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To: RIIO3@ofgem.gov.uk

07 September 2026

National Gas Transmission's response to the Modifications to Special Condition 3.21 of the gas transporter licence - Biomethane Distributed Entry Reinforcement

Dear Sir/Madam,

Thank you for the opportunity to respond to the above consultation.

The changes proposed are designed to implement the decision Ofgem made to update the Biomethane Connections UIOLI Governance Document to introduce flexibility across Gas Distribution Networks.

As we highlighted in our response to the consultation on updates to the governance document, these changes do not provide the flexibility across all Gas Networks to facilitate and promote competition for biomethane connections. A further change that we consider to be more desirable for biomethane connection customers would be national funding via a combined revenue pot that all gas networks would have access to, subject to appropriate governance arrangements.

The changes outlined do not impact the Licence for National Gas Transmission. Should further consideration be given to a more national focus, then changes to both Transmission and Distribution Licences would need to be reviewed.

Whilst we appreciate the initial consultation was focused on the changes for Gas Distribution and was not exploring other options at this stage, National Gas remains keen to explore and share views on the way in which an updated, national approach could work. This could be to explore and how it might work mechanistically, through funding models and discussions on potential Licence and governance document updates.

We welcome any further review and opportunity to comment on the Gas Transporter Licence and associated documents (e.g. the governance document) as these may happen where further consideration can be given to the accessibility and governance of a combined funding arrangement ahead of introducing changes to the governance document.

If you would like to discuss any part of this response, or to discuss further thinking in this area please do not hesitate to contact me (dave.nanda@nationalgas.com).

Yours faithfully,

Dave Nanda
Head of Future Frameworks