



Making a positive difference
for energy consumers

To:

National Gas Transmission plc

Gas Act 1986

Section 23(2)

**Notice of statutory consultation on a proposal to modify Special Condition 3.1
Baseline Network Risk Outputs (NARMt and NARMAHt) (of the Gas Transporter
licence held by National Gas Transmission plc ("the Licensee"))**

1. National Gas Transmission plc ("the Licensee") is the holder of a Gas Transporter Licence (the 'Licence') granted, or treated as granted, under section 7 of the Gas Act 1986 ("the Act").
2. The Gas and Electricity Markets Authority ("the Authority") proposes to modify the Special Conditions ("SpCs") of the Licence by amending Appendix 1 in SpC 3.1 Baseline Network Risk Outputs (NARMt and NARMAHt) ("BNROs").
3. The effect of these proposed modifications is to update the outputs, delivery dates and associated allowances relating to BNRO activities following the Authority's Final Determination of the Licensee's Asset Health Re-opener application made under Special Condition 3.14 (Asset Health Re-opener).
4. The RIIO-2 price control includes an Asset Health Re-opener mechanism through which the Licensee may apply for adjustments to outputs and allowances where there is evidence that additional or amended asset interventions are required to efficiently manage network risk during the price control period.
5. Following assessment of the Licensee's Asset Health Re-opener application, the Authority determined that changes should be made to certain BNRO activities. The proposed licence modifications give effect to those determinations by updating the relevant outputs, delivery dates and associated allowances specified in Appendix 1 of SpC 3.1.
6. The Authority considers these modifications necessary to ensure that the Licence accurately reflects the outputs and funding approved through the Asset Health Re-opener process and continues to provide transparency and accountability regarding delivery of agreed network risk reduction activities.
7. Further detail on the reasons for the proposed modifications can be found in the Authority's Determination relating to the Asset Health Re-opener.¹ The full text of the proposed modifications is set out in Annex 1, with new text to be added shown double underscored and text to be removed shown struck through.

¹ [Asset health Re-opener Application \(January 2024\) | Ofgem](#)

8. A copy of the proposed modifications and other documents referred to in this Notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.
9. Any representations with respect to the proposed licence modifications must be made on or before 24th August 2026 to: Asset Risk and Resilience, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to: AssetRiskResilience@ofgem.gov.uk.
10. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses electronically so they can be placed easily on our website.
11. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

Thomas Mackenzie

Deputy Director, Network Price Controls

For and on behalf of the Authority

23rd July 2026

Annex 1: Modifications to Special Condition 3.1 Baseline Network Risk Outputs (NARMt and NARMAHt)

(New text is double underscored and deleted text is struck through)

Chapter 3: Totex Allowance Adjustments

Special Condition 3.1 Baseline Network Risk Outputs (NARMt and NARMAHt)

Appendix 1

Baseline Network Risk Output (R£m)	Baseline Allowed NARM Expenditure, excluding RPEs (£m)					RIIO-2 Total
	2021/22	2022/23	2023/24	2024/25	2025/26	
200.77	70.56	93.60	79.78	49.85	60.65	354.43
<u>203.71</u>	<u>71.33</u>	<u>83.27</u>	<u>77.16</u>	<u>83.38</u>	<u>120.14</u>	<u>435.27</u>