

4 December 2025

**National Grid plc**  
**Ofgem's RIIO-T3 Final Determination published**

Ofgem has today published its Final Determination for the RIIO-T3 framework covering our National Grid Electricity Transmission business for the period April 2026 to March 2031. The proposals include a real allowed cost of equity of 6.12% at 60% gearing.

We welcome Ofgem's recognition of the need for significant investment into the electricity transmission sector to continue to deliver world leading reliability whilst nearly doubling the amount of power we can transfer around the country.

We will now review in detail the full package contained within the Final Determination, to assess how Ofgem have addressed the critical points we raised in our Draft Determination response, and therefore whether it delivers an overall framework that is both investable and workable. This includes an incentive framework that allows high performing networks to achieve a globally competitive overall return and totex mechanisms that enable transmission owners to recover the efficient cost of their investments whilst progressing projects at the pace expected by our stakeholders.

We expect Ofgem to publish the proposed licence modifications for consultation soon. These important documents will inform our assessment of the incentive opportunities and overall workability of the framework. Throughout this period we will continue to work closely with Ofgem ahead of publication of its decision on the licence in February. Relevant parties will then have 20 working days to assess the licence modifications. We anticipate announcing our response in early March 2026.

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