

Networks Price Control - Asset Risk and Resilience
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Response from National Grid Electricity Transmission plc (NGET) to the consultation notice dated 20 February 2026 on the proposed modifications to RIIO-2 Network Asset Risk Metric (NARM) Methodologies relating to NGET.

We welcome the opportunity to respond to the consultation on the proposed modifications to RIIO-2 Network Asset Risk Metric (NARM) Methodologies relating to NGET.

Our understanding is that these proposed amendments relate to the jointly agreed Category 1 and Category 2 development actions identified through the cross-sector methodology review carried out against agreed assessment criteria during RIIO-2.

Public consultation on NARA v7 began on 1st August 2024. There were no respondents. Information on the consultation, including relevant documents can be found here: [Network Asset Risk Methodology document consultation | National Grid](#)

Whilst we are in support of Ofgem's minded-to position to approve the ET modifications, we note that Ofgem's summary of NGET's proposed modifications in the consultation document (on pages 10-11) do not fully align with our proposed modifications as detailed in our [NGET Network Asset Risk Annex methodology](#) submitted to Ofgem.

Ofgem has summarised NGET's proposed modifications as follows. We have indicated our thoughts on each amendment:

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. – *We are supportive of this, however Ofgem's text aligns with our amendment in our previous NARA (version 6) rather than the latest NARA we submitted to Ofgem which forms part of this consultation (i.e. version 7).*
- **Alignment with RIIO-2 outputs:** clearer treatment of long-term risk benefit and BNRO assessment. – *We are supportive of this and we proposed the alignment of the Long-Term Risk Benefit calculation to the method used in Electricity Distribution*

Category 2 amendments

- **Forward-looking development and alignment:** identification of alignment opportunities, digitalisation and enhanced condition-data use. – *We are supportive of this, however Ofgem's text aligns with our amendment in our previous NARA (version 6) rather than the latest NARA we submitted to Ofgem which forms part of this consultation (i.e. version 7).*

- **Improved cable and OHL fittings modelling:** more graduated scoring and condition-led approaches – *We are supportive of this and included in our submission to Ofgem updates to Cable and Overhead Line Fitting end-of-life assessments*
- **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)). NARA calibration testing using the CIGRE method – *We are supportive of this and included a summary of this in appendix B of our NARA v7.*
- **Public-facing guidance:** simplified explanatory documents for non-technical audiences. – *We are supportive of this in principle, however we don't believe this will be required in the short term as the NARM methodology is being evolved over the next three years.*

There are also a number of proposed modifications which we included in our NARA v7 submission to Ofgem but we could not explicitly identify these in Ofgem's summary of NGET's proposed modifications. These are as follows:

- Updates to constants used throughout the NARM Methodology; with reference to inflation by RPI-CPIH, and to publicly available data.
- A more efficient method for determining Boundary Capability for inclusion in System Consequences.
- Alignment of Safety, Financial and Environmental consequences to common values alongside SPT and SHE-T.
- Updates to the environmental consequences methodology concerning non-SF6 insulating gases and quantities.

We believe all changes represent substantial and meaningful improvements and are in line with the agreed technical assessment criteria.

We are supportive of Ofgem's minded-to position to accept NGET's proposed changes but would like confirmation that additional proposed changes stated above, that may have been missed from Ofgem's summary, are also accepted. In summary, please can Ofgem confirm that it is minded to approve NGET's NARA v7 and that that will be the extant NARA as we close out RIIO-T2 and enter the RIIO-T3 period?

Yours sincerely,

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