



Official - Sensitive

Our main business plan can be found here:

https://www.nationalgas.com/sites/default/files/documents/NGT_Main_Business_Plan_RIIO_GT3_EXT.pdf

Our published document list is here:

https://www.nationalgas.com/sites/default/files/documents/Full_published_doc_list_RIIO-GT3.pdf

The data contained within this template has been provided by network operators solely for use by Ofgem internally and its – please refer to the individual network operator Business Plan and associated tables for more detailed information and breakdown of the data.

General guidance:

- Length:** 1 page. These are highlights / headline numbers and so should not require much text. Does not count towards the business plan page limit.
- Format:** is flexible, subject to 1. Excel software preferred to avoid copying errors.
- Content:** the content outlined below have been identified as key headline figures; networks may add additional metrics where they feel it is appropriate for their stakeholders.
- Data:** should be provided at Group level.

Network operator:	National Gas Transm	Customer numbers (as of time of business plan submission)	303
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Notes:

Group name in cell B8, and Customer numbers in cell D8.

Forecast expenditure	Baseline	Upper range	TOTAL
Load Related Expenditure	0	0	0
Non-load related - Compressor	0	221	221
Non-load related - Asset Health	1,143	470	1,613
Non-load related - Other Non-load	185	451	636
Non-operational Capex	508	171	679
Network operating costs	515	0	515
Indirect - CAI	373	0	373
Indirects - Business Support Costs	479	0	479
Other costs	785	0	785
TOTAL	3,987	1,313	5,300

Notes:

Load related and 'other' calculations should use the existing reporting categories as set out in the BPDT. Figures should be total forecast expenditure across RIIO-3 period (5 years), using price base year 2023/2024 as reported in the BPDT.

"Baseline" figures should be a company's best view of expenditure based on ex ante funding and should not include uncertainty mechanisms.

"Upper range" should reflect the additional spend possible based on the upper reasonable limit of a company's potential spend under uncertainty mechanisms and volume drivers. For example, "baseline" = £100m, "upper range" = an additional £10m, and "Total" would then equal £110m.

NGT Assumptions

Values entered in 23/24 £m

Combined TO and SO into regulatory categories

Values stated exclude Ongoing Efficiency

Upper limit includes re-openers to be submitted in RIIO-T2 and RIIO-GT3

Re-openers where no current reasonable estimate of costs exists are not included in the upper range

Row D9 (Customer Numbers) consists of 299 Shippers and 4 DNs

Annualised RIIO-3 expenditure relative to RIIO-2	£m +/-	% +/-
Load Related Expenditure	-2	-100%
Non-load related - Compressor	-6	-12%
Non-load related - Asset Health	195	153%
Non-load related - Other Non-load	75	145%
Non-operational Capex	78	134%
Network operating costs	20	24%
Indirect - CAI	34	85%
Indirects - Business Support Costs	24	34%
Other costs	-3	-2%
TOTAL	416	65%

Notes:

Load related and 'other' calculations should use the existing reporting categories.

Figures should be increase or decrease in annual forecast expenditure averaged across RIIO-3 period (5 years), compared to annual forecast expenditure averaged across RIIO-2 period.

NGT Assumptions

Values entered in 23/24 £m

Combined TO and SO into regulatory categories therefore percentage movement is combined

RIIO-GT3 values based on 'TOTAL' from previous table and therefore inclusive of uncertainty mechanisms

Definition of 'existing' reporting categories not clear therefore this follows how data has been populated in BPDTs with comments on classification differences included in col D

Bill impact	Baseline	Upper range	TOTAL
Total	9.89	0.40	10.29

Notes:

Totals should be expressed as the annual amount, averaged over the course of RIIO-3 at group level.

"Baseline" and "Upper range" figures should be calculated from the "Baseline" and "Upper range" estimated in the 'Forecast expenditure' table.

Figures should be produced by the Ofgem BPFM model using Ofgem's SSMD Working Assumptions, and then aggregated to group level.

NGT Assumptions

Values entered in 23/24 £

Calculations based FES Counterfactual.

Network operator view on financial metrics	Base case	NGT alternative package
Cost of equity	5.43%	6.48%
Cost of debt	2.90%	3.37%
Notional gearing	60%	60%
Target credit ratings	Baa1	Baa1
Capitalisation rates	70.42%	70.42%
Depreciation rates	RAV recovery by 2050	45 years, Sum of Digits

Notes:

Headline figures to be taken from the plan, as outlined in Chapter 7 of the Business Plan Guidance.

NGT Assumptions

Two scenarios for financial metrics are submitted with NGT's business plan, in line with business plan guidance : 1) Base case, being SSMD parameters and 2) NGT alternative package

We note that Ofgem's estimate of the Cost of debt reduced between SSMD and issuing the final BPFM for use in December 2024 business plan submissions. The later figure of 2.90% included in the BPFM has been adopted in the base case.

Science Based Target	Warming trajectory	Target date to achieve	Reduction milestone at end RIIO-3
48 kilotonnes CO2e	1.5	FY49/50	380 kilotonnes CO2e

Notes:

The science based target is that set in line with paragraph 4.53 of the Business Planning Guidance. The 'Warming Trajectory' should be either well below 2, or 1.5, degrees Celsius.

The 'target date to achieve' should be the year the company expects to achieve the full reduction.

The 'reduction milestone at end of RIIO-3' should be the % or target reduction achieved by end 2030/2031.

Uncertainty mechanism	Description	Likely RIIO-3 spend	Likely RIIO-3 spend relative to RIIO-2 mechanism (i.e. ASTII, LOTI, MSIP)
RIIO-T2 Compressor Emissions		221	Re-opener
Asset Health		20	Re-opener
Energy Transition		7	Re-opener
Net Zero		154	Re-opener
Network Capability		65	Re-opener
Redundant Assets		7	Re-opener
IT Projects		41	Re-opener

NGT Assumptions

UM values reflects the £1,313m in the upper range in the top table

Spend included in 23/24 £m consistent with other tables

No description entered as subject to agreement through Business Plan process