

I want the gas system to be safe



£14m per year
3% totex

Engagement

Stakeholder priority and context

This priority is about what we do to keep the public, our employees and other people who work on or around our assets safe from the hazards inherent in our business. Our activities in this area encompass people to carry out safety strategy and assurance, including our role as Network Emergency Coordinator. In addition to safety compliance, operational training, asset protection measures to protect from third party interference to our pipelines to make safe and repair any pipeline damage and work on our operational properties.

Topics

Safety

Obligations

We currently have a licence obligation to comply with applicable health and safety legislation, monitored and enforced by the Health and Safety Executive (HSE). As a gas transporter, and in our role as Network Emergency Coordinator, we must comply with written "safety cases" accepted by the HSE. These set out how we manage the safety of the gas network in accordance with the Gas Safety (Management) Regulations, and manage our top tier sites, Bacton and St. Fergus, which fall under Control of Major Accident Hazard regulations (COMAH). For RIIO-2 we will continue to be obligated to comply with the HSE legislation but will no longer have a licence condition.

Stakeholders

Regulators (HSE), connected customers (terminal operators), supply chain (contractors), interest groups

Approach

Safety and reliability were included in events, webinars, one-to-ones and consumer engagement.

What we've heard

Safety is a top priority. Stakeholders expect us to meet legislative compliance and keep the public safe.

Key trade-offs and how engagement influenced our plan

We will continue to keep safety as a top priority. Given safety investment is driven primarily by the need to comply with legislation there are no trade-offs to be made. We have taken on board feedback from the independent stakeholder user group, for example, ensuring this priority clearly articulates the activities we undertake related to the cost, we have clarified our ambition on first class safety performance and included more on behavioural safety.

Outputs

Measure

There are no specific PCDs or ODIs for the safety topic. We currently have a licence obligation to comply with the relevant health and safety legislation which is monitored and enforced by the HSE. Ofgem's proposal is not to have a specific licence obligation for RIIO-2. We will continue to be bound by the relevant legislation. We will maintain our first-class level of safety whilst continuing to pursue the highest level of safety culture maturity to protect the public, our assets and people. To deliver this our baseline funding in this area comprises primarily of opex costs to support corporate health and safety activities, capex work to improve the condition of our operational properties and other activities to protect the pipeline assets from third party accidental damage.

Comparison to RIIO-1 outputs

We had a licence obligation for RIIO-1.

How we will deliver

- Efficiency
- Innovation
- Whole system
- Competition
- Uncertainty
- De-carbonisation

We are committed to continual process improvement to help drive efficiencies this area. This includes utilising our management information to manage training schedules more efficiently and support a more flexible, agile workforce. We will also seek the most efficient means to deliver the improvements required to our operational properties.

We will continue as we have for RIIO-1 investing in innovation projects such as the impact protection slabs for pipeline protection. Our innovation projects related to safety will play a key role in ensuring we continually improve our safety performance.

- Our emergency preparedness activity in RIIO-2 includes the increased operational challenges of more diverse supply/demand patterns and potential changes to network gas supply emergency framework associated with whole energy system trends in decentralisation and decarbonisation (e.g. introduction of increasing bio-gases or hydrogen blend).
- We will also continue to develop and adopt new tools and systems to accurately simulate a network emergency, and the need for emergency planning co-ordination with other gas transmission operators across Europe.
- We also recognise the potential for these new requirements and regulatory demands to drive additional requirements and training challenges for our workforce

Totex

Cost at RIIO-1 (annual forecast)

£17m per year

Work needed

We will carry out our safety strategy and assurance roles and our corporate health and safety commitments. We will provide 24/7 standby cover, emergency planning and training. We will also undertake our activities associated with our Network Emergency Coordinator role.

Third Party Interference – we will minimise the risk of others causing damage to our pipeline network by carrying out regular surveys and consider new technological options to become more effective and efficient. We will maintain an emergency response and repair service for our pipework systems across Great Britain.

Operational properties – 22 sites during RIIO-2 to be refurbished or replaced so they are in a state to protect our people and assets from damage and weathering.

Cost at RIIO-2 (annual)

£14m per year

Approach to uncertainty

N/A

Consumer benefit

Through managing down the likelihood of low frequency, high impact incidents; we protect society from potential disruption and damage to public health, business, transport and the natural environment that could be associated with gas transmission failure events. Our commitment to safety-related inspections, maintenance and asset replacement avoids disruption to continuity of gas supply. This also affects industry and electricity supply.