



Associated Document	Paragraph	Comment	Proposed alternative drafting	Comment Raised by	Date raised	Additional Notes	Ofgem Comment	Status
NARM Handbook	Contents table	The contents page requires an update to ensure page numbering is correct and stray numbers are removed		Northern Gas Networks	16/01/2026			
NARM Handbook	Multiple	There are multiple uses of the phrase "Delivery Element" throughout the NARM Handbook, which require clarification. We have previously requested clarity on the definition of this phrase which is still awaited. The context in which this phrase is used throughout the NARM Handbook varies, which further introduces ambiguity over the use of this term.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 1.2	Spelling error in the word "methodology"	<i>This document forms part of Special Condition (SpC) 3.1: Baseline Network Risk Outputs of the RII0-ET3, RII0-GT3 and RII0-GD3 licences. SpC 3.1 sets out, among other things, the process for making changes to it. Text indicated in this document with 'NARM Handbook – METHODOLOGY' in the header is not considered guidance for the purposes of SpC 3.1.16(f).</i>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 2.6	This paragraph references "Figure 2" which appears to have been removed. Please can Ofgem remove the reference or reintroduce the Figure.	<i>into account longer-term views of risks when making their investment decisions, monetised risk outputs were defined using a single-year 'snapshot' risk measure. In defining RII0-3 outputs, the aim has been to define outputs using a longer-term risk measure. See Figure 2 below for an illustrative comparison between single-year snapshot and long-term risk measures.</i>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 3.3	The final part of paragraph 3.3 states that "Ofgem conducts a statutory consultation before approving any revisions to a NARM methodology". However, Paragraph 9.2.20 in PART D of SpC 9.2 states that "A direction under paragraph 9.2.19 will likely be insufficiently significant to warrant publication or formal consultation, but the Authority will consider this on a case-by-case basis." There is therefore an inconsistency between this statement in the Handbook and the wording regarding modifications to the NARM methodology that do not have material impact as per of SpC 9.2.20. We therefore proposed that the reference to consultation is removed from this paragraph	The NARM Methodology approved by the Authority and effective from 1 April 2026 is deemed to be the NARM Methodology until superseded. Licensees are required to keep their methodologies under review to ensure they facilitate the achievement of the NARM Objectives. <del>Ofgem conducts a statutory consultation before approving any revisions to a NARM Methodology will conduct any consultation in.</del>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 3.4 (1)	We consider that there should be a link to the latest GD NARM Methodology. Please could Ofgem arrange for publication of the revised Methodology updated for LTRB as soon as possible?		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 3.11	The reference to Appendix 5 is incorrect, this should refer to Appendix 4	<i>Please see Appendix 54 for short synopses of the individual sector/company methodologies.</i>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 5	The CI/overall funding assessment outline a complex process, but lacks graphics to assist in summarising or simplifying the information. A suitable flow chart would aid understanding.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 5.5	Whilst this paragraph refers to the close out methodology, it does not contain any other detail. Please could Ofgem arrange to publish the close out methodology as early as possible. We would also request clarification on timescales for its publication. This would enhance transparency, which we consider to be a key driver for NARM-related improvements.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 5.12	This paragraph references Chapter 10, which appears as though it should be Chapter 11	Amend end of paragraph as follows: <i>The criteria for Clearly Identifiable Over-Delivery and Clearly Identifiable Under-Delivery are set out in Chapter 11.</i>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 5.12	We note that the wording in this paragraph has been amended from "will" to "must", however due to the lack of clarity over the Clearly Identifiable mechanism and qualifying criteria, we reserve the right to comment on this paragraph at a later date.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 6.1	The section relating to the Clearly Identifiable Mid-Point review section introduces terms such as "complex" and "high-value", which are not defined terms and as such are ambiguous. There needs to be a clear definition provide or a cross reference to a relevant paragraph (i.e. each of the three definitions under 12.5). We reserve the right to comment until the thresholds for complex and high value are known.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 6.3	Sub-paragraph (a) includes the phrase "undergone material change in scope..." but does not define how materiality will be established. It also states that the review will include programmes meeting CI criteria, but appears to be based on an overall assessment rather than focusing solely on CI programmes, making the section title misleading. We reserve the right to comment until the materiality thresholds are known.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraphs 6.5 through 6.7	This section discusses "provisional adjustments to allowances" which could introduce further complications: It is important to monitor this and challenge if the process lacks clarity, fairness, or transparency. While the mid-point review is intended for key changes, effective RRP feedback could fulfil this purpose. Care must be taken to avoid increasing regulatory burden by introducing a challenging second semi-close-out exercise. Clarity is needed regarding whether the mid-point review would affect NGN if all programmes are "multiple asset".		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 8.10	The NARM Closeout Report is noted as being required on or before 31 October 2032, which contradicts the requirement set out in Special Condition 3.1, specifically paragraph 3.1.12 which states the report must be provided on or before 31 October 2031.	<i>On or before 31 October 2032 2031, the licensee is required by Part D of SpC 3.1 of the RII0-ET2, RII0-GT2 and RII0-GD2 licences to provide to the Authority a report (the NARM Closeout Report), which includes the licensee's views of the value of the following terms for each Risk Sub-Category (units in parentheses):</i>	Northern Gas Networks	16/01/2026			

NARM Handbook	Paragraphs 11.5 to 11.9	We have previously raised concerns regarding a need for increased clarity in the 'Qualifying criteria for consideration as Clearly Identifiable Over-Delivery or Under-Delivery' area, which we consider still require further enhancement, for example: - The term [Over/Under] 'Delivery Element' is used in different contexts and has been explained to have different meanings. We would like to encourage consistent use of this term along with robust definitions in each context. We consider that 'Delivery Element' as referenced in sections 5.12 or 5.14 (a) would be better replaced with "project/programme/scheme". - Section 11.5.2 states that a programme would only qualify as Clearly Identifiable (CI) if (a) the programme (we consider this to be a row in the Network Asset Risk Workbook - NARW) has not "been specified within the licensee's RIIO-3 Business Plan" or (b) it was specified, but "an Over-Delivery is achieved as a result of a reduction in the scope of a baseline project". Clarification is required on how scope reduction is measured (volume or risk?). Furthermore, if the scope increased (volume/risk), but overall cost was equal to or less than the baseline, resulting in a Unit Cost of Risk (UCR) being lower than at baseline, it would fall outside the criteria. Please can Ofgem clarify whether this is the intended outcome? - Ofgem had verbally agreed that not all programmes qualifying as CI should be assessed ex-post. This is due to most GD programmes falling within the definition, which potentially increases regulatory burden for both Ofgem and licensees. We would welcome a revision in the drafting to reflect this	Drafting not provided as we would request that the whole of the <i>Qualifying criteria for consideration as Clearly Identifiable Over-Delivery or Under-Delivery</i> (11.5 through 11.9) section is reconsidered.	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 12.1	There is a typographical error in the phrase "...when normalised out of out of delivered outputs..." which requires correction	<i>This section sets out the approach for assessing Clearly Identifiable over-delivery and under-delivery when normalised out of <del>out of</del> delivered outputs and outturn costs. It defines how these elements will be assessed in period and ex-post, and how funding adjustments will be applied based on the categorisation of the project/scheme/programme.</i>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 12.3	This new wording addition requires an amendment to ensure it reads correctly, as follows: " <i>three different sectors, [which?] means the one size fits all approach...</i> "	<i>In RIIO-3, further options to build out this ex-post assessment have been explored. The NARM Handbook operates across three different sectors, which means the one size fits all approach applied in RIIO-2 does not recognise the variety of work types delivered across the price period....</i>	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 12.8 & NARW	This paragraph outlines that the licensee must allocate a project category (one of three defined in the Handbook) to each project/scheme/programme when subject to CI assessment. Since categorisation is based on the "original scope", we recommend that an extra field is added into the NARW at the target-setting stage.	Please add additional field to the NARW relating to project category	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 12.12	This paragraph indicates that single or multiple asset programmes can be assessed using either risk or volume-based adjustment. As the purpose of these changes is to improve predictability in funding adjustments, certainty could be enhanced by deciding in advance which driver (risk or volume) will be used, rather than leaving it open to later subjectivity. Clarification on whether volume or risk is the key deliverable would help avoid the lack of clarity experienced in RIIO-2.		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 12.25(a)	The phrase "...which meet the criteria are clearly identifiable as driving..." requires rewording for clarity.	Calculate a Risk Based Adjustment using Formula 3 and Volume Based Adjustments in Formula 4 for projects/schemes/programmes of work which meet the criteria and are clearly identifiable as driving an Over-Delivery or Under-Delivery	Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraphs 12.26 and 12.27	Both outcomes of the reasonability test are noted as being subject to Authority review. The reference to outcomes being "subject to review" introduces uncertainty into the test. We reserve the right to comment following the publication of the updated handbook as referenced in footnote 13		Northern Gas Networks	16/01/2026			
NARM Handbook	Paragraph 12.31	This paragraph states that states that if an outcome is not approved or fails the reasonability test, a "bespoke review" will be conducted. Although bespoke reviews cannot be fully defined, it would be useful to set high-level parameters to improve the transparency and clarity that Ofgem aims to achieve with the proposed changes.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 2.8	In the OBR historical official forecasts database, there is no CPIH tab. Please can Ofgem ensure that the references are checked and updated accordingly.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 2.18	There is a spelling error in the word "is".	<i>The GD3 PCFM is a GD3 Price Control Financial Instrument and, therefore, is a constituent part of Special Condition 8.1. It can be modified under section 23 of the Act. Certain modifications can be made in accordance with Special Condition 8.1.</i>	Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 2.23	This paragraph references back to the obligation set out in SpC 2.1 and reiterates that it is a best endeavours requirement. As per our response on the licence conditions, we noted that paragraph 2.1.3 should be a reasonable endeavours obligation, rather than best endeavours given the requirement to ensure that Recovered Revenue equals Allowed Revenue, especially given the introduction of a reasonable endeavours obligation in paragraph 2.1.21.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 3.14	A space is required between the words "enable" and "the".	<i>These inputs enable the model to be able to calculate PIt as well as calculate a forecast in accordance with the methodology above.</i>	Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Table 3.1	The term GDVDt is described as the "PSR disconnections adjustment". However, this is referred to as the "Safety disconnections volume driver" from RIIO-3.	Update table to reflect correct name against GDVDt	Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 4.1	There is a error in the word "businesses".	<i>The licensee's Calculated Revenue (Rt) includes amounts which cover the efficient cost of raising finance for the transportation business from external sources, commonly referred to as the 'cost of capital'. These amounts are calculated as a percentage return on the licensee's RAV. The Allowed Return on Capital is Ofgem's estimate of the transportation business' Weighted Average Cost of Capital (WACC). This is determined using a semi-nominal WACC, please see the end of the chapter for the calculation.</i>	Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 4	The sub paragraph numbering after 4.30 restart at 4.1, therefore these later items need updating to 4.31 through 4.45. A cross check for any cross references will also need to be carried out to ensure alignment	Amend numbering after 4.30	Northern Gas Networks	16/01/2026			

GD3 Price Control Financial Handbook	Paragraph 4.2	The wording in this paragraph needs revising. Firstly there is tautology through use of the word annual and annually in the same sentence. Secondly, the final sentence reads as though the allowed return on debt is revised in response to changes in the RFR which is not the case.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 4.27	We consider that a convenience premium must also be included in the calculation of the Risk Free Rate. For full details please refer to our response to Q7 of the RIIO-GD3 Draft Determinations Finance Annex.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Cost of Debt (page 27)	There does not appear to be any true-up mechanism to account for the fact that 5 months' data for each year's CoD allowance is based on forecasts of the iBoxx indices. Please could Ofgem clarify whether this is intentional and provide further clarity around this point.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 4.7	Please refer to our responses to Q1 and Q4 in the RIIO-GD3 Draft Determinations Finance Annex which outlined our concerns with the quantum of both Calibration adjustment and the Additional Cost of Borrowing.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 4.15	The dates in the table in paragraph 4.15 on page 34 (which should be 4.45 as per prior comment) need updating to the RIIO-3 period.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Table 5.1	We have reviewed the RPEs and indicies and can match the figures in the table to the latest RPE file shared. However, we cannot validate the Submission Weights (Dynamic) as these are hardcoded in the RPE file. These figures may have changed from original BP submissions via SQ resubmissions (e.g. Tier 2a) and due to other Ofgem adjustments. Therefore these should be rechecked and ammended following the Erratum process and the calculation file for these weights should be shared with networks for review. We would welcome engagement between Ofgem and the networks prior to the final licence publication to ensure appropriate implementation of FD in relation to RPEs and their calculation.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 6.42	Paragraph 6.42 (b) discusses cases where Ofgem rather than the Licensee might initiate a tax review. It is unclear how this Paragraph 6.45 reconciles with Paragraph 6.42 (b). Please could Ofgem review these two and provide alternative wording as appropriate?		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 7.41	There is a typo in the definition of EBAPA which refers to the year 2023/249.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Handbook	Paragraph 8.5(e)	As previously raised, we do not consider that it is appropriate to run the macro as part of this process. The GD2 models were fixed as the 25/26 prices were set and in our view should be retained as is, with the adjustments through the 26/27 legacy adj term. This process will result in inconsistencies between the legacy adj PCFM and the tax trigger models.		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Model		<p>The RIIO-GD3 PCFM published on 16 December 2025 contained multiple errors and incorrect inputs, resulting in erroneous revenue calculations. NGN submitted an updated version of the PCFM on 5 January 2026, based on Ofgem's FD Totex RFI file (version 2) released on 17 December 2025. NGN's submission included, for example, updates and corrections relating to:</p> <p>1) RIIO-GD2 PCFM legacy inputs and closing balances, 2) RIIO-GD3 Bucket 1 capitalisation rate, 3) tax pool allocations and balances, 4) net debt and interest forecast, 5) application of TIM and RPEs to variant allowances, and 6) changes to Transform and Allowed Revenue tabs.</p> <p>These changes resulted in significantly lower negative revenue profiling values than those published by Ofgem.</p> <p>We understand that, following the final Totex allowance run, an updated RFI file will be released in the week commencing 19 January 2026, which may result in a further recalculation of NGN's revenue. For example, there are ongoing discussions around T3 repex, LTS preheating, disconnection allowances, and streetworks exclusions. We assume that the Allowed Revenue, particularly for 2026/27, will not be lower than that submitted by NGN on 5 January 2026, and we request confirmation from Ofgem as soon as possible.</p>		Northern Gas Networks	16/01/2026			
GD3 Price Control Financial Model	Revenue Tab	For ease of reference, provide the relevant licence condition and terms for rows 8 to 27 on the Revenue tab of the PCFM.		Northern Gas Networks	16/01/2026			



GD3 Price Control Financial Model	Northern Tab	<p>There are several errors in the Northern tab of the 16 Dec PCFM pertaining to licence condition names, number references, and terms. Examples of these include the following errors in the Northern tab (please note this is not an exhaustive list):</p> <ul style="list-style-type: none"><li>- This row references SpC 4.7 instead of 4.6 (row 44),</li><li>- Rt is listed as the RIIO-2 Calculated Base Revenue; however, Rt is also the term for RIIO-GD3 Calculated Revenue as per SpC 2.1, para 2.1.9 (row 61),</li><li>- The correct term for the legacy K correction factor is LKt as per SpC 7.3. Kt is a correction factor, which is equal to LKt under SpC 7.3, para 7.3.3; however, they are distinct terms conceptually (row 70),</li><li>- The correct term is OTEt, not OTCT (rows 112 and 166),</li><li>- The licence heading is incorrect and should read "Safety disconnections volume driver". The SpC reference number 3.18 is also missing (rows 118 and 172),</li><li>- The correct term for this row is DIGIt, not DIGITt (rows 129 and 183),</li><li>- SpC 3.26 is not applicable to NGN. This should be explicitly stated, like it is for alternative equivalent SpCs (rows 133 and 187),</li><li>- The correct term is PSUPREt, not RESREt (row 139 and 193),</li><li>- The SpC number and term are missing, they should be SpC 3.20 and GRCRt, respectively (rows 143 and 197),</li><li>- The Business Plan Incentive variable (BPIt) is part of SpC 2.1, para 2.1.9; thus, the licence condition should be listed in this row (row 465),</li><li>- The RIIO-2 and RIIO-3 notional gearing level are identical. They are both set at 60%, captured by SpC 2.3, and are assigned the symbol "G". However, the RIIO-GD3 PCFM should explicitly refer to the "RIIO-3 notional gearing level" rather than the "RIIO-2 notional gearing", to avoid any confusion (row 536)</li></ul> <p>Please can Ofgem ensure that the licence conditions and corresponding terms are correctly</p>		Northern Gas Networks	16/01/2026			
GD3 PCFM Guidance	Chapter 2	<p>This chapter refers to the first dry run of the PCFM, which is due to be submitted by 30 September. Discussions have taken place at Working Groups regarding either completely abandoning the first dry run or moving the submission date to a later time. A potential switch to financial-year inflation forecasting, with actuals populated to September, reinforces the case for abandoning or moving the date of the first dry run to 30 October at the earliest, although 30 November would be more appropriate as other finance inputs become available by then.</p>		Northern Gas Networks	16/01/2026			
GD3 PCFM Guidance	Paragraph 2.16	<p>This paragraph states that "Ofgem will perform a further inflation update in July in each Regulatory Year, reflecting actual RPI and CPIH data until the end of June". This date needs to be reconsidered in light of Ofgem's intended switch to financial year inflation forecasting, which presupposes inflation actuals populated until September.</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	General comments	<p>In general, and as previously communicated with Ofgem via the GD3 business plan process, the restriction of the eligibility criteria and removal of future of gas severely limits R&amp;D that licensees can undertake in the hydrogen space. DESNZ recently published the Energy Innovation Needs Assessment report which clearly states where hydrogen will play a key role in the future energy sector. For example, &gt;24hour energy storage on hydrogen, innovation in H2 salt caverns, security of supply.</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	General comments	<p>Overall, the changes to the NIA and SIF significantly increase the administrative workload on each individual project. New recommendations in the governance documents require new skillsets and potentially more resources in order to deliver the projects. This could alter the nature of projects that will be delivered under the NIA, with them being more suitable to larger value, longer duration projects.</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	Paragraph 1.13	<p>Please can Ofgem expand on this paragraph and provide guidance on how the ENIT will implement effective communication channels with Licensees to ensure the IDGs activity is clearly communicated? This paragraph also states that NIA projects are expected to update the relevant IDGs on their progress and share key learnings. Could Ofgem clarify whether the projects that have to be shared are only projects relevant to the specific mission led outcomes?</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	Paragraphs 2.5 and 2.6	<p>It is unclear whether the IMF is now a mandatory component of our annual Regulatory Reporting Packs (RRPs), could Ofgem provide clarity on this? We are still yet to understand the extent of the workload required to complete the IMF and are concerned at the potential resource requirement for any additional reporting, at an already resource intensive period during RRP. Further guidance from Ofgem would be welcomed. In addition, at the time of writing, the idea log has been removed from the IMF and should be reintroduced here if it is to be a requirement. Please can Ofgem provide further information on what would be required from this request.</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	Paragraph 2.16	<p>We welcome the preference for a single online dissemination platform. However, we consider that the deadline to achieve this by 1st April 2026 is unachievable. We would encourage Ofgem to extend this date by six months to 1st September 2026.</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	Paragraph 3.28	<p>Please can Ofgem provide further guidance on its proposed 10-day review period that is mentioned in this paragraph? We are concerned that in cases where a project is registered onto the portal, contracts will have already been signed and significant work and cost will already have been invested into the project. We would suggest that the project eligibility review within the GIGG process already covers this.</p>		Northern Gas Networks	16/01/2026			
NIA Governance Document	Table 3.1	<p>Please could Ofgem provide more guidance on what level of detail it requires from a pre-project literature review? Would this be considered as part of the existing GIGG process where other networks review the projects for duplication (amongst other things)? We are concerned at the potential for extending project delivery times and increased resource/cost requirements if full (academic) reviews need to be undertaken per project.</p>		Northern Gas Networks	16/01/2026			
SIF Governance Document	General comments	<p>Overall, the changes to the NIA and SIF significantly increase the administrative workload on each individual project. New recommendations in the governance documents require new skillsets and potentially more resources in order to deliver the projects. T</p>		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 1.19	<p>We welcome the introduction of the deployment phase to the new SIF process. However, please could Ofgem confirm whether or not the projects being submitted through the deployment phase application process need to align with the strategic themes created by the ENIT?</p>		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 1.24	<p>Please could Ofgem provide clarity on why a minimum threshold of £1m has been applied to the deployment fund? Would a reduced minimum threshold of £500k provide greater opportunity to encourage more projects being deployed?</p>		Northern Gas Networks	16/01/2026			

SIF Governance Document	Paragraph 2.12	Please could Ofgem provide further guidance on what it expects from networks in supporting IDGs in the ideation activity process? There is potential that this will require additional resources, which we currently do not have in place or have accounted for.		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 2.15	Please could Ofgem clarify if the annual progress report that is to be produced 6 weeks prior to the 'Annual Innovation Meeting' is the same as the annual innovation summary which is produced by the networks, or whether it is an additional requirement? Given the annual innovation summaries include updates on dissemination activities, 3rd party collaboration, update on portfolio of projects and progress against innovation challenge outcomes, would an additional progress report be potential duplication of effort?		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 4.9	We would welcome clarity on whether the IMF is now a mandatory component of our annual Regulatory Reporting Packs (RRPs)? We are still yet to understand the extent of the workload required to complete the IMF and are concerned at the potential resource requirement for any additional reporting, at an already resource intensive period during RRP. Further guidance from Ofgem would be welcomed.		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 4.22	We welcome the preference for a single online dissemination platform. However, we consider that the deadline to achieve this by 1st April 2026 is unachievable. We would encourage Ofgem to extend this date by six months to 1st September 2026.		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 5.2	We would welcome clarity on whether, as outlined in the paragraph, the ringfenced fund for NESO is part of, or separate to, the allocated £450m SIF fund? If the former, could Ofgem confirm how much of the £450m has been ringfenced? We would also appreciate further information around whether this ringfenced fund is proportional to their size?		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 6.7	Could Ofgem confirm what level of weighting will projects that sit outside of the IDG process be given when being assessed?		Northern Gas Networks	16/01/2026			
SIF Governance Document	Table 1	Portfolio integration and strategic alignment' use same text as detailed in Table 4.		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 7.10	Could Ofgem provide additional information on how the collective delivery of Projects will be undertaken and assessed in terms of achieving intended outcomes?		Northern Gas Networks	16/01/2026			
SIF Governance Document	Paragraph 8.18	Could Ofgem confirm whether IARs or SoEs are required for the Discovery phase? If so, would one month be sufficient time to close-down the project? We would consider that six weeks would be more applicable.		Northern Gas Networks	16/01/2026			
Biomethane Use It Or Lose It (UIOLI) Governance Document	Paragraph 1.3	This paragraph refers only to NTS, however it should also encompass GDNs.		Northern Gas Networks	16/01/2026			
Biomethane Use It Or Lose It (UIOLI) Governance Document	Paragraphs 1.12 and 1.13	These paragraphs refer to Condition 3.15. Could Ofgem clarify whether this is intentional? The final bullet point in this paragraph refers to "costs incurred in relation to NTS offtake metering for low flow". However, it is unclear what the reference to NTS is intended to capture. Could Ofgem clarify what the intention is here, or whether it should be referenced in the NTS section later on in this document?		Northern Gas Networks	16/01/2026			
Biomethane Use It Or Lose It (UIOLI) Governance Document	Paragraph 2.9	Overall, we are supportive of the proposed guidance and consider it meets the stated objectives and is deliverable. We note below specific items which we consider need to be addressed to improve the reporting process.		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	General comments			Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Total Emissions Reporting	As stated in our response to the draft reporting guidance in 2025, we continue to disagree with the proposed approach of entirely separate reporting of shrinkage/losses and business carbon footprint (BCF) emissions as this is contrary to Greenhouse Gas Emissions (GHG) reporting practice under the GHG Protocol and does not provide stakeholders with a transparent understanding of our GHG emissions profile and materiality. As detailed in our RIIO-GD3 Environmental Action Plan (EAP), our stakeholders have told us that that they want to be able to clearly understand our total GHG emissions performance and that the current RIIO-2 (and proposed RIIO-3) reporting makes this difficult as our GHG emissions are presented separately as shrinkage and BCF. We propose that this expectation is addressed by the requirement to include a table and associated representative graphic in the AER narrative demonstrating each licensee's total annual Scope 1 and 2 GHG emissions composition and an additional 'Total Scope 1 and 2 GHG emissions' tab in the KPI spreadsheet. Note we propose restricting this to Scope 1 and 2 given the differences in Scope 3 emissions reporting coverage across the networks.		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Climate Change Adaptation and Resilience Reporting	As detailed in our RIIO-GD3 Environmental Action Plan (EAP), our stakeholders have told us that that they want to be able to clearly understand our total GHG emissions performance and that the current RIIO-2 (and proposed RIIO-3) reporting makes this difficult as our GHG emissions are presented separately as shrinkage and BCF. We propose that this expectation is addressed by the requirement to include a table and associated representative graphic in the AER narrative demonstrating each licensee's total annual Scope 1 and 2 GHG emissions composition and an additional 'Total Scope 1 and 2 GHG emissions' tab in the KPI spreadsheet. Note we propose restricting this to Scope 1 and 2 given the differences in Scope 3 emissions reporting coverage across the networks. This introduces excessive reporting burden to licensees whilst offering limited additional value to stakeholders. Ofgem should be cognisant that climate science is complex and does not change quickly and as such the time taken to implement new learnings and change to infrastructure planning, construction, operation and maintenance programmes is prolonged. As such there is likely to be limited differences in the content of this section of the AER from one year to the next. It is proposed that this section of the AER should be changed to a biennial reporting requirement in RIIO-3 years 1, 3 and 5.		Northern Gas Networks	16/01/2026			

Environmental Reporting Guidance	Paragraph 3.22	<p>There is a requirement for a commentary on how individual projects have been attributed to shrinkage reduction, including the percentage reduction each project achieved. Please note that the only parameters that can be amended in the current Shrinkage and Leakage Model (SLM) are pipe material type and length, average system pressure and monoethylene glycol saturation. Other measures which can reduce shrinkage, such as equipment replacement or avoidance of venting during maintenance, are not reflected in the SLM and as such the benefits cannot currently be measured and reported in keeping with the SLM methodology.</p> <p>- We recommend that the guidance is revised to clarify that this requirement applies 'where practicable'.</p> <p>- We recommend for consistency of reporting that Ofgem include a requirement for networks to work collaboratively to develop a common methodology to determine 'how individual projects have been attributed to shrinkage reduction, including the percentage reduction each project achieved)' as it is a new requirement for RIIO-3.</p> <p>- To enable the above, please can Ofgem identify a common baseline year and guidance regarding the above observations to enable this reporting, in particular what to use as benchmarks so that all SLM components can be fixed and the variable of interest used to report reduction. This is important to ensure robust and consistent reporting.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraph 3.22	<p>There is a requirement to identify likely future modelled and observed (if available) volumes of shrinkage.</p> <p>The GDNs are awaiting a decision from Ofgem regarding a modification to the Own Use Gas (OUG) factor within the Shrinkage and Leakage Model (SLM) which will lead to an increase in reportable annual OUG volumes. If approved, this will necessitate a revision of the RIIO-GD3 Shrinkage BPDts to reflect the revised (materially larger) OUG factor, which will in turn change the forecast shrinkage volumes. In addition, GDNs would also need to retrospectively apply the increased OUG factor to the RIIO-GD2 shrinkage values (in particular 25/26), to ensure that the increase in OUG volumes does not mask proactive shrinkage reductions during RIIO-GD3. This needs careful consideration and direction from Ofgem to ensure such changes are consistent across all GDNs and appropriately communicated to stakeholders in reporting.</p> <p>- We recommend that if the OUG factor change is approved Ofgem request GDNs provide both new RIIO-GD3 shrinkage forecasts and revised RIIO-GD2 shrinkage performance volumes based on the new factor and provide appropriate guidance for undertaking and communicating this.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraph 3.24	<p>We recommend that for clarity and consistency of reporting, Ofgem to provide a definition of what constitutes low carbon gas.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraphs 3.27 to 3.29	<p>The requirements of this section are broad and go beyond that required in the RIIO-3 business plan guidance. As such, the degree to which individual networks can report will vary significantly.</p> <p>- We recommend that the guidance is revised from 'must' to 'should, where practicable'.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraph 3.40	<p>We recommend that Ofgem include a requirement for networks to work collaboratively to develop a common and relevant sector specific definition of 'new construction projects' and an associated project financial value materiality threshold for reporting. Ofgem to provide their views to enable this.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Paragraph 4.6 and BCF tab	<p>We recommend for transparency to stakeholders that new lines should be added to the KPI table BCF tab:</p> <ul style="list-style-type: none"><li>•Total Scope 1 and 2 emissions – location based (including Electricity Transmission Losses and/or Shrinkage)'</li><li>•Total Scope 1 and 2 emissions – market based (including Electricity Transmission Losses and/or Shrinkage)'</li></ul> <p>This will help address stakeholder feedback received by NGN as referenced above.</p> <p>The guidance requires 'The total baseline reduction target will be reported in line with the licensee's SBTi target approved as part of the RIIO-3 business planning process'.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraph 4.7	<p>Please clarify where this is to be reported within the AER – we assume it is to be included within the commentary as there is no space in the KPI table for BCF targets.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraph 4.10	<p>We recommend for transparency to stakeholders that a chart of total Scope 1 and 2 emissions versus the relevant total emissions reduction target (SBTi or otherwise) must also be included.</p> <p>This will help address stakeholder feedback received by NGN as referenced above.</p>		Northern Gas Networks	16/01/2026			



Environmental Reporting Guidance and KPIs	Paragraph 4.14 and GD shrinkage tab	<p>There is a requirement to identify the annual shrinkage contributions of replex, conditioning and pressure management. Ofgem must be cognisant that:</p> <ul style="list-style-type: none"><li>• Isolating certain elements of the SLM can enable this but it is not necessarily meaningful due to the multitude of changing factors within the SLM year-on-year, most notably the network characteristic changes due to Repex.</li><li>• Pressure Management is not a direct indicator of shrinkage performance. It can vary from year-to-year in response to cold weather periods and the associated requirement to meet standards of supply (minimum operating pressures) which are outside of GDN control. In addition, in the longer terms average system pressures are likely to increase in association with further Repex by insertion and potentially hydrogen blending – in such cases average system pressure increases are enablers to reduction of leakage emissions.</li><li>• GDNs may choose to cease gas Conditioning in RIIO-GD3 as its effectiveness diminishes as the Repex programme advances. Stakeholder perception of identifying zero shrinkage reduction impact of gas conditioning in the KPI table (especially if some GDNs continue but others do not) needs to be considered.</li></ul> <p>We recommend for consistency of reporting that Ofgem include a requirement for networks to work collaboratively to develop a common methodology to determine 'Gas conditioning activities impact on shrinkage volumes; Pressure management impact on shrinkage volumes; and Repex on shrinkage volumes)' as it is a new requirement for RIIO-3.</p> <p>To enable the above, please can Ofgem identify a baseline year and guidance regarding the above observations to enable this reporting, in particular what to use as benchmarks so that all SLM components can be fixed and the variable of interest used to report reduction. This is important to ensure robust and consistent reporting.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Paragraph 4.15 and GD Shrinkage tab	<p>Lines 51-92 of the KPI table GD – Shrinkage tab require detailed reporting of observed shrinkage.</p> <p>Ofgem should be cognisant that observed leakage detection and reporting is at an extremely early stage in association with the development of the Digital Platform for Leakage Analytics (DPLA) project. It is currently unclear what shrinkage and leakage measurement and reporting capabilities will be possible from observed data and it is likely to be at least RIIO-GD3 Year 3 before any reporting is practicable.</p> <p>In particular, it is unlikely that observed data will be available for theft of gas or own use gas. It is also unlikely that allocation of shrinkage reduction contribution across the identified drivers (replex, conditioning and pressure management) will be determinable from observed data.</p> <p>It is recommended that lines 51-92 of the KPI table GD Shrinkage tab are removed or suitably marked to reflect their current status as aspirational. It is recommended that reporting possibilities are reviewed following DPLA roll out in readiness for reporting in RIIO-GD4.</p> <p>Lines 95-98 of the KPI table GD – Shrinkage tab require reporting of Advanced Leakage Detection Survey Coverage with no further guidance provided. For example it is unclear if this is discrete in-year reporting or cumulative over RIIO-GD3.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Paragraph 4.15 and GD Shrinkage tab	<p>Please can Ofgem provide further data preparation methodology guidance.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Paragraph 4.17 and Hydrogen blending tab	<p>We recommend for consistency of reporting that Ofgem include a requirement for networks to work collaboratively to develop a common methodology to determine 'Blending ratio of hydrogen' as it is a new requirement for RIIO-3.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Paragraph 4.22 and resource use and waste tab	<p>It is noted that the waste reporting requirements excludes streetworks waste and is restricted to waste created directly by the licensee only. Streetworks waste typically comprises &gt;95% of waste created by GDNs by weight (&gt;99% for NGN), with the majority being created by third party mains replacement contractors for most networks. For NGN, this means that typically 80% of our waste by weight is streetworks spoil created by our contractors on our behalf.</p> <p>To exclude this waste from our reporting is confusing and potentially misleading to stakeholders as it is does not provide a true reflection of our waste generation. This would be similar in nature to not reporting Scope 3 greenhouse gas emissions.</p> <p>We recommend that the waste reporting requirement is revised to include streetworks waste but reporting is broken down annually by category (streetworks spoil or other) and by source (licensee or contractor).</p> <p>The above would be in keeping with other reporting practice.</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance and KPIs	Paragraph 4.22 and resource use and waste tab	<p>The 'Total % of Waste diverted from Landfill (excluding compliance waste, defined as waste that must legally be disposed of to landfill)' is confusing and potentially misleading to stakeholders. Regardless of whether waste has to be disposed to landfill for compliance purposes, if the disposal is to landfill it must be included in the % waste to landfill KPI to provide stakeholder with an accurate understanding of waste disposed to landfill. The commentary will allow for explanation of such occurrences and in reality this should be residual waste only of low materiality. Without this a network could be sending 1000 tonnes of compliance waste to landfill whilst presenting themselves as 0% waste to landfill.</p> <p>We recommend amending the KPI to include all waste types (remove exclusion of compliance waste).</p>		Northern Gas Networks	16/01/2026			
Environmental Reporting Guidance	Paragraph 4.26	<p>We recommend amending this to 'must' (not 'should') to match the requirements of Section 3.36.</p>		Northern Gas Networks	16/01/2026			
Environmental KPI Table	BCF tab	<p>Lines 21 and 26 under Scope 2 refer to 'Gas'. Please advise what this relates to. Natural gas combustion is a Scope 1 emission and already included. Does it mean electricity consumption at gas infrastructure sites?</p>		Northern Gas Networks	16/01/2026			

Environmental KPI Table	BCF tab	Shrinkage is a Scope 1 emission however line 28 includes shrinkage under Scope 2. We recommend including shrinkage on it's own, separate line under Scope 1		Northern Gas Networks	16/01/2026			
		Line 29 is incorrect as it sums the Scope 2 market based and Scope 2 location based emissions which is not appropriate. This has the resultant impact of making line 30 incorrect.  We recommend: •amend line 29 to be 'Total Scope 1 and 2 Emissions - location based (excluding Electricity Transmission Losses and/or Shrinkage)' •amend line 30 to be 'Total Scope 1 and 2 Emissions - market based (excluding Electricity Transmission Losses and/or Shrinkage)' •Note comment above recommending inclusion of additional lines for 'Total Scope 1 and 2 Emissions -location based (including Electricity Transmission Losses and/or Shrinkage)' and 'Total Scope 2 emissions – location based (including Electricity Transmission Losses and/or Shrinkage)'		Northern Gas Networks	16/01/2026			
Environmental KPI Table	BCF tab	Total formulae are missing for each Scope 3 category and are presented differently to Scope 1 and 2 totals (below category rather than above. Please address.		Northern Gas Networks	16/01/2026			
Environmental KPI Table	BCF tab	Total Scope 3 formulae (row 67) must be amended to exclude the individual Scope 3 category sub-totals otherwise it will give the incorrect total (double counting). Please address.		Northern Gas Networks	16/01/2026			