



Northern Gas Networks

Long Term Development Statement

2026

**we are
the network**

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Foreword

Welcome to our Long Term Development Statement 2026. This document provides essential information on the process for planning the development of the gas distribution system, which includes demand and supply forecasts, system reinforcement projects and associated investment. We publish the report at the end of our 2026 planning process for our two Local Distribution Zones, the North East and Northern. The main body of the document provides an overview of the key topics, with further details contained in the appendices.



At the time of publishing this report we are halfway through our first year of our RIIO-GD3 price control period and working hard to meet our license requirements and outperform our targets. The past twelve months has seen a steady recovery in demand, but the increased cost of living continues to have an impact even as inflation has eased. This will have impacted the typical upturn of demand through the winter of 2025/26.

As the RIIO-GD3 regulatory period begins, innovation remains more important than ever in supporting delivery of our overarching objectives: provide a safe, reliable gas service; support the transition to net zero; continue to modernise our operations and provide help to our vulnerable customers, ultimately creating a fairer, greener future for the North of England.

We are proud of all these achievements as we continually seek to further improve the service we provide to today's customers and plan to deliver a net zero future.

A handwritten signature in black ink, appearing to read 'Iain Foster'.

Iain Foster

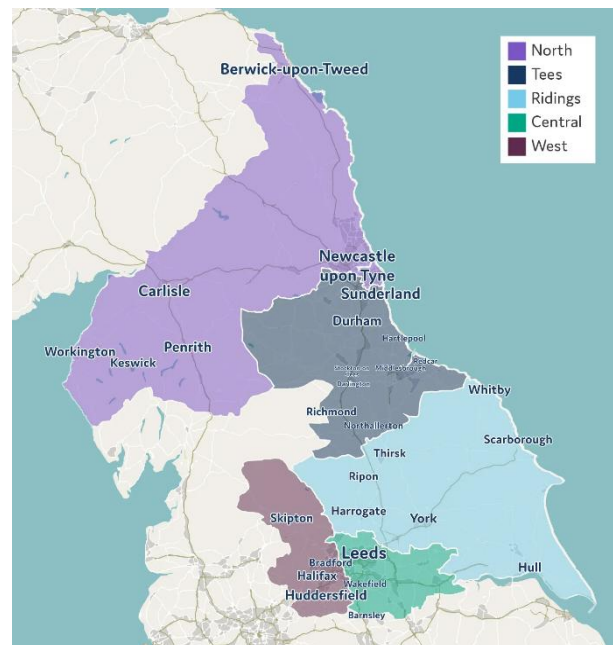
Director of Engineering

About NGN

Our mission is to provide a safe, dependable, and cost-effective service to our customers and stakeholders while developing new technologies to deliver low carbon energy.

Innovation and collaboration are at the core of everything we do, and we constantly strive to push boundaries, improve our services, and deliver exceptional outcomes.

From ensuring the gas network runs efficiently, to developing new low-carbon energy solutions and helping our priority customers to stay safe and warm at home, we work with our stakeholders and communities to achieve maximum impact.



**Heating 2.9 million homes in
our region**

Chapter 1

Demand



Chapter 1 - Demand

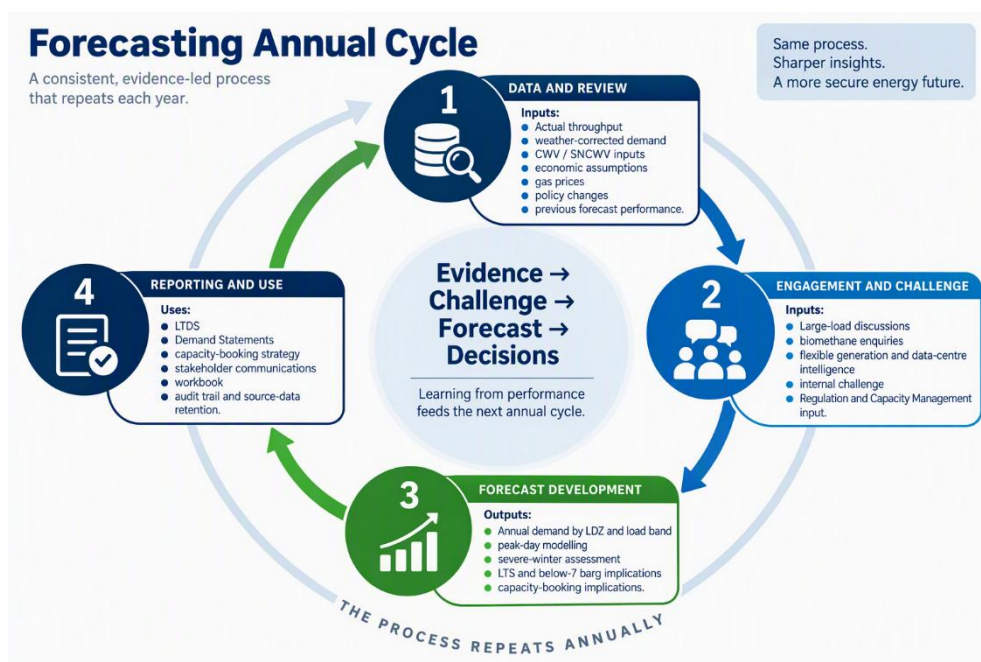
1.1 Demand Forecast Process

Demand Forecasts Overview

This chapter summarises NGN’s ten-year annual and 1 in 20 peak day gas-demand forecasts for each Local Distribution Zone (LDZ), including changes from previous forecasts. The forecasts support capacity planning between Gas Distribution Networks and National Gas and comply with Section H of the Uniform Network Code (UNC) Offtake Arrangements Document.

Forecasting Annual Cycle

NGN’s forecasts are developed through an annual cycle of data collection, technical modelling, challenge, stakeholder engagement and reporting. Presenting the cycle explicitly helps readers understand how the forecast is built and how it is used in downstream capacity and investment decisions.



Forecast performance and learning

Each year NGN compares weather corrected actual demand with forecast demand to understand whether assumptions remain appropriate. The 2026 LTDS includes comparisons between actual throughput, weather corrected throughput and forecast demand.

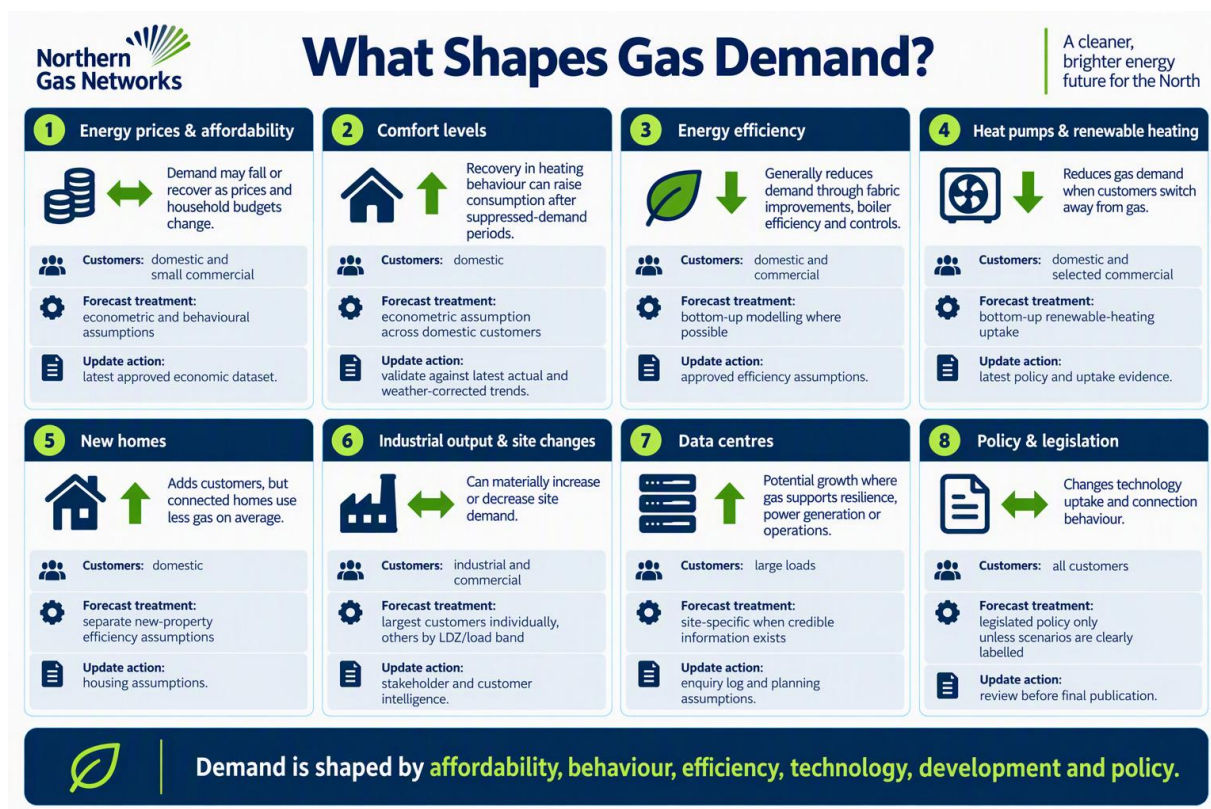
Forecasting Across Our Networks

NGN operates two Local Distribution Zones with different customer mixes, geography, industrial context and future energy opportunities.

LDZ	Network role	Key demand themes	Transition and planning themes
Northern LDZ	Serves domestic, commercial, industrial and power generation customers across the northern part of NGN's network footprint.	Domestic heat demand, smaller commercial use, large loads, flexible generation and data centre enquiries.	Peak day resilience, capacity optimisation, biomethane opportunities and regional energy planning.
North East LDZ	Serves domestic and industrial customers and is strategically important for energy-intensive industry and future low-carbon infrastructure.	Industrial demand, large users, power generation, biomethane and emerging low-carbon energy projects.	East Coast Hydrogen, industrial decarbonisation, hydrogen readiness, Navigator and whole-system planning.

Shaping Demand

Demand is shaped by a combination of customer behaviour, energy prices, economic activity, technology adoption, policy change and site-specific developments.



1.2 Annual Demand

1.2.1 Annual Demand

The latest forecast covers gas years 2026/27 to 2035/36. Annual demand is assessed on a weather-corrected basis so that years can be compared consistently. Xoserve performs the weather-correction process for all Gas Distribution Networks.

Forecasts combine historic weather-corrected demand with the principal non-weather drivers: gas prices, household disposable income, GDP, service and manufacturing output, energy efficiency, customer numbers and heating technology. The 2026 forecast included an early estimate of the Middle East conflict's effect on gas prices; the realised impact has since been greater and remains uncertain, so NGN continues to monitor it.

Annual Domestic Demand

Domestic demand forms most of NGN's demand. It fell 15% between 2021 and 2023 as higher bills and wider cost-of-living pressures reduced household heating, then recovered by 5% between 2023 and 2025 as those pressures eased.

At the time of forecasting, lower gas prices and easing economic pressures are forecast to restore domestic comfort levels to 2021 levels around 2035, later than last year's 2028 assumption because the latest OBR outlook is less optimistic and forecast fuel prices are slightly higher. Comfort levels are modelled econometrically; other drivers are forecast from recent trends and existing policy and legislation.

These factors include the following:

- Energy efficiency from boilers, heating controls and insulation reduces domestic demand by 3.1% over ten years, around half last year's estimate following the closure of Energy Company Obligation (ECO) and Great British Insulation Scheme (GBIS).
- Renewable-heating uptake, supported by the Boiler Upgrade Scheme and Warm Homes Plan, reduces domestic gas demand by an average 1.6% by 2035.
- New homes add 3.4% to domestic demand over ten years. The Future Homes Standard was not legislated when the forecast was prepared and is therefore excluded; NGN's current assessment indicates that its March 2027 introduction would reduce end-period domestic demand by just under 2% and will be included next year.

Overall, the domestic forecast is driven mainly by a gradual recovery from the cost-of-living crisis, partly offset by efficiency and heat-pump uptake. Domestic demand in both LDZs remains 2.5% below 2021 levels in 2035.

Annual Non Domestic Demand

Non-domestic demand is influenced by gas prices, UK economic conditions and revisions to historic weather-corrected data supplied by Xoserve. Most demand is forecast econometrically by LDZ and load band; the largest sites are assessed individually.

Non-domestic demand fell 13% between 2021 and 2023 and a further 6% between 2023 and 2025, mainly because of lower use at the largest industrial sites. Falling gas prices and modest economic improvement produce growth of just over 2% across the forecast period: commercial demand rises 3.7% and industrial demand 2.0%.

Demand remains below 2021 levels because economic growth is limited, gas prices remain higher and some reductions at the largest sites are not expected to reverse.

Annual Demand - In Summary

All our forecasts are lower this year than last, as our gas price forecast is a little higher than last year and economic forecasts from the OBR are less optimistic than last year. Our annual demand is forecast to be 7.4% lower than last year in 2034 (the last year that can be directly compared).

Load Band	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
0-73 MWh	35.6	35.3	36.2	37.2	37.4	37.5	37.7	37.9	38.2	38.4
73-732 MWh	4.3	4.4	4.5	4.8	4.8	4.8	4.9	4.9	5.0	5.0
732-5860 MWh	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6
Small User	43.4	43.2	44.2	45.4	45.7	45.9	46.1	46.4	46.7	47.0
Firm> 5860 MWh	16.1	16.0	16.1	16.1	16.0	15.9	15.9	15.9	15.8	15.8
NGN Consumption	59.5	59.2	60.3	61.5	61.7	61.8	62.0	62.2	62.5	62.8
NGN Shrinkage	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
NGN Demand	59.7	59.5	60.5	61.7	61.9	62.0	62.2	62.4	62.7	63.0

Table 1.2.1 NGN's forecast annual demand by load category & calendar year (in TWh)

Note: Figures may not sum exactly due to rounding.

The chart below illustrates the actual annual throughput and our most recent forecasts through to the end of our RIIO GD3 price control¹ period.

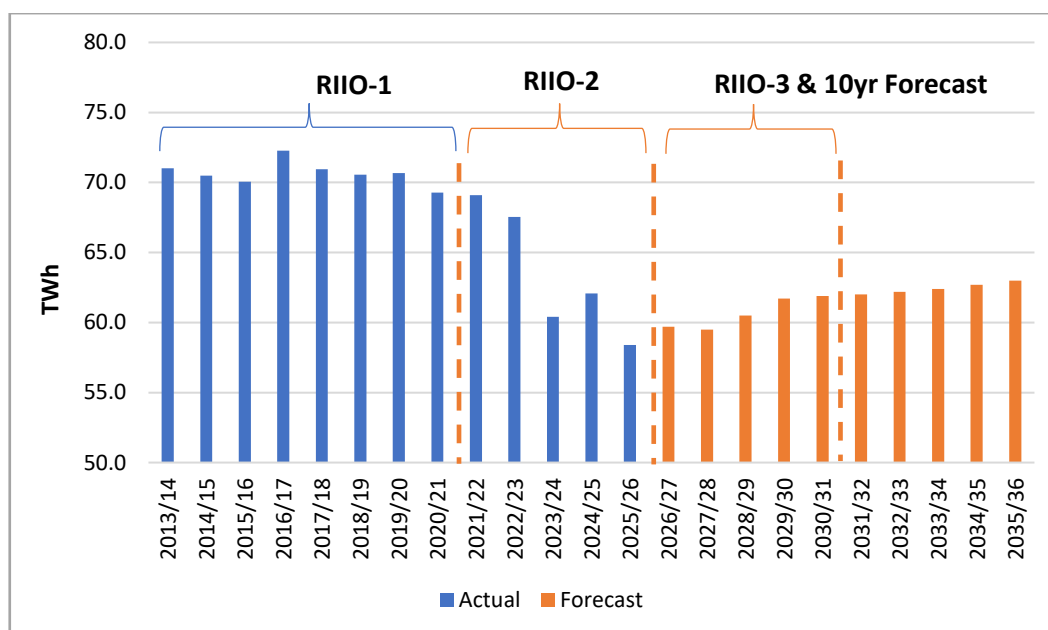


Figure 1.2.1 RIIO1/2 historic annual demand & RIIO 3 forecasted annual demand and forecasted demand to 2036/36

¹ RIIO GD3 Price Control [RIIO-3 Final Determinations for the Electricity Transmission, Gas Distribution and Gas Transmission sectors | Ofgem](#)

1.2.2 Forecast Accuracy

Table 1.2.2 below provides a comparison of actual and weather corrected throughput during the 2025 calendar year with the forecast demands presented in our 2025 plan. Annual forecast demands are presented in the format of consumption load bands/categories, consistent with the basis of system design and operation.

Load Band	Actual 2025	Weather Corrected 2025	Forecast for 2025	Weather Corrected v Forecast (%)
0-73 MWh	30.77	33.02	35.80	-7.8
73 – 732 MWh	4.34	4.59	4.90	-6.2
>732 MWh	18.07	18.46	23.12	-20.1
Network Shrinkage	0.24	0.24	0.25	-0.6
NGN Network Total	54.24	58.44	63.19	-7.5

Table 1.2.2 Comparison of actual and weather corrected throughput in 2025 calendar year (TWh)

Note: Figures may not sum exactly due to rounding.

On a Network basis, the weather corrected annual throughput in 2025 was 58.44 TWh. This shows a decrease of -7.5% from the 2025 forecast.

1.2.3 Peak Forecast Demand

NGN forecasts 1 in 20 peak day demand annually and maintains the network to meet it, as required by UNC W2.6.4(c). The established industry method derives the weather-demand relationship for each load band and LDZ; smaller domestic and commercial load bands are more weather-sensitive than large industrial loads. Over ten years, peak demand increases by 0.86% in Northern LDZ and increases by 0.59% in North East LDZ.

For domestic peak demand, NGN removes the annual-demand behaviour change associated with affordability. Evidence shows demand becomes more weather-sensitive in colder conditions, supporting the assumption that the need for heat outweighs cost-saving behaviour during extreme weather.

The following table summarises our 1 in 20 peak day forecasts for the period 2026/27 to 2035/36. These are the forecasts for each gas year covering the period 1st October to 30th September.

LDZ	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
North	213	213	214	215	215	215	215	215	215	215
North East	250	250	250	252	252	252	252	252	252	252
Total	463	463	464	466	466	466	466	466	466	467

Table 1.2.3 Forecast 1 in 20 Peak day Firm Demands by LDZ from the 2026 Demand Statements (GWh)

Note: Figures may not sum exactly due to rounding

The chart below illustrates the historic peak day demands from RIIO GD1/GD2, and the RIIO GD2 and RIIO GD3 forecasts. Prior to GD1 the highest demand in recent years was seen in the winter of 2010/11.

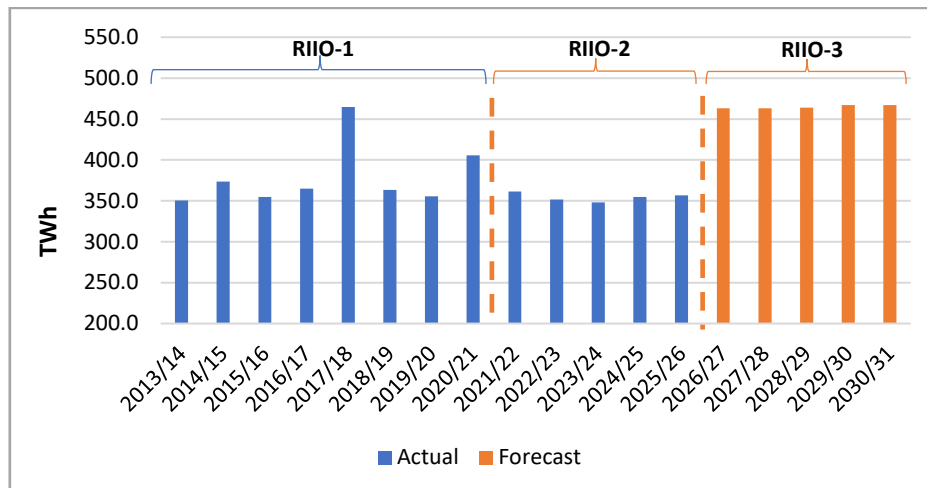


Figure 1.2.2 Historic Peak day Demand Actuals and RIIO 2 & 3 forecasts (GWh)

Comparisons with NESO

NESO's Future Energy Scenarios (FES) sets out three net-zero pathways, a Falling Behind scenario and a ten-year forecast to inform long-term energy-system planning. It will underpin Regional Energy Strategic Planning and the Centralised Strategic Network Plan.

The main difference is that NGN forecasts use existing legislation and security-of-supply requirements, whereas FES also assumes future policy, behavioural change, diversity and faster technology uptake. Heat-pump deployment is therefore materially higher in the FES pathways than in NGN's forecast.

If Regional energy Strategic Planning (RESP) and Centralised Strategic Network Plan (CSNP) rely only on net-zero pathways that transition faster than observed, particularly for heating, planned gas demand may be understated.

NGN will continue assessing this risk because networks provide essential security of energy supply, especially for heat, there could be a risk of under investment in gas networks as a result, potentially risking security of supply.

More information can be found at <https://www.neso.energy/publications/future-energy-scenarios-fes/>

Chapter 2

Supply and storage



Chapter 2 - Supply & Storage

2.1 Supply

Gas is predominantly brought into our network through offtakes connected to the National Transmission System (NTS). Offtakes are above ground installations (AGIs) that connect the NTS to NGN's Local Transmission System (LTS). NGN's offtakes can operate to an inlet pressure of up to 85bar. From the offtake, gas then passes through the Local Transmission System, into the Distribution System and then onward to consumers.

We develop the network to meet our customers' requirements. National Gas will also develop the NTS in line with supply and demand forecasts, provided by us and used in conjunction with their own demand forecasts of network demand. The National Gas Ten Year Statement can be found on their website².

The amount of gas NGN requires to satisfy its 1 in 20 peak day demand commitment is secured from National Gas on an annual basis via an offtake capacity booking process. This process involves our network modelling team using the 1 in 20 forecasts at the Local Distribution Zone (LDZ) level to derive a booking quantity at each of our offtakes to satisfy demand at the local level. NGN then request a daily energy quantity and a volume of storage for each of the offtakes. We also indicate the peak hourly flow and associated minimum inlet pressure required. Following discussion between the two parties, National Gas will allocate the capacity and our Control Room will operate the system accordingly.

Over the course of RIIO GD2 we have optimised our capacity bookings to 1 in 20 peak day forecast levels, and this approach continues into RIIO GD3. Historically, capacity was held at levels that were in excess of current demand levels, mainly due to demand levels being higher in the past. In order to reduce our customer bills and free-up capacity on the National Transmission System for other users, we have made significant changes to reduce and optimise our bookings at each of our offtakes. We comply with the Exit Capacity Planning Guidance which is available here: [Exit Capacity Planning Guidance](#), and NGN's Exit Capacity Planning Guidance can be found on NGN's Document Library online, in the Safe & Reliable section: [Document Library](#).

2.2 Distributed Network Entry

We are committed to enabling the connection of biomethane and other low carbon gases to our network to support the transition to a flexible, low carbon energy system and enable net zero by 2050. We currently have 20 biomethane sites connected to our network which met the heating needs of approximately 59,000 homes during the 2025/26 regulatory period. We have a further 9 sites with reserved capacity, looking to connect within the first few years of GD3.

It is of note that the development of new biomethane sites is significantly influenced by the availability of government subsidies / incentives. The Green Gas Support Scheme (GGSS), which launched in autumn 2021 will be open to applications until March 2030. Available funding under the GGSS has now been fully allocated, with subsequent biomethane applicants entering a funding queue. It is anticipated that further details regarding future support for biomethane may be announced in early 2027, which could provide greater clarity for projects currently awaiting funding.

Although a formal government target for achieving net zero by 2050 for biomethane has not yet been established, we recognise the importance of setting our own organisational objectives within the GD3 period. Using historical data and performance trajectories from GD1 and GD2, we have developed an ambitious

²<https://www.nationalgas.com/insight-and-innovation/gas-ten-year-statement-gtys>

internal target to guide our progress throughout GD3 and aim to double our current injection volumes by the end of RIIO GD3.

We continue to regularly engage with our connected biomethane production sites as part of business as usual and work closely with producers to enable them to maximise their gas injection volumes and minimise down time.

We are actively involved the Gas Entry Customer Technical Working Group (GECTWG), Green Gas Technical Forum and the GB Green Gas Taskforce. The purpose of these groups is to drive standardisation, streamlining and continuous improvement of the connections process across the GDNs and thereby improve outcomes for producers. We are confident in our mature connections process but see value in promoting knowledge and best practice sharing between GDNs to the benefit of potential connections customers.

As part of the RIIO-GD3 price control, Ofgem has introduced a Biomethane Use It Or Lose It (UIOLI) allowance to support Gas Distribution Networks (GDNs) in facilitating increased biomethane injection onto the gas distribution network. The mechanism provides funding for eligible Biomethane Distributed Entry Reinforcement expenditure associated with new or existing biomethane entry capacity.

The funding is intended to support network interventions required to accommodate biomethane injection, where reinforcement of the existing network is necessary. Potential interventions may include measures such as network reinforcement and pressure-management solutions, where these meet Ofgem's eligibility requirements.

2.3 Storage in the Network

2.3.1 Linepack

The compressibility of natural gas allows the use of linepack to compensate for fluctuations of gas demand. Linepack refers to the volume of gas that can be 'stored' in the gas pipeline during periods of low demand when the pressure in the system is lower. When demand increases this stored gas can be released to ensure supply to consumers. Linepack is of strategic importance to NGN in the absence of physical storage vessels such as gas holders.

Chapter 3

Investment in the Distribution Networks

Chapter 3 - Investment in the Distribution Networks

The Local Transmission System is designed to transport gas across our network and store it for the purposes of satisfying the 1 in 20 peak day forecast demands. The system is developed, based on demand and supply forecasts, to ensure that this capability is maintained. We will continue to develop and invest in our networks to operate a safe and efficient network and to meet current and future customers' requirements and operating behaviours.

3.1 Below 7barg Distribution System

The NGN below 7barg system is designed to operate between levels of pressure defined by statute, regulation and safe working practices.

We also continue to invest in the replacement of our transportation network assets, primarily for the renewal of mains and services within Distribution systems. This includes expenditure associated with decommissioning of mains and services to a programme agreed with the Health and Safety Executive. This covers the decommissioning of all smaller-diameter iron gas pipes (Tier 1: 8 inches and below) within 30 metres of occupied buildings before December 2032, and the progressive decommissioning of larger iron pipes based on their risk and condition.

This year we have delivered a total of 544.4km of mains abandonment.

We abandoned 431.7 km of **Tier 1 Mains**, which was 5.6km lower than our allowed annual target but 9.8km above forecast. The **Tier 1 Mains** target of 2,144.3km over RIIO-GD2, or

Mains Workload (km)	21/22	22/23	23/24	24/25	25/26	TOTAL	ALLOWED
Tier 1	437.4	430.4	469.6	447.7	431.7	2,216.6	2,144.3
Tier 2a	3.2	1.6	0.8	0.5	0.0	6.2	10.1
Tier 2b	19.1	17.7	24.6	22.1	19.8	103.2	102.0
Tier 3	5.3	5.4	5.5	5.7	4.9	26.7	22.7
Iron Mains (ex. >30m)	464.9	455.0	500.5	475.9	456.3	2,352.7	2,279.2
Steel <2"	45.4	33.0	36.0	41.1	42.0	197.5	218.9
Other	35.8	31.0	40.2	41.8	36.9	185.7	189.8
Diversions	11.1	9.4	13.2	6.0	9.2	49.0	56.6
Total	557.3	528.4	590.0	564.8	544.4	2,784.8	2,744.4

428.9km per annum did not include an increase of 8.5km each year, 42.5km over the 5 years, which allows recovery of the Covid-19 related workload shortfall seen in the final year of RIIO-GD1. Furthermore, the additional workload delivered in RIIO-2 will provide less strain on delivery as we enter RIIO-GD3. Over RIIO-GD2 we delivered 2,216.6km, 72.3km more than our regulatory target. The increased workload was funded under the Tier 1 Mains volume driver.

There were no **Tier 2a Mains** identified in Year 5 as falling above the risk threshold trigger. Over the RIIO-GD2 period, we delivered 6.2km.

Tier 2b and **Tier 3 Mains** delivery exceeded the allowed workload. This was primarily driven by the need to maintain the safety and reliability of the network, as intervention on these ageing assets is required to ensure overall network risk remains at acceptable levels. We have no allowance in RIIO-GD3 for Tier 3 mains workload, but we will continue to assess the requirement for this work on a case-by-case basis.

As expected, we under delivered by 21km on **<2" Steel Mains** workload over the price control. Volumes can vary as most of this mains type is replaced when we find it whilst replacing Tier 1 iron mains. The under delivery on decommissioned targets is due to a combination of the lay to abandon ratio used as part of RIIO-GD2 planning, and the volume of these mains found as part of Tier 1 replacement schemes.

Chapter 4

Innovation



Chapter 4 - Innovation

4.1 Gas in Our Future Energy Systems

Over the next five years, NGN will deliver a targeted innovation programme that supports customers today while building the foundations for a fair, efficient and decarbonised energy system fit for the future.

Shaped by our Innovation Strategy and embedded within our 2026-2031 Business Plan, our approach will be structured around six strategic themes, which will protect those most in need while transforming how energy is delivered across our region.

Network innovation projects are essential to provide critical evidence and understanding to support the energy systems transition and ensure that impact on customers in vulnerable situations is clearly understood. Such projects help to deliver increased efficiency and value for money, and develop the new technologies and approaches needed for decarbonisation. All of the UK's gas and electricity networks collaborate to share learnings, which ensures that projects are delivering against industry strategy and government energy and consumer policy.

For more information, please visit the [Smarter Networks Portal](#) and [FEN Innovation Portal](#)

You can also find out more information about individual projects involving NGN via our latest [Innovation Strategy](#), [Annual Innovation Summary](#) in NGNs [Document Library – Future Plans](#).



Network Innovation Allowance (NIA)

The NIA is the engine of our innovation activity. It gives us the flexibility to test, trial and deliver projects that make a real difference for our customers.

From supporting vulnerable customers to enabling the transition to net zero, NIA-funded projects are focused on practical outcomes and measurable benefits.

This year's report highlights just some of the projects we've delivered through our NIA fund.

[Read more project details \(ENA portal\)](#)

[Read more project details \(FEN portal\)](#)

[Read NIA case studies](#)



Ofgem Strategic Innovation Fund (SIF)

The SIF, managed by Ofgem, is designed for bold, high-impact innovation. It targets projects that can accelerate our journey to net zero and position the UK at the forefront of clean energy.

SIF projects move from concept to large-scale delivery and deployment across four stages, with funding increasing as ideas develop and prove their value.

[Strategic Innovation Fund](#)

Additional sources for innovation include the Decarbonisation Project Development Use it Or Lose it allowance, and additional funding sources, which are detailed below.

Decarbonisation Project Development Use it or Lose it Fund (DPD UIOLI) Fund

DPD UIOLI funding helps us move quickly on early-stage ideas. This £8.3 million allowance enables NGN to develop small scale net zero projects and build the foundations for larger future initiatives.

It ensures promising ideas don't stall, and that we're ready to scale them through other funding routes.

Additional funding sources

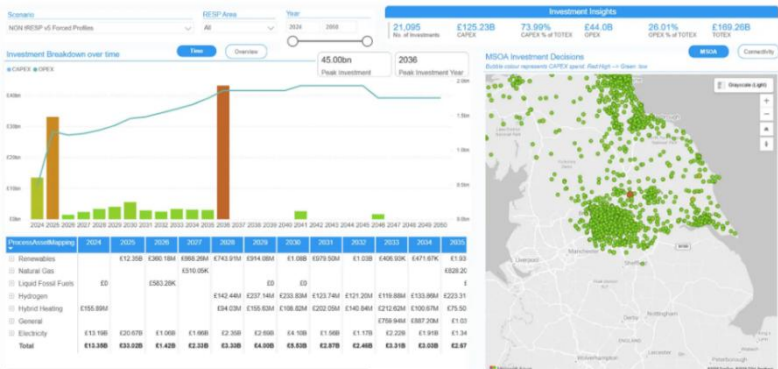
Innovation at NGN doesn't stop with dedicated funds. We also invest through Total Expenditure (TOTEX), third-party partnerships, University grants and other business investments. These sources help us drive operational efficiencies, refine high-readiness technologies, and embed improvements across NGN.

This broader funding approach helps us embed innovation into everyday operations, driving efficiency and delivering lasting value across our network.

Navigator

Navigator is a new planning tool developed by NGN and SGN to help make better decisions about how we reach net zero. Funded through the NIA, it was created to tackle a growing challenge: turning national climate targets into practical, local action.

Navigator – Annual Summary



Supporting Hydrogen

Hydrogen Blending

Hydrogen blending can provide an early market for low-carbon hydrogen production, supporting investment and supply development while dedicated hydrogen infrastructure is established. The Government has previously indicated strategic support for blending up to 20% hydrogen by volume into gas distribution networks, subject to satisfactory safety evidence and an acceptable implementation framework. HyDeploy demonstrated blends of up to 20% on existing distribution networks under Health and Safety Executive exemptions, without changes to domestic appliances.

The [National Safety Evidence Review](#) is assessing the HyDeploy evidence to inform government policy and any future amendment to the Gas Safety (Management) Regulations. These regulations currently limit hydrogen in

distribution networks to 0.1% by volume. The HSE is expected to complete its review in 2026, before issuing to DESNZ.

For the National Transmission System, the Government consulted in 2025 on the strategic and economic case for blending and the arrangements that would be needed if it were enabled. As of October 2026, the Government is still analysing the consultation feedback and has not published its final response.

Current collaborative projects include those required for preparing the operational, market and technical arrangements needed if a positive policy decision on blending is made. These include the [Hydrogen Blending Implementation Programme Phase 2B](#) and research into the safe repurposing of existing pipelines through [Weld Residual Stress Phase II - Testing](#) and [Probabilistic Assessment of Hydrogen Pipeline Welds](#).

Hydrogen blending therefore remains a potential transitional measure, with deployment dependent on government policy, acceptance of the safety case and completion of the necessary regulatory, commercial and operational changes.

East Coast Hydrogen

East Coast Hydrogen is a joint programme led by Northern Gas Networks, Cadent and National Gas to connect hydrogen production and storage with industrial and large commercial users across the North of England. By repurposing existing gas infrastructure and developing new assets, it aims to support industrial decarbonisation, regional investment and skilled employment, particularly around the Teesside and Humber clusters.



The programme is intended to provide a blueprint for wider conversion of UK gas networks. Ofgem has confirmed £96 million for the next phase, enabling the three networks to undertake Front End Engineering Design studies over two years and develop the evidence needed for future hydrogen-network construction and operation. You can find more details of the project on <https://www.eastcoasthydrogen.co.uk/>

[East Coast Hydrogen – Annual Summary](#)

Knapton hydrogen Storage for H2P

How can hydrogen storage help unlock a flexible, low-carbon power system when the wind isn't blowing and the sun isn't shining? That's the challenge we explored at Knapton, a former gas-fired power station site in North Yorkshire.



The Knapton study assessed how the site's existing energy infrastructure and strategic location within the East Coast Hydrogen corridor could support hydrogen storage. It examined repurposed gas fields, wells and pipelines alongside engineered and emerging technologies, concluding that the UK will need a mix of flexible, smaller-scale systems and large, long-duration geological storage. The resulting evidence base and roadmap are now progressing to the SIF Alpha stage following funding confirmation in June 2026, positioning Knapton as a potential blueprint for converting former energy sites into low-carbon energy assets.

[Knapton hydrogen Storage for H2P – Annual Summary](#)

Appendix 1

Process methodology



Appendix 1 - Process Methodology

A1.1.1 Daily Demand / Weather Modelling

Temperature explains most of the variation in daily LDZ demand, but a better fit can be obtained by including other variables. Within each model the Composite Weather Variable (CWV) which is the gas industry's data item that provides a measure of daily weather in each Local Distribution Zone (LDZ). It is calculated in UK Link using various data items, including weather variables such as temperature, wind speed and a set of parameters designed to provide a strong linear relationship to LDZ gas demand.

In order to compare gas demand between different years, we need to take out the variability of weather and see the underlying pattern. This is done by Xoserve, by correcting records of actual weather to seasonal normal weather basis which is the same for all years. This allows comparison of demand under the same weather conditions to see underlying trends. The Seasonal Normal value of the Composite Weather Variable (SNCWV) is therefore a key parameter used in various calculations. CWV and SNCWV are key building blocks in the production of demand models, profiles, peak load factors and the Non-Daily Metered allocation formulae.

For stability across the many industry processes impacted, the Demand Estimation Sub Committee³ (DESC) review the CWV and SNCWV, as a minimum, every 5 years. A new CWV and SNCWV figures came into effect on the 1st October 2025. Our forecast is based on this CWV. The new CWV incorporates more impacts of climate change than the previous version, but overall makes little change to our annual and peak demand forecast.

A1.1.2 Peak day Demand Modelling

Once the annual demand forecasts and daily demand/weather models have been developed, a simulation methodology is employed using historical weather data for each LDZ dating back to 1st October 1960. This determines the peak day and severe winter demand estimates. The model estimates what demand would be if historical weather from 1960 were to repeat today and generates a statistical distribution of the results which can be used to determine 1 in 20-year peak day demand. That is the level of demand you would statistically expect to occur once in every 20 years.

A1.1.3 High Pressure Tier Planning

Although the development of the GDN's Local Transmission System (LTS) is largely demand led, LTS capacity planning processes are not dissimilar to those utilised for the development of the National Transmission System (NTS). GDNs use forecast demand to model system flow patterns and produce capacity plans that take account of anticipated changes in system load and within-day demand profiles.

The options available to relieve LTS capacity constraints include:

- Upgrading pipeline operating pressures
- Upgrading offtakes from the NTS, regulators and control systems
- Constructing new pipelines or storage
- Constructing new supplies (offtakes from the NTS), regulators and control systems

³ [Demand Estimation Sub-Committee | Joint Office of Gas Transporters - Gas Governance](#)

As well as planning to ensure that LTS pipelines are designed to the correct size to meet peak flows, there is a requirement to plan to meet the variation in demand over a 24-hour period. Diurnal storage is used to satisfy these variations and for NGN this is in the form of linepack.

A1.1.4 Below 7 barg planning

The lower pressure tier system (distribution system) is designed to meet expected gas flows in any peak six-minute period assuming reasonable diversity of demand. Lower tier reinforcement planning is based on LDZ peak demand forecasts adjusted to take account of the characteristics of specific networks.

Network analysis is carried out using a suite of planning tools with the results being validated against a comprehensive set of actual pressure recordings. The planned networks are then used to assess future system performance to predict reinforcement requirements and the effects of additional loads. Reinforcement options are then identified, costed and programmed for completion before the constraint causes difficulties within the network. Reinforcement is usually carried out by installing a new main or by taking a new offtake point from a higher-pressure tier. In general, the reinforcement project is of such a size that the work can be completed and operational before the following winter.

A1.1.5 Investment Procedures and Project Management

All investment projects must comply with The Investment Planning Policy, which set out the broad principles that should be followed when evaluating high value investment or divestment projects.

The Investment Planning Policy defines the methodology to be followed for undertaking individual investments in a consistent and easy to understand manner. This policy is used to ensure maximum value is obtained. For non-mandatory projects, the key investment focus in most cases is to undertake only those projects that carry an economic benefit.

For projects that are associated with Network Assets a key factor is the successful delivery of the Network Asset Risk Metric (NARM) risk reduction. This is a metric agreed with Ofgem at the beginning of the regulatory period and will help show that investment has delivered the required outputs.

For mandatory projects such as safety-related work, the focus is on minimising the net cost whilst not undermining the project objectives or the safety and reliability of the network. The successful management of major investment projects is central to our business objectives.

Our project management strategy involves:

- Allocating the appropriate project management expertise to manage the project
- Determining the level of financial commitment and appropriate method of funding for the project
- Monitoring and controlling the progress of the project to ensure that financial and technical performance targets are achieved post project and post investment review to ensure compliance and capture lessons learned

NGN have four frameworks in place to help deliver our Capital Investment Programme which were all competitively tendered through the OJEU process. These framework agreements ensure we build lasting relationships with our partners to deliver quality at the most efficient cost for our customers. Our new design

framework was re-tendered this year and consists of five designers currently with a further three potentially being added subject to ongoing contract challenges mainly around liability. Our three delivery frameworks were re-tendered during 2021 and went live in May 2022, the Major Framework consists of six framework partners and work is awarded via mini competition, the two Minor Frameworks consist of four framework partners each, two assigned in the North and two in the South, and work is shared between them and prices negotiated. The frameworks have been designed to suit the work type, complexity, and volume to deliver the most economical value. All four frameworks are based on the NEC forms of contract which are renowned and approved worldwide as a project management contract, focussing particularly on cost and programme.

All projects are completed in line with the Capital Projects Integrated Management System (IMS) which covers the project lifecycle. The IMS is critical to ensuring NGN delivers projects consistently and in line with all relevant legislative requirements fulfilling NGN's obligations as the employer.

Our project management of capital investment projects is designed to ensure that they are delivered on time, to the appropriate quality standards at minimum cost. The project management process makes use of professional consultants and specialist contractors, all of whom are appointed subject to competitive tender.

Performance of the Contractors is monitored using Key Performance Indicators (KPI's) to ensure that the standards of Health & Safety, Environmental Performance, Quality, Commercial Performance and Programme management are all of the required level. Within the new framework, these figures will be used to incentivise high levels of performance, whilst still providing a tool to ensure consistent levels of performance.

Where Third Party funded schemes are raised, these are sanctioned, awarded, and managed in exactly the same way with a focus on value, programme and quality, however the Project Manager role may be sourced from the Professional Services Framework (as opposed to an NGN employee) on an ad-hoc basis to ensure that the Capex workload is delivered without compromise.

Appendix 2

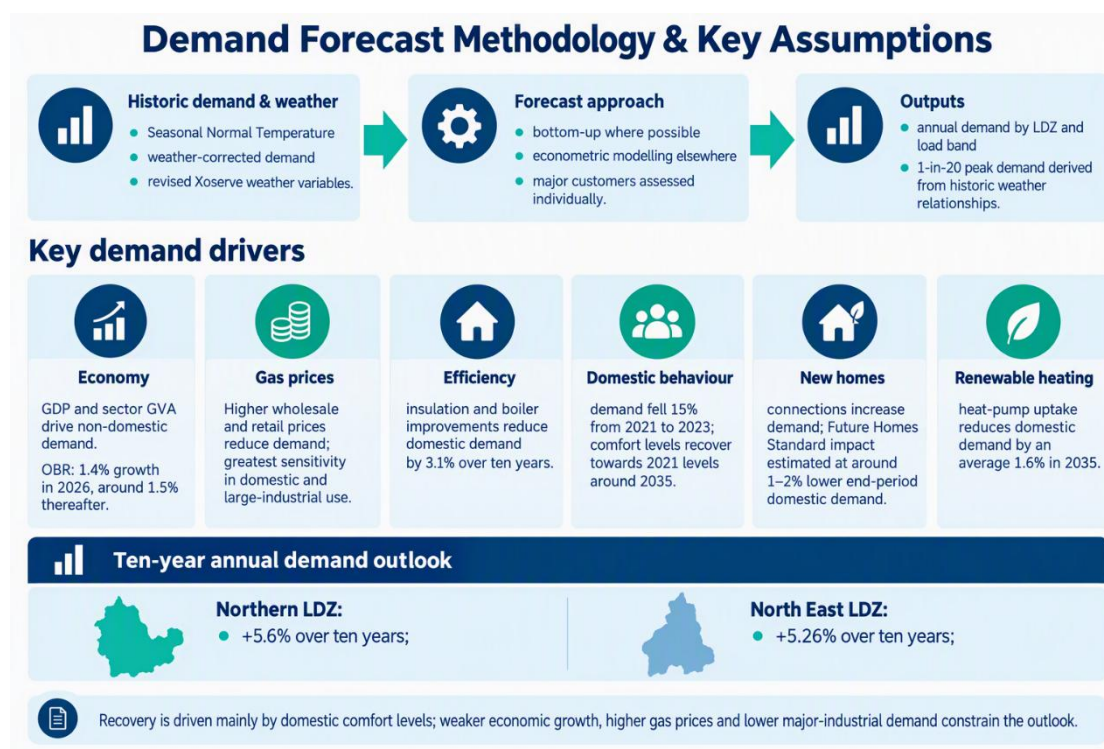
Gas Demand Forecasts

Appendix 2 – Gas Demand Forecasts

A2.1 Gas Demand Forecasts by LDZ

Annual demand forecasts are developed without knowledge of future weather conditions. Consequently, we calculate a Seasonal Normal Temperature (SNT) based on past averages. To compare throughput between years, actual demand data is adjusted to account for the variance of actual weather and SNT. This is known as weather corrected demand. The network code states that the calculated methodology used to derive seasonal normal values must be reviewed periodically. The 'seasonal normal composite weather variables' (SNCWV) have been reviewed and the new figures went live on the 1st October 2025, and remain valid for 5 years. Seasonal normal values reflect the general upturn, in warm weather, that has been experienced over the past decade. Derivation of the seasonal normal values is designed to reflect the most accurate statistical relationship between demand and weather.

Unlike previous versions of CWV and SNCWV this version attempts to estimate the impact of global warming and as such the peak 1 in 20 weather assumptions have altered to reflect the greater variation in extreme temperatures. This results in a slightly colder 1 in 20 peak weather condition for our networks. Our internal processes previously had an adjustment to recognise this, which is now no longer required, and the resulting change to our 1 in 20 peak demand is limited because of the move to the new CWV and SNCWV basis.



Northern LDZ

Load Band	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
0-73 MWh	16.4	16.3	16.7	17.1	17.2	17.3	17.3	17.5	17.6	17.7
73-732 MWh	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.2
732-5860 MWh	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7
> 5860 MWh	7.6	7.6	7.7	7.7	7.7	7.7	7.7	7.6	7.6	7.6
LDZ Shrinkage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LDZ Demand	27.7	27.6	28.2	28.7	28.8	28.8	28.9	29.0	29.2	29.3

Table A2.1A Forecast Annual Demand by Load Category & Calendar Year for North LDZ from 2026 Demand Statements

Note: Figures may not sum exactly due to rounding.

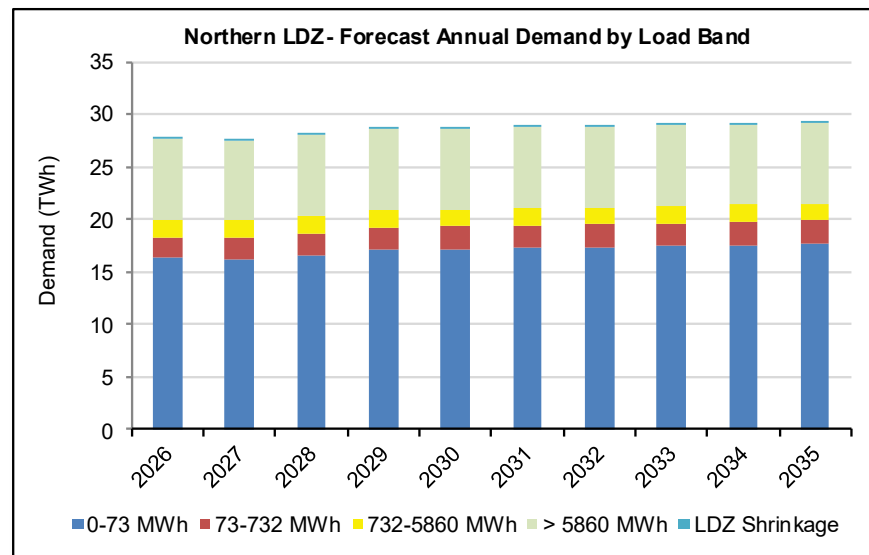


Figure A2.1A Northern LDZ - Forecast Annual Demand by Load Band

North East LDZ

Load Band	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
0-73 MWh	19.2	19.1	19.6	20.1	20.2	20.3	20.4	20.5	20.6	20.7
73-732 MWh	2.3	2.4	2.4	2.6	2.7	2.7	2.7	2.7	2.8	2.8
732-5860 MWh	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9
> 5860 MWh	8.5	8.4	8.4	8.3	8.3	8.3	8.2	8.2	8.2	8.2
LDZ Shrinkage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LDZ Demand	32.0	31.9	32.3	33.0	33.1	33.2	33.3	33.4	33.6	33.7

Table A2.1B Forecast Annual Demand by Load Category & Calendar Year for North East LDZ from 2026 Demand Statements (TWh)

Note: Figures may not sum exactly due to rounding.

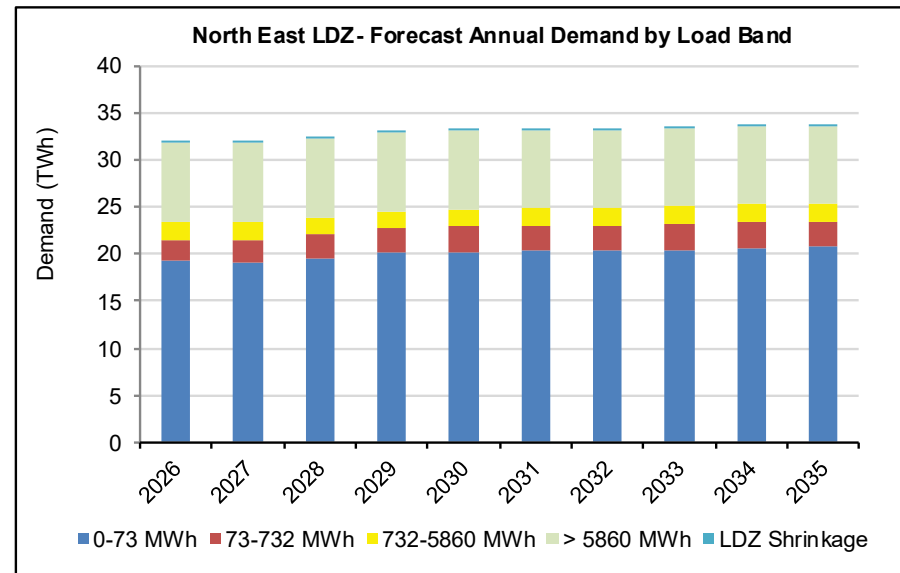


Figure A2.1B North East LDZ - Forecast Annual Demand by Load Band

A2.2 Forecast Comparisons

The following charts provide a comparison of the current forecasts with those published in the 2025 Demand Statements (DS).

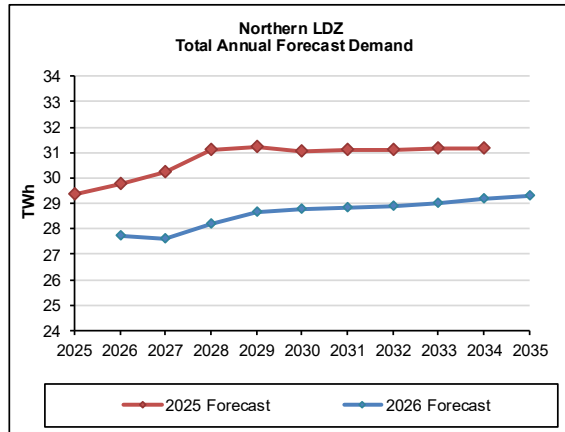


Figure 2.2A – Northern LDZ Total Annual Forecast Demand

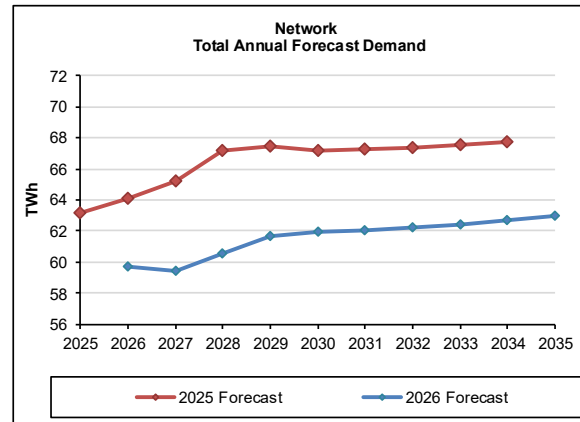


Figure 2.2B – North East LDZ Total Annual Forecast Demand

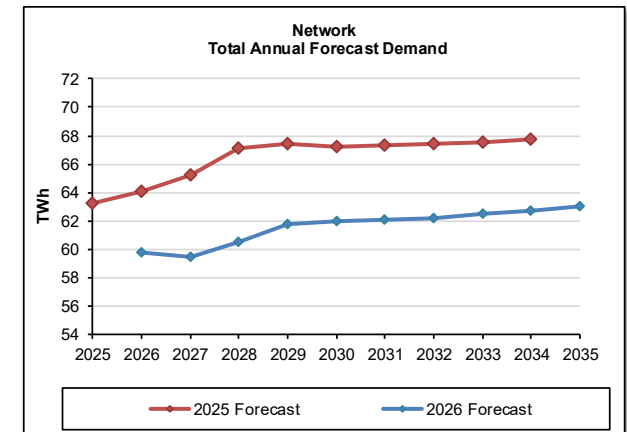


Figure 2.2C – NGN Total Annual Forecast Demand

Northern Forecast (TWh)			
Year	2025 DS	2026 DS	% Difference
2026	29.76	27.73	-6.81
2027	30.22	27.60	-8.68
2028	31.12	28.17	-9.48
2029	31.21	28.68	-8.13
2030	31.06	28.78	-7.36
2031	31.08	28.83	-7.24
2032	31.10	28.91	-7.02
2033	31.14	29.03	-6.78
2034	31.17	29.15	-6.48
2035		29.28	

North East Forecast (TWh)			
Year	2025 DS	2026 DS	% Difference
2026	34.30	32.02	-6.66
2027	35.00	31.86	-8.96
2028	36.03	32.34	-10.23
2029	36.22	33.03	-8.83
2030	36.10	33.15	-8.17
2031	36.19	33.20	-8.26
2032	36.29	33.29	-8.25
2033	36.42	33.42	-8.24
2034	36.54	33.56	-8.16
2035		33.70	

NGN Forecast (TWh)			
Year	2025 DS	2026 DS	% Difference
2026	64.06	59.75	-6.73
2027	65.22	59.46	-8.83
2028	67.14	60.51	-9.88
2029	67.44	61.70	-8.50
2030	67.16	61.93	-7.80
2031	67.27	62.03	-7.79
2032	67.38	62.20	-7.68
2033	67.56	62.45	-7.56
2034	67.71	62.71	-7.38
2035		62.98	

Appendix 3

Actual Flows

2025



Appendix 3 – Actual Flows 2025

A3.1 Annual Flows

Annual forecasts are based on average weather conditions. Therefore, when comparing actual throughput with forecasts, throughput has been adjusted to take account of the difference between the actual weather and the seasonal normal weather. The result of this calculation is the weather corrected throughput.

The basis for any calculation of forecast demand is the accuracy of the previous forecast.

Table A3.1.A and chart A3.1.B provide a comparison of actual and weather corrected throughputs during the 2025 calendar year, with the forecast demands presented in the 2025 Demand Statements. Annual demands are presented in the format of LDZ and NTS load bands/categories, consistent with the basis of system design and operation.

The 2025/26 winter severity, compares the latest winter against the previous 66 winters starting from October 1960, and it was deemed to be a warmer than average winter. The 6 month period from October 2025 to March 2026, was the 4th warmest winter in the last 66 years.

Northern LDZ 2025	Actual Demand	Weather Corrected Demand	Forecast Demand	Corrected v Forecast (%)
0 to 73.2 MWh	14.03	15.29	16.49	-7.3
73.2 to 732 MWh	1.96	2.10	2.24	-5.9
>732 MWh	8.42	8.67	10.49	-17.4
Shrinkage	0.11	0.11	0.12	-0.6
Total LDZ	25.34	26.99	29.33	-8.0

Table A3.1A Northern LDZ Throughput 2025 **Note:** Figures may not sum exactly due to rounding.

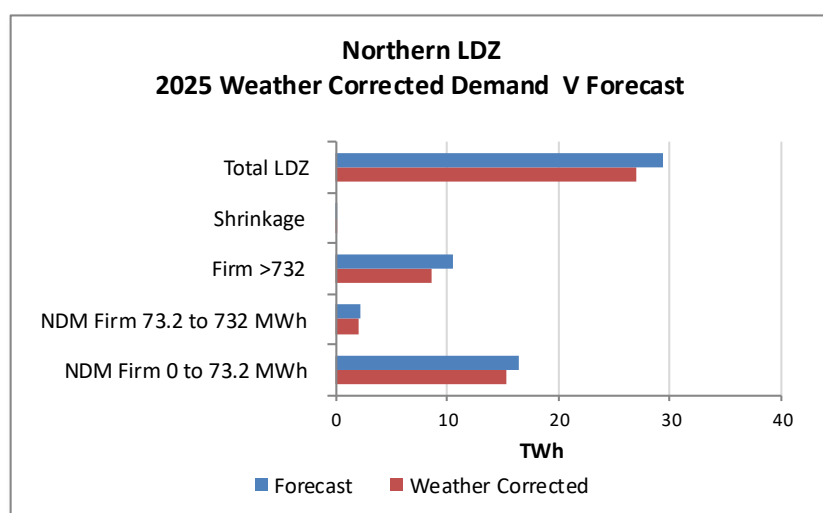


Chart A3.1B 2025 Northern LDZ Weather Corrected Demand V Forecast

In the Northern LDZ, the forecasts for each of the loadbands, were higher than the actual throughput. Overall the total LDZ weather corrected throughput was 8 % lower than forecast.

North East LDZ 2025	Actual Demand	Weather Corrected Demand	Forecast Demand	Corrected v Forecast (%)
0 to 73.2 MWh	16.74	17.73	19.32	-8.2
73.2 to 732 MWh	2.37	2.49	2.66	-6.5
>732 MWh	9.65	9.80	12.63	-22.5
Shrinkage	0.13	0.13	0.13	-0.6
Total LDZ	28.90	31.46	33.86	-7.1

Table A3.1C North East LDZ Throughput 2025 **Note:** Figures may not sum exactly due to rounding.

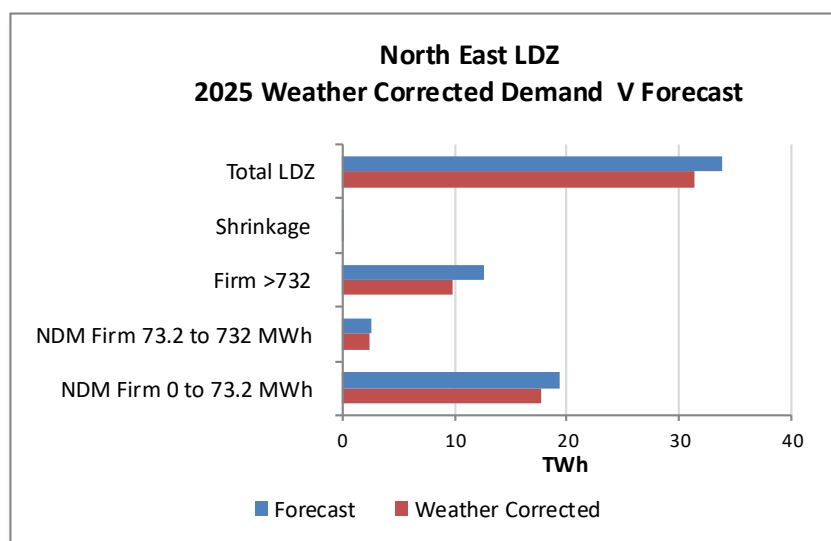


Chart A3.1D 2025 North East LDZ Weather Corrected Demand V Forecast

Similarly, the North East LDZ forecasts were overstated for all load bands. At LDZ level, the weather corrected throughput was 7.1% lower than forecast.

A3.2 Peak Flows

Our 2026 forecasts suggest that over the next ten years, the 1 in 20 Peak day forecast demand will increase by 0.86 % in the Northern LDZ and decrease by 0.59 % in the North East LDZ in line with annual forecasts, as shown by the charts below.

The maximum demand day for Northern LDZ during winter 2025/26 was 5th January 2026, when the network demand was 14.29 mcm, equating to **73.0%** of the expected 1 in 20 peak day for winter 2025/26. This was 2.5% lower than the highest demand day in 2024/25 of 14.66 mcm.

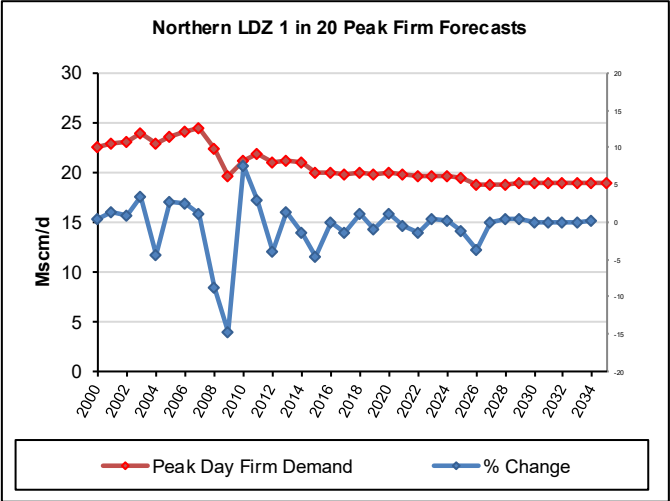


Figure 3.2a Historical Throughput & Forecast Peak day Firm Demand for Northern LDZ

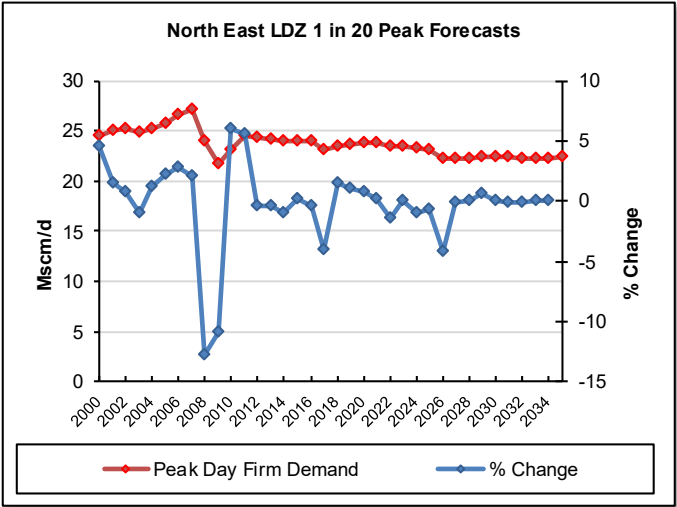


Figure 3.2b Historical Throughput & Forecast Peak day firm Demand for North East LDZ

The maximum demand day for North East LDZ during winter 2025/26 was 5th January 2026, when the network demand was 17.68 mcm, equating to **76%** of the expected 1 in 20 peak day for winter 2025/26. This was 3.5% higher than the highest demand day in 2024/25 of 17.09 mcm.



Appendix 4

Connections to our system

Appendix 4 – Connections to our System

A4.1 Connection Services

Within the space of a few years, the gas industry in the UK has evolved from a situation where one company provided all new connections, to one where many alternative connection services are now available on a competitive basis.

Indeed, whilst Northern Gas Networks continues to offer connection services in line with our Gas Act obligations, customers and developers have the option to choose other parties to build their facilities, have the connection vested in or adopted by the host gas transporter (depending upon circumstances), pass assets to a chosen system operator, transporter, or retain ownership of them.

The following are the generic classes of connection;

Entry Connections: connections to delivery facilities processing gas from gas producing fields or, potentially in the future, LNG vaporisation (i.e. importation) facilities, for the purpose of delivering gas into the NGN system. Biomethane is a fully renewable source of energy and NGN is fully committed to maximising the entry of biomethane into our gas network.

Exit Connections: connections that allow gas to be off taken from our system to premises (a 'Supply Point') or to Connected System Exit Points (CSEPs). There are several types of connected system including:

- A pipeline system operated by another gas transporter
- Any other non-NGN pipeline transporting gas to premises consuming more than 2,196MWh per annum
- **Storage Connections:** connections to storage facilities for the purpose of temporarily off taking gas from our system and delivering it back at a later date

Please note that storage may both deliver gas to the system and offtake gas from the system, therefore specific arrangements pertaining to both Entry and Exit Connections will apply. In addition to new pipes being termed connections, any requirement to increase the quantity of gas delivered or off taken is also treated as a new connection.

A4.2 Connections to the Local Transmission System

There have been 20 HP Connection enquiries and 0 HP connections for the gas year Oct 25 – Sep 26. There have been no new physical HP connections.

A4.3 Non-Standard Connections

NGN have seen an increase in the number of quotation enquiries for large load flexible generation connections from last year – with 9 year to date (Oct 25 – Sept 26). We currently have 22 live issued quotes with customers and expect a number of these to be accepted and progress to a connection.

There are 17 flexible power generation sites currently connected to NGN's system, with another 4 accepted sites anticipated to progress in RIIOGD3. There are also 2 compressed natural gas (CNG) sites connected to the network.

Over the past year, NGN has received 15 data centre connections enquiries, 1 of which is currently accepted and anticipated to progress. Many of these requests have been substantial in scale and will have a notable impact on the network. We anticipate continued and rapid growing interest in data centre connectivity in the future.

NGN have numerous ongoing innovative hydrogen projects and are continuously working with producers and the wider industry to facilitate a mixture of both blending and 100% hydrogen injection enquires.

A4.4 Additional Information Specific to System Entry and Storage Connections

We require a Network Entry Agreement or Storage Connection Agreement as appropriate, with the respective operator of all delivery and storage facilities to establish, among other things, the gas quality specification, the physical location of the delivery point and the standards to be used for both gas quality and the measurement of flow.

A4.4.1 Network Entry Quality Specification

For any new entry connection to our system, the connecting party should notify us as soon as possible as to their likely gas composition. We will then determine whether the gas can be accepted, taking into account our existing statutory and contractual obligations.

The ability of NGN to accept gas supplies into the system is affected by, among other things, the composition of the new gas, the location of the system entry point, volumes entered, pressure ranges and the quality and volumes of gas already being transported within the system.

In assessing the acceptability of any proposed new gas supply, we will take account of the following.

- a) Our ability to continue to meet statutory obligations (including, but not limited to, the Gas Safety Management Regulations 1996 (GS(M)R)).
- b) The implications of the proposed gas composition on system running costs.
- c) Our ability to continue to meet our contractual obligations.

For indicative purposes, the schedule set out below is usually acceptable for most locations and encompasses, but is not limited to, the statutory requirements set out in the GS(M)R.

<https://www.legislation.gov.uk/uksi/1996/551/schedule/3/made>

A4.5 Additional Information Specific to System Exit Connections

Any person can contact NGN to request a connection, whether a shipper, operator, developer or consumer. However, gas can only be taken off the system where the Supply Point created has been confirmed by a shipper, in accordance with the Uniform Network Code.

More information regarding NGN connections can be found here <https://www.northerngasnetworks.co.uk/gas-connections/>

A4.6 National Transmission System (NTS) Connections

For information regarding NTS Connections visit <https://www.nationalgas.com/our-businesses/connections>

A4.7 Distribution Network Connections

Gas will normally be made available for offtake to consumers at a pressure that is compatible with a regulated metering pressure of 21mbarg.

A4.8 Self Lay Pipes or Systems

In accordance with Section 10(6) of the Gas Act, and subject to the principles set out in the published Licence Condition 4B Statement and the terms and conditions of the contract between us and the customer in respect of the proposed connection, where a party wishes to lay their own service pipe to premises expected to consume 2,196MWh per annum or less, ownership of the pipe will vest in us once the connection to our system has been made.

Where the connection is for a pipe laid to premises expected to consume more than 2,196MWh per annum or the connection is to a pipe in our system which is not a relevant main, self-laid pipe do not automatically vest in us. However, subject to the principles set out in the published Licence Condition 4B Statement and the relevant contractual terms and conditions, we may take ownership of pipes to such premises.

Parties considering laying a pipe that will either vest in us or is intended to come into our ownership should refer to our Connections Methodology Statement and contact our connections team on 0800 040 7766 and (option 2) or email gasconnections@northerngas.co.uk

A4.9 Reasonable Demands for Capacity

Operating under the Gas Act 1986 (as amended 1995), we have an obligation to develop and maintain an efficient and economical pipeline system and, subject to that, to comply with any reasonable request to connect premises, provided that it is economic to do so.

In many instances, specific system reinforcement may be required to maintain system pressures for the winter period after connecting a new supply or demand. Details of how we charge for reinforcement and the basis on which contributions may be required can be found in the published Licence Condition 4B Statement. Please note that dependent on scale, reinforcement projects may have significant planning, resource and construction lead-times and that as much notice as possible should be given. We will typically require three to four years' notice of any project requiring the construction of high-pressure pipelines or plant, although in certain circumstances, project lead-times may exceed this period.

Glossary of Terms



Glossary of Terms

Calorific Value (CV)

The ratio of energy to volume measured in mega Joules per cubic meter (MJ/m³), which for a gas is measured and expressed under standard conditions of temperature and pressure.

Composite Weather Variable (CWV)

A single measure of weather for each LDZ, incorporating the effects of both temperature and wind speed. A separate composite weather variable is defined for each LDZ.

Distribution Network (DN)

An administrative unit responsible for the operation and maintenance of the local transmission system (LTS) and <7barg distribution networks within a defined geographical boundary.

Diurnal Storage

Gas stored for the purpose of meeting, among other things, within day variations in demand. Gas can be stored in special installations, such as gasholders, or in the form of linepack within transmission, i.e. >7barg, pipeline systems.

Formula Year

A twelve-month period commencing 1st April, predominantly used for regulatory and financial purposes.

Gas Supply Year

A twelve-month period commencing 1st October, also referred to as a Gas Year.

Gas Transporter (GT)

Formerly Public Gas Transporter (PGT), GTs, such as Northern Gas Networks, are licensed by the Gas and Electricity Markets Authority to transport gas to consumers.

Kilowatt hour (kWh)

A unit of energy used by the gas industry. Approximately equal to 0.0341 therms. One megawatt hour (MWh) equals 103 kWh, one gigawatt hour (GWh) equals 106 kWh, and one terawatt hour (TWh) equals 109 kWh.

Linepack

The volume of compressed gas within the National or Local Transmission System at any time.

Load Duration Curve (1 in 50 Severe)

The 1 in 50, or severe, load duration curve is that curve which, in a long series of years, with connected load held at the levels appropriate to the year in question, would be such that the volume of demand above any given demand threshold (represented by the area under the curve and above the threshold) would be exceeded in one out of fifty years.

Load Duration Curve (Average)

The average load duration curve is that curve which, in a long series of winters, with connected load held at the levels appropriate to the year in question, the average volume of demand above any given threshold, is represented by the area under the curve and above the threshold.

Local Distribution Zone (LDZ)

A geographic area supplied by one or more offtakes. Consists of LTS and distribution system pipelines.

Local Transmission System (LTS)

A pipeline system operating at >7barg that transports gas from one or more offtakes to distribution systems. Some large users may take their gas direct from the LTS.

National Transmission System (NTS)

A high-pressure system consisting of terminals, compressor stations and pipeline systems. Designed to operate at pressures up to 85 bar. NTS pipelines transport gas from terminals to LTS offtakes.

Non-Daily Metered (NDM)

Gas distribution networks review their total consumption in an LDZ vs the total consumption of the daily metered (DM) sites within a particular LDZ. The remaining consumption is then allocated as non-daily metered (NDM) consumption, which is then divided between the shippers, who supply gas to that LDZ, by applying an agreed formula.

It should also be noted, that following the implementation of project nexus in 2017, all meter points regardless of the supply class or registered demand volumes are reconciled when a valid meter read is submitted by the consumer.

Odourisation

The process by which the distinctive odour is added to gas supplies to make it easier to detect leaks. We provide odourisation at our offtakes.

Offtake Capacity Statement (OCS)

The Offtake Capacity Statements are received by NGN in September of each year from National Grid specifying assured pressures and the amount of capacity available at each offtake.

Own Use Gas (OUG)

Gas used by us to operate the transportation system. Includes gas used for compressor fuel, heating and venting.

Peak day Demand (1 in 20 Peak Demand)

The 1 in 20 peak day demand is the level of demand that, in a long series of winters, with connected load held at the levels appropriate to the winter in question, would be exceeded in one out of 20 winters, with each winter counted only once.

Seasonal Normal Composite Weather Variable (SNCWV)

The seasonal normal value of the CWV for an LDZ on a day is the smoothed average of the values of the applicable CWV for that day in a significant number of previous years.

Shrinkage

Shrinkage refers to the gas which is lost from the transportation network. Shrinkage is a combination of Leakage, Own Use Gas and Theft of Gas.

Therm

An imperial unit of energy. Largely replaced by the metric equivalent: the kilowatt hour (kWh). 1 therm equals 29.3071 kWh.

Unaccounted for Gas (UAG)

Gas lost during transportation. Includes leakage, theft and losses due to the method of calculating the Calorific Value.

Uniform Network Code (UNC)

The document that defines the contractual relationship between System Users. The Uniform Network Code has replaced the Network Code and, as well as existing arrangements, covers the arrangements between all gas transporters.

Version & Circulation

Version Number: Final 2026 v1

This document, and any updates to this document will be circulated electronically and uploaded to our website.

Disclaimer

The Long-Term Development Statement is the product of an annual cycle of planning and analysis. The statement sets out our assessment of future supply and demand for natural gas on our network. It also outlines proposals for investment in our local transmission and distribution systems. Interested parties may use this information to gain an understanding of how we expect gas demand to evolve on our networks over the next 10 years. This will help them plan accordingly when considering connection opportunities.

We are required to publish this annual statement in accordance with Standard Special Condition D3 of our Gas Transporters Licence and Section 4.1 of the Uniform Network Code Transportation Principal Document. This document is not intended to have any legal force or to imply any legal obligations regarding capacity planning, future investment and resulting capacity.



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**we are
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