

Smell gas?

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Annie Appleton
Ofgem -Energy Code Governance Reform Team
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London,
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Email: industrycodes@ofgem.gov.uk

28th May 2026

Dear Annie Appleton,

Draft second preliminary Strategic Direction Statement

Northern Gas Networks (NGN) welcomes the opportunity to respond to your consultation on the Draft second preliminary Strategic Direction Statement (SDS). NGN has been actively engaged throughout the reform programme, including participation in industry workgroups and consultation discussions, and we appreciate the opportunity to provide our views at this important stage.

As a Gas Transporter, whilst NGN is a party to the Retail Energy Code and the Smart Energy Code, our primary code duties and obligations arise under the Uniform Network Code (UNC). Our response is framed from the perspective of a UNC party, with particular focus on governance, transparency and implementation impacts for gas distribution.

NGN has structured its response in line with the consultation template. Appendix 1 sets out our detailed responses to the consultation questions.

Yours sincerely,



Tracey Saunders (via email)
Northern Gas Networks Ltd
Head of Market Regulation and Compliance
Mobile: 07580 215743

**we are
the network**

Northern Gas Networks Limited is registered in England and Wales, no. 5167070.
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Appendix 1 – NGN consultation questions and responses.

Please see our responses to the specific questions or requests for comments outlined in the consultation below.

Approach to the Strategic Direction Statement

- Q1. On the basis that the SDS should contain a strategic assessment of government policies and developments relating to the energy sector, that will or may require the making of code modifications, do you think there is anything missing from the SDS that you would expect to require code modifications in the next 1-5 years? If so, please specify.**

NGN has not specifically identified any missing areas from the SDS. In relation to the UNC, if changes to government policy result in the requirement of code modifications to facilitate them, in accordance with our licence requirements, NGN, along with other Gas Transporters, will continue to ensure that the code adapts and any required modifications are raised. Noting that following the awarding and implementation of the UNC/Gas Code Manager Licence, this responsibility would move to the Code Manager. As policy decisions mature and whole systems impacts are understood, it is expected that the SDS would adapt accordingly, including existing areas to be expanded to include any consequentially impacted codes.

- Q2. Do you agree with the classification of each policy area within the three-time horizons (Act now, Think & plan, Listen & wait)? If not, please specify what changes you suggest and why.**

As per our response to the 1st Preliminary SDS consultation, NGN mainly agree with this approach, and we welcome the inclusion of emergency contacts and hydrogen blending in the second SDS. However, we note that some areas classified as “Act now” may be premature where enabling policy decisions (e.g. future of gas, hydrogen role) are not yet decided.

- Q3. Do you find the SDS easy to understand and do you think that the level of detail included is sufficient to allow you to begin raising and implementing code modifications, where appropriate?**

The SDS is a complicated document and covers a broad range of policy areas. The addition of the spreadsheet is welcomed as a guide to navigating the main document. Without the policies in place for the gas industry, and the focus on electricity, it is difficult to comment on the overall content. The level of detail appears to be sufficient in most areas for parties to consider and act upon, but guidance is always useful to support the document and help parties make the correct decisions going forward.

The level of detail is sufficient for high-level direction, but not for progressing specific modification proposals, additionally there is a need to ensure that any expectation to raise modifications does not conflict with licence-driven processes or governance constraints.

Q4. Do you support our proposed approach to convert the SDS from a preliminary document to a hybrid document, following designation of the BSC and the REC?

As a Gas Transporter, NGN are not a party to the BSC and have limited obligations under the REC. Therefore, we have no comments regarding this specific question.

Q5. Do you have any other feedback?

Whole-system approach: The SDS should consistently recognise the role of gas networks alongside electricity, including their contribution to hydrogen and wider system resilience.

While the SDS focuses on the primary codes, it may also have consequential impacts on other codes. For example, whole-system planning should take the UNC into account, as changes in electricity demand can have a direct effect on gas demand, particularly given the continuing importance of gas-fired generation during periods of low renewable output.

Energy Code Reform Code Manager Licencing: Timing and sequencing of governance reform must be carefully managed to avoid gaps or duplication in transition to any respective code's Code Manager Licencing.