Northern Gas Networks

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Ofgem
10, South Colonnade, Canary Wharf
London, E14 4PU
Email: RegFinance@ofgem.gov.uk

11th August 2026

Dear Regulatory Finance Team,

Energy Networks Ring-fence Review

Thank you for the opportunity to respond to the Energy Networks Ring-Fence Review Statutory Consultation and for the collaborative engagement offered ahead of this consultation. So far, this engagement has already led to the resolution of several issues. However, we still consider that some issues persist, which we address in our consultation response document.

For example, certain proposals appear to be inconsistent with the framework of directors' duties under the Companies Act 2006, including the principles of independent judgement and collective Board responsibility. Others disproportionately increase regulatory burden in the absence of evidence of regulatory failure and risk harming sector investability. In light of these concerns, NGN requests that Ofgem:

1. Removes the proposed requirement for a SID to sign ring-fence submissions, notifications and Availability of Resources / Dividend Certificates;
2. Removes the additional licence conditions from the list of conditions that can prevent a Dividend Certificate from being given, or, as a minimum, provides clear licence wording and guidance confirming that minor, temporary, immaterial or justified non-compliance will not prevent distributions;
3. Removes the proposed requirement for Authority consent before alterations to capital or reserve categories, or narrows it to a clearly defined anti-avoidance provision targeted only at transactions whose purpose is to facilitate a distribution that would be unlawful or imprudent;
4. Removes the separate cash-flow forecast requirement where the same information is already embedded in the financial metrics supporting the extended certificates; and
5. Corrects the drafting and cross-reference errors identified in the snagging section.

We remain committed to working constructively with Ofgem to deliver the best possible outcome for all stakeholders. Our response is non-confidential.

Yours sincerely,



Greg Dodd (via email)
Regulation and Strategic Planning Director
Mobile: 07711772305

we are the network

Northern Gas Networks Limited is registered in England and Wales, no. 5167070.
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Part of your monthly gas bill goes towards keeping your gas supply flowing and providing a fast and efficent emergency response service if you smell gas.
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