

To: Alice Delahunty
President, National Grid Electricity Transmission



Making a positive difference
for energy consumers

Sent via E-mail

Email: peter.bingham@ofgem.gov.uk

9 March 2026

Dear Alice

Independent Asset Audit on critical National Grid Electricity Transmission (NGET) substation assets

Thank you for arranging the independent audit of NGET substation assets which was undertaken by DNV and reported in December.

Ofgem welcomes DNV's overall conclusion that NGET adheres to good asset-condition, health-data management and general asset management practices.

DNV have reported that NGET's maintenance policies and procedures are broadly aligned with good industry practice; the assets at the sites chosen for the audit are monitored and maintained; activities and interventions are accurately recorded; and NGET's calculation of end-of-life scores (a metric used to prioritize maintenance and replacement) is accurate according to defined methodologies. These findings offer independent reassurance that NGET's major assets are, for the most part, being managed in accordance with established procedures for periodic and condition-based maintenance.

However, DNV have also made a number of observations that offer opportunity for review and improvement. Ofgem has looked closely at the report and we have identified 5 broad areas for focus. These are:

1. **Differences with international standards** - Review differences in periodic maintenance requirements for main plant between NGET's policies and international standards and provide justification for the differences.
2. **Performance targets for maintenance** – Review performance targets for key maintenance activities against industry benchmarks and best practice (e.g. scheduled maintenance, target dates for defects and bushing oil sampling) and publish these within NGET.
3. **Deferred maintenance** – Review escalation processes for deferred maintenance to ensure timely follow-up, including engagement with NESO where scheduled outages are being delayed due to outage constraints. Put in place key performance indicators for deferred activities to ensure they are being monitored and progressed in a timely manner.
4. **Transformer bushings** - Set out how NGET plans to improve compliance for oil testing for transformer bushings. As part of this action, we would value a deep dive into transformer

bushing oil sampling to further explore the reasons for deferrals and inform actions that would increase compliance rates. Review the wording in guidance document TGN(E)82 about maintenance of bushings to avoid any ambiguity about action to be taken.

5. **New asset management platform** - Provide regular updates on progress with implementing the new asset management platform, to include improvements to scheduling and tracking maintenance activity, monitoring and reporting (e.g. target dates for all defect and condition-based monitoring work orders, key performance indicators, maintenance of auxiliary systems, visual records to include corrosion and oil leaks).

Can you please review above actions and return an implementation plan by 31 March 2026. Should Ofgem input be needed to support any of these actions, please let me know. We look forward to NGET completing these actions and taking the opportunity this situation has presented to review and improve maintenance processes for critical assets.

For the record, my team has enjoyed open and collaborative engagement with yours and DNV during the audit including the site visits. We have benefited from open dialogue with your engineers and analysts and been given full access to live 400kV and 275kV equipment in accordance with safety procedures. Thank you for these arrangements.

Yours sincerely

A handwritten signature in black ink, appearing to be 'PB', with a long horizontal flourish extending to the right.

Peter Bingham
Director, Engineering and Technology