Appendices 1-2	All incentive values should be rechecked and adjusted as necessary following the erratum process.	
	SpC 4.4	Northern Gas Networks		Whilst we have no comments to make with regards to the drafting of this condition at this time, we would refer back to our comprehensive response to the Draft Determinations which set out the targets and thresholds for the Unplanned Interruptions ODI-F. Please see our response to Question 17 of the GD Annex which sets out the detail behind our concerns in this area.	
	SpC 4.4	Northern Gas Networks	Appendices 1-4	All incentive values should be rechecked and adjusted as necessary following the erratum process.	
	SpC 4.5	Northern Gas Networks	Paragraph 4.5.9	NGN considers that the application of the TIS to this incentive is in error and should be removed, as it would be inconsistent with other incentives and half the stated reward.	Amend formula to: <i>If <math>X_t &gt; CSWP_t</math>, <math>CSW_t = \min [(CSWMP \cdot MCSWP) + (CSWSP \cdot SCSWP), CSWC_t]</math></i>
	SpC 4.5	Northern Gas Networks	Appendix 1	All incentive values should be rechecked and adjusted as necessary following the erratum process.	
	SpC 4.6	Northern Gas Networks	PART A, formula for STED	The formula for the STED term could be improved in order to make it more intuitive. We would suggest amending it from " <i>STEDt = -SDRt + -TDRt</i> " to: " <i>STEDt = -(SDRt + TDRt)</i> "	<i>"STEDt = -(SDRt + TDRt)"</i>
	SpC 4.6	Northern Gas Networks	Paragraph 4.6.4, formulae for SDRt	<p>The formulae for calculating the SDR term is incorrect as it does not result in a penalty only ODI-F as outlined in the Final Determinations.</p> <p>There are three key errors which contribute to this:</p> <ul style="list-style-type: none"><li>- Currently the formula states "<i>If <math>SDRSt \leq SDRt_t</math>, then: <math>SDR = 0</math></i>" This is counterintuitive since the penalty should only be applied where the licensee's performance falls below the minimum standard. The way the formula is currently drafted results in the second part of the formula, intended to calculate the penalty, being utilised when the licensee's performance exceeds the minimum standard.</li><li>- Secondly, if this is to be a penalty then the formula should state it is the lesser of the maximum penalty, meaning the 'max' should be changed to 'min'</li><li>- Finally, the negative sign at the beginning of the formula introduces a double negative, which in turn results in a positive outcome, i.e. additional revenue. This results in a financial reward, which to our knowledge, is not the intended outcome for this ODI-F.</li></ul>	<i><math>SDRSt \geq SDRt_t</math>, then: <math>SDRt = 0</math>, If <math>SDRSt &lt; SDRt_t</math> then: <math>SDRt = \min(SDRMP_t, (SDRt_t - SDRSt) \times SDRIRt)</math></i>

	SpC 4.6	Northern Gas Networks	Paragraph 4.6.5, formulae for TDRt	For the same reasons as outlined above, the formulae for the TDRt term are also incorrect and require amendments. Please see above our response to paragraph 4.6.5 for full detail.	$TDRSt \geq TDRt_t$ , then: $TDRt = 0$ , If $TDRSt < TDRt_t$ then: $TDRt = \min(TDRMpt, (TDRt_t - TDRSt) \times TDRIRt)$
	SpC 4.6	Northern Gas Networks	Appendix 2	NGN do not agree with the figures within this SDRIR table. We have asked to see the Ofgem calculation and any related backing to understand these figures. We have not received the information before the close of this consultation, and therefore dispute this table.	
	SpC 4.6	Northern Gas Networks	Appendix 4	NGN do not agree with the figures within this TDRIR table. We have asked to see the Ofgem calculation and any related backing to understand these figures. We have not received the information before the close of this consultation, and therefore dispute this table.	
	SpC 4.6	Northern Gas Networks	Appendices 1-4	Notwithstanding the above comments, all incentive values should be rechecked and adjusted as necessary following the erratum process.	
	SpC 5.1	Northern Gas Networks		NGN have no comments regarding this condition.	
	SpC 5.2	Northern Gas Networks	Paragraph 5.2.11(c) and 5.2.12(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 5.3	Northern Gas Networks	Paragraph 5.2.11(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 5.4	Northern Gas Networks	Paragraph 5.4.2	There are issues with the paragraph numbering from paragraph 5.4.2 onwards which need correcting (and any associated documents will subsequently need cross references rechecking).	
		Northern Gas Networks	Paragraph 5.4.7(c) and 5.4.8(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 5.4	Northern Gas Networks	All	We note that there have been amendments to the VCMA expenditure cap for collaborative funding, which contradicts the wording in the Final Determinations which discusses ringfenced "minimum" funding. We have also encountered issues during GD2 when undertaking financial reporting through RRP, as previously cells associated with this entry have not allowed for values in excess of 25% to be entered. Please can Ofgem ensure consistency across all instruments to ensure that reporting can be carried out in a way that is consistent with the requirements set out in the licence condition.	
	SpC 5.4	Northern Gas Networks	Appendix 1	All expenditure caps should be rechecked and adjusted as necessary following the erratum process.	
	SpC 6.1	Northern Gas Networks	Paragraph 6.1.8(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	

	SpC 6.1	Northern Gas Networks	Paragraph 6.1.14	The term GPRCt states that it is derived in accordance with Part E, however, this looks as though it should reference Part F.	
	SpC 7.1	Northern Gas Networks	Paragraph 7.2.4(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 7.2	Northern Gas Networks		NGN have no comments regarding this condition.	
	SpC 7.3	Northern Gas Networks	Paragraph 7.3.3	The reference to LK in this paragraph should be LKt.	<i>The value of LKt is derived in accordance with the following formula:</i>
	SpC 7.3	Northern Gas Networks	Paragraph 7.3.4(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 7.4	Northern Gas Networks	Paragraph 7.4.5(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 8.1	Northern Gas Networks	Paragraph 8.1.2	The removal of the AIP section from the licence (formerly SpC 8.2) with AIP now being referenced only within the PCFM Guidance has resulted in the absence of overarching governance for the AIP. This former licence condition also set out the process for issuing and amending the PCFM Guidance (formerly SpC 8.2.2 and 8.2.18–8.2.22), ensuring transparency and appropriate regulatory controls over subsequent updates. We therefore request that the PCFM Guidance is either added to list of PCFIs or a provision made that it is being governed in the same way as other PCFIs. This clarification is necessary to ensure that any future amendments to the PCFM Guidance are made in accordance with a defined governance process to maintain appropriate regulatory oversight.	<i>Each of the following GD3 Price Control Financial Instruments forms part of this condition:</i> <i>(a) the GD3 Price Control Financial Handbook; and</i> <i>(b) the GD3 Price Control Financial Model; and</i> <i>(c) the GD3 Price Control Financial Model Guidance .</i> OR Reinstate 8.2.18 through 8.2.22 with regard to GD3 Price Control Financial Model Guidance.
	SpC 8.1	Northern Gas Networks	Paragraph 8.1.7(iv)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'
	SpC 8.2	Northern Gas Networks	All	Please see comments relating to 8.1.2	
	SpC 9.1	Northern Gas Networks	Paragraphs 9.1.13(c) and 9.1.14(e)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'

	SpC 9.2	Northern Gas Networks	General comment	It is worth noting again that a switch to Long-Term Risk UCR may have an exaggerated effect on risk trading, the extent of which has not been fully tested. In addition to the difference in risk reduction between interventions, which applies to Single-Year Risk as well, Long Term-Risk calculation also considers the life of the intervention which can differ significantly between interventions and therefore cause the aforementioned exaggerated effect.	
	SpC 9.2	Northern Gas Networks	Paragraph 9.2.8 (referenced by 9.2.1 (c))	We welcome the addition of NARM objectives in 9.2.1(c). However, paragraph 3.83 of the Final Determinations GD Annex states <i>"Given long-term uncertainty over future network use, we consider it reasonable for alternative opex solutions to be utilised for repair and refurbishment. We have therefore allowed a proportionate opex uplift where repex workloads have been disallowed. Combining this additional opex funding with the GDNs' ability to reprioritise the remaining non-mandatory repex allowances towards the highest risk assets under the NARM framework will enable the GDNs to continue to maintain the safety of their networks."</i> We consider that reference to licensees ability to risk trade in period should be included within licence drafting to ensure consistency with the decisions set out at Final Determinations.	
	SpC 9.2	Northern Gas Networks	Paragraph 9.2.2(b)	9.2.2 (b), 9.2.6 and 9.2.7 in combination seem to be creating a requirement for a 'parallel' methodology to that of the established and implemented GD NARM Methodology, which is not something that has been previously flagged by Ofgem to the networks. It is therefore unclear why this 'parallel' methodology is required, as the GD NARM Methodology is already implemented , and the requirements under para 9.2.6 are already satisfied by the existing GD NARM Methodology	The licensee must have in place and act in accordance with a NARM Methodology that facilitates the achievement of the NARM Objectives, which is comprised of: (a) a NARM Methodology which is common to all DN Operators ("the GD NARM Methodology") that complies with the requirements of paragraph 9.2.4; <del>and</del> <del>(b)</del> <del>the licensee's own methodology for implementing the GD NARM Methodology using the licensee's own asset information, which complies with the requirements of paragraph 9.2.6.</del>
	SpC 9.2	Northern Gas Networks	Paragraph 9.2.5	This paragraph states <i>"the licensee must at all times keep the GD NARM Methodology under review and modify it as necessary to ensure that it continues to facilitate the achievement of the NARM Objectives."</i> This requirement is broad and ambiguous.	the licensee must <del>at all times</del> keep the GD NARM Methodology under review <b>in accordance with 9.2.9</b> and modify it as necessary to ensure that it continues to facilitate the achievement of the NARM Objectives.
	SpC 9.3	Northern Gas Networks	PART B and PART C	As per comments made previously (for example see our response to Question 6 of the Draft Determinations Overview Document), we consider that there is scope to consolidate the Information Gathering Plans and Engineering Guidance Documents into a single document given the commonality and overlapping material. This would reduce risk of dual, potentially conflicting, governance being introduced in the future.	
	SpC 9.2	Northern Gas Networks	Part C: Modifications to the NARM Methodology that have a material impact on the Baseline Network Risk Output	This Part refers to modifications that have a "material impact" on the BNRO. An industry discussion, followed by clear guidance on what constitutes a "material impact" is required to ensure a consistent approach.	
	SpC 9.2	Northern Gas Networks	Paragraph 9.2.15(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	revert from 'up to 28 days' back to original drafting of 'not less than 28 days'



	SpC 9.2	Northern Gas Networks	Paragraph 9.2.16(c)	Further to the comment above regarding the need for clarity on what constitutes a "material impact", this paragraph refers to "no material impact" and allows modifications to be made by the licensee where there is no material impact on the licensee's BNRO or delivery against its BNRO. We consider that additional clarity on what constitutes "no material impact" is needed.	
	SpC 9.2	Northern Gas Networks	Paragraph 9.2.22(b)	This condition references the need for the Information Gathering Plan not only to cover asset/base data (e.g. information such as asset age, condition, fault rates) under para 9.2.22 (a), but also extend to data "...which enables the licensee to report on progress against its Baseline Network Risk Output..." under 9.2.22 (b), hereafter "intervention data" for ease. We do not recall previous Ofgem guidance including the requirement for "intervention data" to be covered under the Information Gathering Plan, so suggest that either further, more detailed guidance is provided by Ofgem, or para 9.2.22 (b) is removed from the licence conditions.	The Information Gathering Plan must: (a) set out how the licensee will gather and record the information required for its implementation of the NARM Methodology; <del>and (b) include the scope and form of the data that the licensee collects and the frequency with which data is collected to enable the licensee to report on progress against its Baseline Network Risk Output in accordance with its NARM Methodology annually, in accordance with the RIGs.</del>
	SpC 9.2	Northern Gas Networks	Paragraph 9.2.23(b)	Our concerns are twofold: firstly, this drafting introduces ambiguity around Ofgem's role, potentially encroaching on responsibilities typically associated with an Asset Manager. Secondly, such directions could have broader implications for a licensee's resources or finances, potentially leading to unintended consequences. While we acknowledge the requirement for Ofgem to consult under these provisions, we believe it is essential to include an appeal mechanism for licensees, or alternatively, to revise the wording to ensure compliance is only required where it is reasonable to do so.	
	SpC 9.3	Northern Gas Networks	Paragraph 9.3.13(c) and 9.3.14(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 9.4	Northern Gas Networks	Paragraph 9.4.7(c) and 9.4.8(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 9.5	Northern Gas Networks	Paragraph 9.5.17(c) and 9.5.18(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 9.6	Northern Gas Networks		NGN have no comments on this condition	
	SpC 9.7	Northern Gas Networks	All	Due to Ofgem's decision to pause the decision to make any amendments to the GD2 PCFM, per paragraph 11.39 of the Draft Determinations Finance Annex: "Ofgem recently consulted on amending Special Licence Condition 9.7 of the Gas Transporter Licence and a proposal to modify the GD2 PCFM. The outcome of this consultation was to pause making any amendments for now, pending potential a wider DRS review." We therefore reserve our right to comment on this condition until this review has been carried out.	

	SpC 9.7	Northern Gas Networks	Paragraph 9.7.13(c)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 9.8	Northern Gas Networks		NGN have no comments regarding this condition.	
	SpC 9.9	Northern Gas Networks		NGN have no comments regarding this condition.	
	SpC 9.11	Northern Gas Networks	Paragraph 9.11.13(c) and 9.11.14(d)	This paragraph sets out the period during which representations on a proposed direction may be made. Previously the time period was "not less than 28 days" and has now been amended to "up to 28 days". We consider this to be a material issue as this amendment without any materiality threshold, would not allow for internal governance processes and timelines to be followed, therefore introducing potential risk. We consider the original wording must be retained.	
	SpC 9.12	Northern Gas Networks		NGN have no comments regarding this condition.	
	SpC 9.13 (Cadent)	Northern Gas Networks	Appendix 1, Step 1	NGN considers that the working group responsible for DPLA implementation should be independent and not led by a GDN. This is essential to ensure impartiality and maintain stakeholder confidence in the process.	
	SpC 9.13 (Cadent)	Northern Gas Networks	Appendix 1, Step 2	As per our comments made on the defined terms set out in SpC 1.1, we consider that the current options for partial rollout are too prescriptive. The Authority should retain the flexibility to amend the scope of rollout as deemed appropriate, rather than being limited to predefined options. This will allow the approach to be tailored to evolving circumstances and sector needs.	
	SpC 9.13 (Cadent)	Northern Gas Networks	Appendix 1, Step 2	The Cost Benefit Analysis should be conducted to a level prescribed by Ofgem and agreed with the GDNs. This collaborative approach will ensure that the analysis is robust, proportionate, and reflects both regulatory expectations and operational realities.	
	SpC 9.13 (Cadent)	Northern Gas Networks	All	We consider that the licence condition should explicitly include output measures relating to the development of Shrinkage and Leakage Model. These metrics are critical for assessing the effectiveness of the DPLA and ensuring that environmental and operational performance is transparently monitored and reported.	
	SC 4B	Northern Gas Networks		NGN have no comments on this condition	
	SSC A3	Northern Gas Networks	Definition of "Issuer Credit Rating"	The definition refers to the Fitch entity rating (aka Issuer Default Rating) which is typically one notch below the senior unsecured debt rating, whereas for S&P and Moody's they are the same. We consider that the Licence requirement is based on the debt rating by Fitch to avoid unintended consequences.	subparagraph (c) is replaced with " <i>an unsecured debt rating , or in the absence of such rating, an issuer credit rating by Fitch Ratings Ltd or any of its subsidiaries ;</i> " .
	SSC A28	Northern Gas Networks		NGN have no comments on this condition	
	SSC A37	Northern Gas Networks	Paragraphs 2(a), 2(b), 3(a) and 3(b)	We would suggest removing the added requirement for stress testing. These add to the complexity and regulatory burden for licensees, without any apparent material incremental benefit to customers. In addition, stress tests are already required under Financial Resilience Reports in SSC A38 and are unnecessary in a steady-state environment.	Remove ' <i>including reviewing the results of stress tests that the licensee considered to be appropriate</i> ' from 2(a), 2(b), 3(a) & 3(b)

	SSC A37	Northern Gas Networks	Paragraph 3	Given Clause 3 requires an Extended Certificate in addition rather than in place of those in Clause 2, and without prejudice to our position stated in FQ21 of our RIIO-GD3 Draft Determinations Finance Annex response, we would suggest the removal of the requirement for <i>approval by a resolution of the licensee's board of directors</i> . For a Licensee to receive a Board-level certification that it has sufficient financial resources to cover a period greater than twelve months, it would need to at least have fully committed funding in place (which is not cost-free) to cover all expected obligations in that period, with headroom. If Ofgem still does not "consider that licensees are required to increase liquidity beyond current levels", that it "does not expect pre-funding the entire price control period" - it must make it explicitly clear in the Licence drafting.	"While licensees are not required to increase liquidity beyond levels commensurate with paragraph 2 and are not expected to pre-fund a period of 36 months from the date of this certificate or the remainder of the Price Control Period, the licensee must by 31 July each year give the Authority a certificate signed by a director of the licensee which is in one of the following forms:"
	SSC A37	Northern Gas Networks	Paragraph 3(a), 3(b) and 3(c)	NGN provided its strong disagreement to this new requirement in our response to Question 21 of the RIIO-GD3 Draft Determinations Finance Annex. Without prejudice to our principled position outlined in FQ21, we would suggest amending the wording in these paragraphs to " <b>for the shorter of the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period</b> ". This amendment would address the concerns raised with regards to forecasting into the following price control, when its parameters have not been determined by Ofgem.	"for the <b>shorter of</b> the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period"
	SSC A37	Northern Gas Networks	Paragraph 5 (a)	We would suggest the removal of 5 (a) as this would be superfluous in the steady state environment.	<del>The licensee must ensure that the certificate given to the Authority under paragraph 3 is accompanied by a statement of the main factors that the licensee's directors have taken into account in giving that certificate including reference to:</del> <del>(a) results of any stress tests that the licensee deemed to be appropriate;</del> <input type="checkbox"/> <del>b a</del> ) financial projections of key financial metrics; <input type="checkbox"/> <del>e b</del> ) assumptions made in relation to the availability of financial markets for any financing or refinancing requirements, including assumptions around equity injections; and <input type="checkbox"/> <del>d c</del> ) credit facilities, including drawn and undrawn, and compliance with covenants.
	SSC A38	Northern Gas Networks	Paragraph 2	We would suggest retaining the wording " <i>use reasonable endeavours to</i> " as it is the Credit Rating Agencies which assign the Credit Ratings.	The licensee must use reasonable endeavours to maintain more than one Investment Grade Issuer Credit Rating at all times
	SSC A38	Northern Gas Networks	Paragraph 5(b)	In line with the comments made above in relation to SSC A37, we suggest the wording of para 5(b) be changed to, " <i>financial projections for the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period, whichever is <b>shorter</b></i> "; and"	financial projections for the next three Regulatory Years (including the remainder of the current year) or the remainder of the Price Control Period, whichever is <del>longer</del> shorter; and
	SSC A39	Northern Gas Networks	Paragraph 11	We would suggest replacing the wording " <i>at the closing</i> " to "at financial year end" in the definition of "Actual Regulatory Gearing"	"Actual Regulatory Gearing" means the ratio of Net Debt to regulatory asset value, as reported at the <i>financial year end</i> of the previous Regulatory Year and calculated in accordance with the Regulatory Instructions and Guidance published by the Authority under Standard Special Condition A40.
	SSC A39	Northern Gas Networks	Paragraph 11	We would suggest replacing the wording " <i>at the closing</i> " to "at financial year end" in the definition of "Net Debt"	"Net Debt" means the value of the licensee's net debt as reported at the <i>financial year end</i> of the previous Regulatory Year and defined by the Regulatory Instructions and Guidance published by the Authority under Standard Special Condition A40.
	SSC D10	Northern Gas Networks		NGN have no comments on this condition	