

07 December 2018

Thomas McLaren  
Manager, Network Output Assessment Systems & Networks  
Ofgem  
Commonwealth House  
32 Albion Street, Glasgow  
G1 1LH

Dear Thomas:

### **Northern Gas Networks response to Ofgem Consultation on the alignment of the Gas Distribution Networks' Workbooks to Final Proposal decisions**

Thank you for the opportunity to comment on Ofgem's consultation regarding the alignment of the GD1 Asset Health Workbooks with the RIIO-GD1 Final Proposals. Northern Gas Networks (NGN) support the proposed changes and considers that once finalised, the RIIO-GD1 Network Output Measures (NOMs) targets provide an accurate representation of the network risk reduction that gas distribution networks were funded to deliver in RIIO-GD1.

We have reviewed the proposed modifications that you have published for NGN and are satisfied that they reflect the discussions that we have engaged in through the Safety and Reliability Working Group and the information that NGN has provided to inform your review.

NGN considers that the realignment and agreement of the workbooks through this consultation will establish the starting point in establishing the rebased NOMs targets using the new methodology, and this will be the basis on which GD1 NOMs performance is assessed.

NGN does not consider it appropriate to revisit these workbooks through the end of period assessment as this would introduce further inconsistency into the process and could constitute "cherry picking" between the old and new methodologies. NGN does support justification of any deviation from the rebased targets, consistently with the agreed Cross Sector methodology for NOMs assessment and considers this would be the appropriate approach to deal with any minor adjustments or inconsistencies.

Should you wish to discuss anything in more detail, please do not hesitate to contact Greg Dodd, Head of Asset Strategy by email [gdodd@northerngas.co.uk](mailto:gdodd@northerngas.co.uk) or phone 07966887355.


Kind Regards





Gareth Mills | Director of Regulation  
Northern Gas Networks

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