



Response to Ofgem
National Gas Transmission Project Union
Feasibility Phase
Consultation

17th March 2023



List of consultation questions & Kellas responses:

ID	Question (Ofgem)	Response
1	Do you agree with our minded-to decision to approve funding for the Project under the NZASP re-opener mechanism, and at the value proposed?	We agree with and support the overall approach set out in the consultation. Hydrogen transport infrastructure away from hydrogen production "Superplaces" such as Teesside is critical for resilience and the growth in the UK's hydrogen economy. It makes sense to evaluate repurposing part of the existing natural gas transmission system.
2	Do you agree with our assessment of the Project's needs case?	We agree with the assessment of the Project's needs case. We would like to see initial emphasis put on connecting hydrogen supply to industrial customers looking to decarbonize their operations.
3	Do you agree with our assessment of the design and efficient costs of the Project's work packages?	We agree with your assessment of the Project's work packages.
4	Do you agree with our minded-to decision to reduce NGT's proposed contingency costs of 7.5% to 0%?	No, we feel that it is appropriate to include a contingency allowance as it is not possible to estimate all costs for a pre-FEED assessment in advance. 7.5% is a modest contingency in our opinion.
5	Do you agree with our minded-to decision on the company contribution level?	We agree that it is appropriate for NGT to make a company contribution to the Project.
6	Do you have any views on the proposed project deliverables for NGT, and whether further deliverables are required?	We agree with the proposed project deliverables. We would like to see the Pre-FEED report made available to stakeholders such as ourselves.
7	Do you have any views on the proposed direction for the Project contained in Appendix 2?	The proposed direction is clear and appropriate. We would like to see an obligation on NGT to publish the Pre-FEED report and conduct a close-out webinar for stakeholders such as ourselves before end 2023.