



Statement of Business Separation

Restriction on Use of Certain Information and Independence of the Transportation Business

Prepared pursuant to Standard Special Condition A33 of the Gas Transporter Licence.

Version	Date	Summary of changes
1.0	2005	Initial version
2.0	June 2026	Updated Statement removing metering references, referencing A34 derogation, referenced shared building and strengthened compliance narrative.

Statement of Compliance

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1. Introduction

This statement is provided in accordance with Standard Special Condition A33 of the Gas Transporter Licence held by Northern Gas Networks Limited (NGN). It outlines the arrangements in place to ensure compliance with the requirements relating to the protection of confidential information and the independence of NGN's transportation business.

The statement is subject to approval by Ofgem, will be published following approval, and is reviewed periodically to ensure ongoing compliance.

2. Standard Special Condition A33

In summary, SSC A33 requires NGN to:

- maintain managerial and operational arrangements which prevent access to confidential information by relevant third parties except where permitted;
- operate its transportation business in a manner which does not restrict, prevent or distort competition; and
- maintain and describe the practices, procedures and systems adopted to secure compliance.

3. Derogation from Standard Special Condition A34

NGN benefits from a derogation from paragraphs 1 through 8 of Standard Special Condition A34 – Appointment of a Compliance Officer. Appropriate governance and oversight arrangements are in place to ensure ongoing compliance with SSC A33, consistent with the intent of the licence requirements.

4. Corporate Structure and Separation

NGN is a licensed gas transporter within a wider group structure but operates under separate legal, regulatory and governance frameworks. It does not undertake activities of relevant suppliers, shippers, generators or traders and has controls in place to restrict access to confidential information except where permitted.

Where NGN operates shared premises with non-regulated affiliates; governance arrangements are in place to manage actual and perceived conflicts of interest and to prevent any undue commercial advantage.

NGN maintains full managerial and operational independence of its transportation business. Decision-making and governance arrangements ensure that the business is managed independently and in accordance with its licence obligations, and that no affiliated entity benefits from preferential treatment.

5. Confidentiality and Information Control

NGN has controls to ensure that confidential information obtained through its transportation activities:

- is not disclosed to unauthorised parties; and

- is only used or shared where permitted under licence conditions or on an equivalent basis to market participants

Employees are given guidance on data-related risks, the steps required to manage those risks, and the process for reporting any suspected breach.

6. People, Systems & Premises

NGN employs its own staff and maintains organisational arrangements which support independence. Controls are in place to identify and manage conflicts of interest and to ensure adherence to confidentiality obligations.

Controls are in place to ensure that access to premises, systems, equipment and services does not result in inappropriate information sharing or a breach of SSC A33. This includes restricted access to systems and premises and appropriate separation measures where office facilities are shared.

Any shared or corporate services arrangements are limited, governed, and structured to ensure independence is maintained and no undue advantage arises.

7. Governance and Accountability

The NGN Board retains overall responsibility for compliance with SSC A33. Management implements controls, while compliance and audit functions monitor effectiveness and report on performance. A process is in place to ensure any reports of suspected breaches are investigated and escalated with appropriate remedial action.

A structured risk management framework is in place to identify, assess and mitigate risks arising from shareholder group relationships and co-location. Ongoing monitoring and assurance activities ensure the effectiveness of these controls.

8. Further Information

Requests for hard copies of this statement or enquiries in relation to this statement should be addressed to:

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