Consultation

Modifications to RIIO-2 Network Asset Risk Metric (NARM) Methodologies

Publication date:	20 February 2026
Response deadline:	20 March 2026
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We are consulting on modifications to the Network Asset Risk Metric (NARM) Methodologies proposed by the transmission and gas distribution sectors. We would like views from licensees, network customers, particularly those with an interest in NARM. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at ofgem.gov.uk/consultations. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

Contents

1. Introduction

This section introduces the purpose, structure and scope of the consultation and explains the context for the proposed NARM Methodology modifications, the relationship to RIIO-2 licence obligations, and how stakeholders can engage with the process.

1.1 Great Britain's energy networks are regulated by Ofgem under the RIIO framework to ensure safe, reliable and efficient services at value for money. NARM provides a common approach to estimating monetised asset risk and the benefit of interventions, enabling us to set and assess Baseline Network Risk Outputs (BNROs).

1.2 Each licensee must have and maintain a NARM Methodology that facilitates the NARM Objectives and keeps it under continuous improvement. Special Condition (SpC) 9.2.6 requires licensees to review the methodology and identify modifications that better facilitate those objectives.

Purpose of this consultation

1.3 The purpose of this consultation is to seek stakeholder views on the proposed amendments to the NARM methodologies for GD, GT and ET licensees. These amendments reflect the jointly agreed Category 1 and Category 2 development actions identified through the cross-sector methodology review carried out during RIIO-2. They include improvements to transparency, documentation structure, calibration/testing/validation, long-term risk estimation, consequence valuation and the treatment of digitalisation.

1.4 Draft directions for both the electricity and gas sectors are set out in Appendix 3.

1.5 In this consultation, we discuss our plans for further refinement of the existing NARM Methodologies in Section 4, where we also set out the areas of further development required alongside the RIIO-3 NARM improvement works.

Context and related publications

1.6 The proposed modifications arise from a cross-sector review of NARM methodologies against agreed assessment criteria covering technical robustness, transparency, alignment, uncertainty treatment, deterioration modelling and stakeholder engagement, please Appendix 2 for the details of these criteria.

1.7 Related documents are the GD, GT and ET current NARM Methodologies, provided alongside this document.

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Consultation stages

Stage 1 Consultation open: 20 February 2026

Stage 2 Consultation closes (awaiting decision). Deadline for responses: 20 March 2026

Stage 3 Responses reviewed and published and Issue direction before 31 March 2026

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we

will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

2. NARM Methodology Overview

This section provides an overview of how the NARM Methodology operates across sectors, the structure of the methodology documents, and the obligations on licensees under SpC 9.2. It explains the components of the NARM framework, how monetised risk and risk benefit are estimated, and how this enables Ofgem to set and assess baseline outputs on a consistent basis. We also summarise the requirement for licensees to keep their methodology under continuous improvement and to consult with other licensees and stakeholders before submitting modifications for approval.

2.1   Each sector's NARM Methodology explains how licensees estimate monetised risk (MR) and monetised risk benefit associated with asset deterioration and interventions. The methodology provides transparent links between the data companies collect, the risk they estimate on their networks, and the investment decisions they take to manage that risk. This allows Ofgem to set Baseline Network Risk Outputs (BNROs) and assess delivery on a consistent basis.

2.2   The NARM Methodology is composed of:

- a Common Methodology setting out sector-level principles;
- a Network Asset Risk Annex (NARA) describing the calculation approaches; and
- Licensee-Specific Appendices (LSAs) containing company-specific parameters and calibration values, where applicable.

2.3   In electricity transmission, NGET maintains a standalone NARA T2, while SPT and SSEN Transmission share a Scottish TO NARA. NGET has previously integrated the content of its LSA into the main NARA.

2.4   Under SpC 9.2, licensees must keep their NARM Methodologies under continuous improvement and propose modifications where these would better facilitate the NARM Objectives, including transparency, robust estimation of MR and MR Benefit, alignment with asset management decisions, and enabling Ofgem to set and assess outputs. Licensees must consult with stakeholders and other network licensees before submitting modifications for Ofgem approval.

Overview of the programme of work

2.5   At the start of RIIO-2 price control Ofgem reviewed all NARM methodologies against 51 criteria covering technical robustness, continuous improvement, testing and validation, transparency, long term focus, alignment, treatment of innovation and stakeholder engagement, a detailed summary of each of these

criteria can be found in Appendix 2. This cross-sector audit identified areas for improvement and formed the basis of a joint development programme with companies. In March 2022, Ofgem agreed a development roadmap that prioritised near term changes and set out a collaborative process involving regular technical working groups and a joint Ofgem–licensee steering group to oversee progress.

2.6   To support delivery, we categorised changes by the scale and timing of work required:

- Category 1: short term modifications to improve transparency, completeness and accessibility of the methodology documents.

- Category 2: short to medium term modifications, including improving alignment within and across sectors, updating financial Consequence of Failure (CoF) values, enhancing long term risk calculation and related model refinements.

- A longer-term Category 3, expansion to new assets, calibration refinements and further reflection of energy transition, was identified but is not the focus of the amendments considered here. We expect some of this work to be covered under the NARM development work planned for RIIO3, please see Section 4 which provides more details on these areas and next steps.

2.7   The proposals consulted on in this document implement agreed Category 1 and Category 2 changes for the GD, ET and GT sectors under RIIO 2, following licensees' consultations in line with SpC 9.2.

3.   Modifications to GD, ET and GT NARM Methodology

This section summarises the modifications proposed to the NARM methodologies across the GD, ET and GT sectors. These changes stem from jointly agreed Category 1 and Category 2 development actions identified during the RIIO-2 methodology review and sets out Ofgem's minded-to positions.

Gas Distribution (GD)

3.1   GD networks have submitted modifications reflecting Category 1 and Category 2 areas identified in the joint Ofgem–GDN review. Updates span document structure, modelling improvements, long-term risk treatment and asset-specific refinements. The proposals are primarily reflected in Methodology Versions 5 and 6.

3.2   The proposals span both the main methodology and asset-specific appendices, and include structural, explanatory and technical updates. Version 5 focuses on improved explanation, transparency and accessibility of key methodology components, while Version 6 introduces model enhancements for pressure-control assets and supporting updates to long-term risk calculations. The following provides a summary of the please GD methodology provided alongside this consultation for more details.

GD Category 1 Amendments

- **Clearer context and objectives**: improved explanation of NARM's purpose and alignment with licence obligations.
- **Enhanced treatment of interdependencies**: expanded descriptions of upstream/downstream interactions and multi-feed configurations.
- **Data assurance updates**: new sections outlining governance, data-quality assessment and alignment with Regulatory Reporting Pack (RRP) processes.
- **Updated regulatory reporting section**: reflecting RIIO-GD2 reporting requirements.
- **Strengthened engineering assessments**: clearer scoring rules, engineering judgement and evidence use.
- **More transparent deterioration modelling**: improved explanation of derivation and application of deterioration rates across asset groups.
- **Improved structure and clarity**: expanded examples, clearer cross-referencing and more consistent terminology.

GD Category 2 amendments

- **Long-term risk (LTR) development**: new comprehensive LTR section covering cumulative risk, discounting and intervention lives.
- **Calibration, testing and validation**: clearer explanation of validation approaches for long-term risk and life assumptions.
- **Pressure-control asset modelling**: substantial modelling updates for PRS/Offtake and Governor assets.
- **Demand mix and future scenarios**: expanded commentary on future demand updates and scenario-based modelling.
- **Further transparency improvements**: clearer parameter definitions and formula explanations.

Ofgem's minded to position (GD)-to position (GD)

3.3 We consider the GD modifications to significantly improve clarity, structure and technical robustness. They fully address Category 1 items and make strong progress on Category 2 work. We are minded-to approving the GD modifications, subject to consultation responses.

Electricity Transmission (ET)

3.4 The ET NARM framework comprises a Common Methodology, a standalone NARA maintained by NGET and a joint Scottish TO NARA used by SPT and SSEN Transmission, supported by licensee-specific appendices (LSAs), which are integrated into the NARA for NGET but maintained separately for SPT and SSEN Transmission. Updates across TOs include improved clarity, enhanced long-term risk treatment, strengthened calibration/testing/validation and clearer governance for future updates.

National Grid Electricity Transmission (NGET)

Category 1 amendments

- **Improved transparency and structure:** reorganised NARA T2, section summaries, removal of legacy references, integration of LSA content and inclusion of worked MR examples.
- **Alignment with RIIO-2 outputs:** clearer treatment of long-term risk benefit and BNRO assessment.

Category 2 amendments

- **Forward-looking development and alignment**: identification of alignment opportunities, digitalisation and enhanced condition-data use.

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- **Improved cable and OHL fittings modelling**: more graduated scoring and condition-led approaches.
- **Failure-mode modelling review**: updates informed by external evidence (e.g. International Council on Large Electric Systems (CIGRE) and (Common Network Asset Indices Methodology) (CNAIM)).
- **Public-facing guidance**: simplified explanatory documents for non-technical audiences.

NARM Methodology SPT-SSENT NARA

Category 1 amendments

- **Improved transparency and structure:** substantial restructuring of the NARA, addition of previously omitted formulas, and clearer presentation of calculation approaches to support stakeholder understanding.
- **Condition-assessment methodology:** clearer explanation of how standardised questions sets are used to collect and apply asset condition data

Category 2 amendments

- **Forward-looking development and innovation:** new forward-looking content (Section 13) describing digitalisation opportunities and enhanced health-scoring techniques, supporting ongoing NARM development.
- **Calibration alignment:** incorporation of updated calibration values consistent with latest CTV outcomes, improving cross-document alignment and methodological robustness.

Scottish Power Transmission (SPT) LSA

Category 1 amendments

- **Improved transparency and structure:** Reorganisation of the LSA to enhance transparency, including restored calibration values, clearer structure, and improved alignment with the current NARM Methodology, making the document more accessible and complete.
- **Publication of the LSA:** The LSA has been prepared for publication for the first time, subject to limited redaction under Ofgem's data-publication guidance, improving transparency for stakeholders.
- **Worked example included:** Addition of a detailed monetised-risk example for transformers, illustrating the calculation steps and use of calibration values. Further examples will be added in future revisions.

Category 2 amendments

- **Calibration alignment:** Calibration values in the LSA have been updated to match the latest CTV exercise, ensuring internal consistency across methodology documents and improved alignment with cross-sector modelling work.

Scottish & Southern Electricity Networks Transmission (SSENT) LSA

Category 1 amendments

- **Alignment and readability**: The LSA has been updated to improve readability and to ensure calibration values reflect those used in practice; these changes are for transparency and do not affect model outputs.

Category 2 amendments

- **Forward looking development and governance**: The methodology includes a section on future development and the role of digitalisation. It also clarifies the change control process, including annual reviews and the procedure for any potential rebasing activities and associated reporting.

Modification to the NARM TO Common Methodology Document

Category 1 amendments

- **Improved transparency and structure:** Enhancements to the Calibration, Testing and Validation (CTV) and uncertainty sections of the documents, providing clearer explanation of uncertainty handling and the CTV process.
- **Updated future development content:** New section on innovation and forward-looking development, setting out how future methodology improvements and innovation will be incorporated.
- **Introduction of a change-control and rebasing process:** Addition of a new section describing the governance, procedure and timeline for methodological changes and any associated rebasing of BNROs.

Category 2 amendments

- **Alignment with NARM framework and long-term risk calculation:** Updated content consolidates and aligns definitions of Risk Output measures, long-term monetised risk, and their relationship to RIIO-T2 NARM Objectives.

Ofgem's minded-to position (ET)

3.5   We consider the ET modifications to represent substantial and meaningful improvements across transparency, modelling detail,

calibration/testing/validation and governance. We are minded-to approving the ET modifications, subject to consultation responses.

Gas Transmission (NGT)

Category 1 amendments

- **Improved transparency and accessibility**: clearer formulas, enhanced cross-referencing, accessibility improvements.

- **Digitalisation impacts**: expanded description of digitalisation opportunities and data-stream integration.

Category 2 amendments

- **Updated CoF values**: reference values updated to 2024 price base, with explanation of alignment constraints.

- **Governance and stakeholder engagement**: clearer process for annual review and engagement.

Ofgem's minded-to position (GT)

3.6 We consider the GT modifications to materially improve transparency, documentation quality and alignment, and they strengthen confidence in long-term risk assessment. We are minded-to approving the GT modifications, subject to consultation responses.

4. Plans for further modifications (RIIO-3 development works).

This section summarises the areas where further development of the NARM methodologies will be taken forward during RIIO-3. It reflects the development plans submitted by electricity transmission, gas transmission and gas distribution networks, including work already underway and areas identified through the cross-sector methodology review. These plans also include items that were scheduled for completion later in the price control period.

4.1 The development areas for RIIO-3 represent the next phase of continuous improvement to the NARM methodologies. They build on refinements made during RIIO-2 and respond to the need for greater comparability, improved data quality and validation, clearer deterioration and risk-modelling approaches, and enhanced transparency.

4.2 The below provides an overview of the key development areas across ET, GT and GD, covering both sector-specific priorities and common cross-sector themes.

4.3 ET development areas

- Improving failure-rate alignment
- Refining long-term risk benefit approaches
- Strengthening stakeholder engagement
- Further modelling alignment across TOs

4.4 GT development areas

- Enhancing deterioration and failure-rate models
- Extending asset coverage
- Improving digitalisation and data integration
- Developing multiple scenario and maintenance-strategy modelling

4.5 GD development areas

- Strengthening engineering assessments and scoring
- Improving deterioration and failure-rate evidence
- Enhancing interdependencies and data assurance

4.6 GT and GD common development areas

- Stronger digitalisation and system integration
- Better modelling of maintenance strategies
- Improved representation of interdependencies and future energy vectors

- Data quality and validation improvements

Questions

Q1.   Do you agree with our assessment of the proposed NARM Methodology modifications across Gas Distribution, Electricity Transmission, and Gas Transmission? Please provide evidence to support your views.

Q3.   Do you agree with our minded-to positions regarding the approval of the proposed modifications?

Conclusions and next steps

4.7   Following our assessment of the proposed modifications to the GD, ET and GT NARM Methodologies, **we are minded-to approve the changes submitted by licensees**, as we consider that they collectively improve transparency, strengthen the evidence base, support more robust and consistent risk estimation, and better facilitate achievement of the NARM Objectives under Special Condition 9.2.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1.   NARM Objectives

A1.1 The NARM Objectives are set out in Special Condition 9.2.5 of the relevant licences. They are reproduced in a summary form here for ease of reference.

The NARM Objectives are to:

(a) Provide transparent, logical links between:

- the asset data collected through inspections, maintenance and asset-management activities;
- the data input into Asset Management Systems;
- the licensee's asset-management decisions; and
- where relevant, whole-system investment decisions.

(b) Enable the Authority to set and assess Baseline Network Risk Outputs, and assess delivery against those outputs.

(c) Enable robust estimation of monetised risk, including Current, Forecast, Single-Year and Long-Term Monetised Risk for:

- each NARM asset category;
- individual NARM assets; and
- the network as a whole.

(d) Enable robust estimation of monetised risk benefit delivered (or expected) from interventions on assets or groups of assets.

(e) Provide inputs to support cost-benefit analysis, including:

- justification of investment plans; and
- reporting of outturn delivery.

(f) Enable identification and quantification of the drivers of change in monetised risk over time.

(g) Enable comparative analysis of monetised risk between:

- asset categories,
- geographic areas,
- different networks within and across sectors, and
- networks outside Great Britain where appropriate.

(h) Enable transparent communication to Ofgem and other stakeholders of relevant network risk information.

Appendix 2.   NARM Methodology Review Criteria

A2.1   The below is a summary of the criteria used in Ofgem's cross-sector review of NARM methodologies covering each audit area.

A2.2   Technical Considerations (Engineering Assessments)

- Criteria_ID 01: Are the engineering assessments used to implement the methodology comprehensive, accurate, appropriate, and clearly explained?
- Criteria_ID 02: Are the engineering parameters within the methodology aligned with, or suitably proxies for, the assessments that the network company should conduct and consider in making its investment decisions? Where parameter scoring requires engineering judgement are the scoring rules unambiguous and robust?
- Criteria_ID 03: Are the engineering assessments supported by relevant technical documentation?
- Criteria_ID 04: Are the current groupings/sub-groups/cohorts of assets still appropriate?
- Criteria_ID 05: Does the scope of assets within the methodology reflect the full range which could reasonably be included, and are the reasons for keeping asset categories currently out of scope (non-NARM assets) still valid?
- Criteria_ID 06: Are there any metrics or measures which require adjustment (e.g., is Average Circuit Unreliability required for ET)?
- Criteria_ID 07: Are the levels of complexity within the methodology appropriate? Can any elements be simplified without compromising robustness? Are any areas too simplified?
- Criteria_ID 08: Are the intervention types for each asset or asset group technically justified? Are the intervention options suitably comprehensive?
- Criteria_ID 09: Are the Probability of Failure (PoF) calculations supported by robust and accurate technical justification reflecting sub-components, failure modes, conditional probabilities, and different types of failure?
- Criteria_ID 10: Is the modelling of end-of-life modifiers/failure rates supported by sufficient empirical evidence? Can modelling be improved using additional information?
- Criteria_ID 11: Are all asset event trees still suitable, or do they need updating or further development?
- Criteria_ID 12: Are the probability of consequences still accurate?
- Criteria_ID 13: Are Consequence of Failure (CoF) reference values up to date and referenced from the most appropriate sources?
- Criteria_ID 14: Does the methodology fully capture and appropriately value all relevant safety, environmental, system, and financial consequences?

- Criteria_ID 15: Are the CoF calculations supported by robust technical logic reflecting sub-components, failure modes, conditional probabilities, and different types of failure?
- Criteria_ID 16: Does the methodology fully explain how deterioration (and forecast risk values) are derived? Is the deterioration modelling evidence-based and technically appropriate?
- Criteria_ID 17: Has the methodology clearly set out the steps for estimating long-term risk?
- Criteria_ID 18: Is the approach to uncertainty appropriate and well-evidenced?
- Criteria_ID 19: Have relevant interdependencies been appropriately considered in PoF and CoF modelling? Is this well-evidenced (e.g., mains/services relationships for GD)?

A2.3   Continuous Improvement

- Criteria_ID 20: Has the methodology taken into account any new and relevant information that has become available?
- Criteria_ID 21: Has action been taken in areas where the licensee previously indicated insufficient information?
- Criteria_ID 22: Has the licensee sought to address previously recognised limitations?
- Criteria_ID 23: Has the licensee provided updates to address outstanding issues?
- Criteria_ID 24: Is the approach to data assurance still appropriate? How does the company ensure accuracy, reliability, and completeness of source data?
- Criteria_ID 25: Is learning from annual reporting feeding into future NARM development?

A2.4   Fully Tested

- Criteria_ID 26: Has a plan been outlined for carrying out recalibration and revalidation of NARM?
- Criteria_ID 27: Has the licensee demonstrated completion of Calibration/Testing/Validation (CTV) testing and identified results?

A2.5   Facilitating Transparency

- Criteria_ID 28: Except where restricted by Annex 1 criteria, are all methodology elements publicly available?
- Criteria_ID 29: Is all relevant technical detail provided to enable understanding of the licensee's approach and performance?
- Criteria_ID 30: Is the methodology structured and drafted to maximise reader understanding?

- Criteria_ID 31: Have all relevant parameters and formulae been presented and fully explained?
- Criteria_ID 32: Do the documents follow best practice for accessibility (e.g., support for visual impairment)?

A2.6   Long-Term Focus

- Criteria_ID 33: Does the methodology effectively facilitate compliance with regulatory reporting requirements?
- Criteria_ID 34: Has the licensee accounted for new data streams resulting from digitalisation?
- Criteria_ID 35: Has the licensee accounted for future changes in generation/demand mix and scenarios driven by electrification?
- Criteria_ID 36: Is there a forward-looking section identifying areas for future development and actions to support these?

A2.7   Alignment

- Criteria_ID 37: Are there areas where greater alignment with other sector/company methodologies could be achieved?
- Criteria_ID 38: Have barriers to alignment within and across sectors been identified, and are steps being taken to address them?

A2.8   Reflecting Innovation

- Criteria_ID 39: Has the methodology modelled additional risk benefits arising from innovation-driven changes?

A2.9   Reflecting Stakeholder Views

- Criteria_ID 40: Has consideration been given to tracking and meeting stakeholder requirements?
- Criteria_ID 41: Have informed and independent stakeholder views been gathered, considered, and appropriately reflected?

A2.10   Meeting the NARM Objectives

- Criteria_ID 42: Does the methodology address all relevant drivers of monetised risk change? Does it enable robust estimation of the impact of each driver?
- Criteria_ID 43: Are outputs from the methodology comparable across sectors and companies?
- Criteria_ID 44: Does the methodology allow Ofgem and stakeholders to understand links between data collection, asset management, and investment decisions?
- Criteria_ID 45: Does the methodology enable Ofgem to set outputs and compare delivered outputs to targets on a like-for-like basis?

- Criteria_ID 46: Does the methodology enable estimation of monetised risk both now and in the future?
- Criteria_ID 47: Does the methodology enable estimation of both single-year and long-term monetised risk benefit from interventions?
- Criteria_ID 48: Are monetised risk benefits realistic, with robust probability estimates and correctly valued consequences, suitable for cost-benefit analysis?
- Criteria_ID 49: Does the methodology enable identification and quantification of drivers of monetised risk change over time?
- Criteria_ID 50: Does the methodology allow monetised risk comparisons between assets and networks, with minimal subjectivity in estimation?
- Criteria_ID 51: Does the methodology enable clear, unambiguous reporting to Ofgem and stakeholders?

Appendix 3. Draft Directions

Gas Act 1986 – Section 23(1)(a)

Direction to modify the Special Conditions of the Gas Transporter Licence held by [National Gas Transmission plc/ Gas Distribution Networks]

To:
[Network]

1. [Network], to whom this Direction is addressed (the "Licensee") is the holder of one of the following licences (the "licence") a Gas Transporter licence granted or treated as granted under section 7 of the Gas Act 1986 (the "Gas Act").

2. The Licensee has in place a NARM Methodology in accordance with Special Condition 9.2 of its Gas Transporter Licence.

3. On [date] the Licensee published proposed modifications for consultation with other Network Licensees[1] and with any other interested parties. The consultation closed on a period of 28 days in compliance with SpC 9.2.8(a).

4. On the Licensee submitted its proposed modified NARM Methodology to the Authority for approval along with other documentation required under SpC 9.2.8(b) to 9.2.8(i).

5. The Authority reviewed the Licensee's submissions, and on 20 February 2026 published a consultation on its minded to decision to approve the Licensee's modified NARM Methodology.

6. The Authority received [number to be confirmed] responses during the 28-day consultation period, which ended on 20 March 2026. Summary of the responses and explanation of the Authority's views and responses to them are set out in Appendix 1.

   Authorised on behalf of the Gas and Electricity Markets Authority
   Date: [insert]

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[1] Network licensee means the holder of a licence granted under section 7 of the Gas Act 1986. Paragraph 9.2.8(b) of SpC 9.2 requires the licensee to "consult with other Network Licensees to which a condition of equivalent effect to this condition applies and with any other interested partes, allowing them a period of at least 28 days within which to make any representations on the proposed modification".

Electricity Act 1989 – Section 11A(1)(a)

Direction to modify the Special Conditions of the Electricity Transmission Licences held by the Transmission Owners

To:

National Grid Electricity Transmission plc

Scottish Hydro Electric Transmission plc

SP Transmission Ltd

1. [Network], to whom this Direction is addressed (the "Licensee") is the holder of one of the following licences (the "licence") granted or treated as granted under section 6(1)(b) or (c) of the Electricity Act 1989 (the "Act").

2. The Licensee has in place a NARM Methodology in accordance with Special Condition 9.2 of its Electricity Transmission Licences.

3. On [date] the Licensee published proposed modifications for consultation with other Network Licensees[2] and with any other interested parties. The consultation closed on a period of 28 days in compliance with SpC 9.2.8(a).

4. On the Licensee submitted its proposed modified NARM Methodology to the Authority for approval along with other documentation required under SpC 9.2.8(b) to 9.2.8(i).

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6. The Authority received [number to be confirmed] responses during the 28-day consultation period, which ended on 20 March 2026. Summary of the responses and explanation of the Authority's views and responses to them are set out in Appendix 1.

Authorised on behalf of the Gas and Electricity Markets Authority

Date: [insert]

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[2] Network licensee means the holder of a licence granted section 6 (1)(b) or (c) of the Electricity Act 1989. Paragraph 9.2.8(b) of SpC 9.2 requires the licensee to "consult with other Network Licensees to which a condition of equivalent effect to this condition applies and with any other interested partes, allowing them a period of at least 28 days within which to make any representations on the proposed modification".

Appendix 4. Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

Information: Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be a specific as possible.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. 'six months after the project is closed')

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:
- know how we use your personal data
- access your personal data

- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use "the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this".

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, click on the link to our "ofgem privacy promise".