



## Stakeholder engagement and decision log

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Document: RIIO-3 Stakeholder Engagement and Decision Log

\* RIIO-GT3 Outcomes

*	Policy Area	Type of Engagement (not exhaustive)	Stakeholder Groups (not exhaustive)	Summary Feedback	Impact on Business Plan
Secure and resilient supplies	Ensuring world class safety levels of our workforce and the public	Biannual meetings with the Health and Safety Executive (HSE); Incident reporting processes; Industry forums; Intervention plan updates	Consultancies; Gas and oil companies; Gas Distribution Networks (GDNs); HSE; Trade Unions	<p>A. We have regular topic-based intervention sessions with the HSE to ensure that we are delivering on expected requirements, driven by the Gas Safety Management and Control of Major Accident Hazard Regulations. We carry out bi-annual Gas Safety Management Regulation (GS(M)R) meetings to review our interactions and performance across the financial year.</p> <p>B. We are engaged with the Trade Unions on our ambition to be Safe Every Day, which will continue into RIIO-GT3. Our ambition received positive feedback, and stakeholders expressed a desire to work closely with us on any campaign that supports health and safety. We are also involved in industry forums and bodies such as the United Kingdom Onshore Pipeline Operators' Association (UKOPA), which support the sharing of best practices as well as working alongside our Trade Unions.</p>	<p><b>Feedback implemented:</b></p> <p>A. We will continue to proactively involve the HSE to assess our ability to comply with the intent of legislation, which may result in actions that drive changes in our investment plan. A recent example has been a change in our approach to the management of trees and vegetation within pipeline easements.</p> <p>B. To deliver our ambition to be Safe Every Day, we will continue to prioritise safety across our business plan and ensure ambitions are aligned with legislative and regulatory requirements. This is regulated and enforced by the HSE. Assessing the value generated from engagement with our Trade Unions and following positive feedback from our stakeholders, we will continue to collaborate on our ambition to be Safe Every Day.</p>
	Delivering a resilient network fit for the future	1-1 meetings with key stakeholders; Acceptability testing; Broadcast webinar; Coalition session on risk and the NARMS framework; Consulting on AMP proposals; Customer forums; Independent surveying; Industry forums; Third party contracting and external consultation	Academia; Consultancy & Engineering Consultancy; Digital and AI companies; Electricity distribution network operators (DNOs); Engineering technology provider; ESO / NESO; GDNs; Government; Independent contractors; Industry bodies (IGEM, UKOPA); Interconnectors IT service management; Local government; Major energy users;	<p>A. We received survey results from four companies (training and engineering solutions providers) to influence investment builds. We consulted with an electrical testing and monitoring solutions provider to conduct surveys on our transformers.</p> <p>B. Overall, stakeholders fed back that the ways in which we are looking to change ways of working around network surveillance are positive and coming at a good time. In addition, there were positive conversations and feedback around the range of methods for pipeline surveillance proposed during RIIO-GT3. However, some stakeholders raised concerns about GDPR compliance in remote sensing solutions, and highlighted skills gaps in data interpretation.</p> <p>C. In consumer forums, most respondents understood the reasons for a 45-year asset life and supported using this timeframe. A minority thought that asset lifetimes should be shorter than 45 years, as they anticipated assets might be decommissioned sooner during the green energy transition. In general, respondents were happy to pay for assets that they would not benefit from using, as it kept costs down and benefited future generations.</p> <p>D. Stakeholders consistently identified resilience as the top priority for our business planning. Resilience is imperative to ensure continued service delivery, to cope with periods of high demand, and to ensure that National Gas remains a reliable strategic partner. Our industrial customers fed back that diversifying energy sources and infrastructure, and reacting to market demands for alternative fuels, will play a significant role in bolstering our resilience. A minority of stakeholders felt that because National Gas already delivers</p>	<p><b>Feedback implemented:</b></p> <p>A. Following an evaluation of our survey results, we have integrated external validation results into our justifications and amended our plan to increase low-cost on-site cathodic protection remediation volumes (a cost decrease from RIIO-T2) and decrease pipeline cathodic protection remediation volumes (a cost increase from RIIO-T2 due to opting for fewer but higher-cost interventions).</p> <p>B. We are planning to schedule further sessions on our network surveillance strategy once detailed data have been collected from our trials.</p> <p>C. We have decided to continue to model assets to a 45-year life period as supported by our end consumers.</p> <p>D. We have responded to this feedback by clearly explaining the growing resilience challenges we are facing and how we are addressing those challenges. Our proposed Network Resilience recommendations have been shared with the government, Ofgem, and NESO to ensure they are supportive of our needs and recommendations.</p> <p>E. We assessed opportunities to decarbonise our carbon fleet and we have since introduced several initiatives into our business plan that directly address reducing carbon across our fleet.</p> <p>F. Following completion of ongoing innovation work, we will seek funding through the Uncertainty Mechanism for compressor fleet decarbonisation innovations. This approach allows for a more informed submission with greater confidence in scopes, volumes, and costs.</p>

		Market and data service providers; National and regional environmental agencies; Power Stations; Producers; Terminals; Think tanks	<p>a high-quality, resilient service, measures to further strengthen our resilience would need to be robustly justified in our business plan.</p> <p>E. Decarbonising the carbon fleet was pinpointed as the most effective path to achieving carbon reduction emissions in our compressor fleet strategy.</p> <p>F. We contracted an external technology provider to assess the scope, cost, and value of the associated work of our compressor fleet. For rotating machinery asset health, they recommended increased investment in gas generators.</p> <p>G. We engaged a third-party consultancy to a) develop a net-zero glidepath with carbon reduction initiatives and b) create reliability, availability, and maintainability (RAM) models for our Compressor Fleet Investment Strategy.</p> <p>H. Stakeholders challenged the extent to which National Gas' risk management strategy considered the local, specific risk impacts on end users. Stakeholders noted past issues with communications around outages, and frustration was voiced over the unclear process for resolving issues.</p>	<p>G. We evaluated feedback from third parties and have, as a result, developed a gas generator investment plan.</p> <p><b>Feedback considered, but not implemented:</b></p> <p>H. An external consultant assessed the network-wide economic impacts, which have led to a resilience project addressing single points of failure on the National Gas network. "Network Reliability and Availability" is one of the five risk metrics considered in our risk management framework. We are reporting on network risks transparently across the Network Asset Risk Metrics (NARMS) framework, Business Plan Data Tables, and Engineering Justification Papers, with cost-benefit analyses included to assess costs of maintaining RIIO-T2 baseline risk levels. We believe our existing framework, including the NARMS framework, adequately addresses concerns over end-consumer risks by evaluating direct and indirect customer impacts across the network.</p>
Ensuring our network is resilient to climate change	Customer and stakeholder workshops	Academia; Asset management partnerships; DESNZ; DNOs; GDNs; Ofgem;	<p>A. Customers and stakeholders agreed on the need to collect more asset data relating to climate hazards. A lack of granularity in weather and climate projections, and lack of asset failure data specifically linked to climate-related hazards were shared challenges among the industry. There was agreement that as weather events become more extreme, our projections grow increasingly uncertain.</p> <p>B. Stakeholders agreed that splitting investments into "act" (where we are aware of risks) and "respond" (by designing interventions when we have adequate data) was sensible.</p> <p>C. Stakeholders suggested updating our standards and policies to embed climate resilience into new asset construction.</p> <p>D. Stakeholders highlighted that National Gas could enhance collaboration with international Transmission System Operators (TSOs) operating in different climates.</p>	<p><b>Feedback implemented:</b></p> <p>A. With stakeholder support, we will continue to deepen our understanding of the future impact of climate hazards through targeted surveys, which will enable robust data-driven interventions.</p> <p>B. We have committed to investment to manage risks where we are already observing the impact of climate change on our assets.</p> <p>C. We have decided to prioritise an initiative to update our policies, procedures, and engineering standards to ensure new assets are resilient to climate hazards.</p> <p>D. In future climate resilience strategies, we agree with the need to benchmark plans with international TSOs with climates different from ours, and we will be building on these relationships in advance of RIIO-GT3.</p>
Keeping our critical systems secure	We have engaged with partners across government to agree, plan, and implement security measures. The sensitive nature of this work prevents us from externally publishing detailed information about security investments and stakeholder discussions. Stakeholders engaged included: Ofgem, DESNZ, National Protective Security Authority, NIS Competent Authority, and the National Cyber Security Centre.			
Transforming our activities through IT and data	Broadcast webinar; Surveys; Workshops	Academia; Connections customers and potential biomethane customers; Digital and AI companies; Engineering consultancies; European Transmission System	<p><b>A. On our IT Systems as a whole:</b></p> <ul style="list-style-type: none"> <li>Stakeholders expressed expectations that our IT systems should be safe, reliable, secure, and resilient with "keeping systems healthy and compliant", deemed the most important regulatory outcome against which our IT plan should deliver. 89% of respondents felt that our IT plan reflected the needs of their organisation and the industry. Data transfer and digital interoperability were cited as two key areas of stakeholder interest in the IT space.</li> <li>Through our engagements, we re-confirmed that the GDNs are keen to collaborate to create a single Common Information Model for secure data sharing within industry.</li> </ul>	<p><b>A. Feedback implemented:</b></p> <ul style="list-style-type: none"> <li>Following an assessment of stakeholder expectations, we have decided to continue with the proposed approach to IT investment that was shared with our customers and stakeholders, following positive feedback on our RIIO-GT3 objectives and alignment to industry needs.</li> <li>To explore these opportunities, we have planned to engage with the GDNs to continue this collaboration.</li> <li>We have evaluated our proposed items in Digitalisation Strategy and Action Plan<sup>1</sup>, tagging those that align with Data Best Practice Principles to ensure we address the most impactful RIIO-GT3</li> </ul>

<sup>1</sup>NGT\_A02\_Digitalisation Strategy and Action Plan\_RIIO\_GT3

			Operators (TSOs); GDNs; Government; IT Companies; Major energy users; Ofgem; Suppliers that use our current procurement system	<ul style="list-style-type: none"> <li>Ofgem has consulted on governance of the Data Sharing Infrastructure and has fed back that all licensees will be required to take part through license conditions. Ofgem is invested in making this work for licensees and will make funding available (for example <i>via</i> reopeners) where additional funding is required.</li> </ul> <p><b>B. On IT Systems for Customer Interface:</b></p> <ul style="list-style-type: none"> <li>While customers praised the “significant improvements” to the Gas Customer Hub during RIIO-T2, they suggested a number of potential upgrades to further enhance user experience and to assist with scaling up of enquiries.</li> <li>Customers emphasised the need for systems that enable rapid communication to support timely financial decisions. Personal interactions with the National Gas Team are valued, but automations and live chats were also suggested.</li> <li>Customers supported our proposals to integrate the Gas Customer Hub with Gemini.</li> </ul> <p><b>C. On our Systems for Source-to-Contract Procurement:</b></p> <ul style="list-style-type: none"> <li>Customers found that SMEs can be overwhelmed by complex tendering processes and inconsistent contracting due to outsourcing. Customers suggested there is a need to simplify documentation and provide detailed feedback, particularly for new suppliers.</li> </ul>	<p>initiatives. We are reassessing our submission for data and digitalisation in line with Ofgem’s Subcategory definitions.</p> <p><b>B. Feedback implemented:</b></p> <ul style="list-style-type: none"> <li>We have committed to making improvements across our customer-facing IT systems incorporating some of our customer suggestions including: email notifications of changes to project status, timelines to open actions, centralised tracking of queries and documents, a customer onboarding pack, a glossary ensuring that guidance is available, video tours on the digital support center, improving the search engine optimisation on our website, and enhancing project management tools for construction phases of connection (through a combination of baseline investments and UMs).</li> </ul> <p><b>C. Feedback implemented:</b></p> <ul style="list-style-type: none"> <li>Having explored options to optimise source-to-contract procurements, we have chosen to merge our procurement systems so that tenders can run through a single system in a simpler and more streamlined way.</li> <li>Additionally, we have decided to consolidate other outside tasks into this same system, i.e., tendering, contract management and risk alerts.</li> </ul>
Infrastructure fit for a low-cost transition to net zero	Leading the energy transition to clean power and net zero	1-1 meetings; Acceptability testing; BAU engagement; Coalitions; Consultations; Customer perception surveys; End-consumer focus groups; Workshops	Connections customers; End-consumers; Potential future customers	<p>A. We surveyed 10 organisations representing 20 of our directly connected sites, and all organisations surveyed were in favour of us replacing gas chromatograph analysers with like-for-like hydrogen-ready alternatives, even at increased cost. Organisations fed back that this type of investment was a positive step and provided confidence in the notion of hydrogen and hydrogen blending.</p> <p>B. In deliberative focus groups, some end consumers said that they would need more information on hydrogen in order to provide support for or against including it in the future energy mix, specifically to address safety and cost concerns.</p> <p>C. Customers and stakeholders viewed hydrogen blending favourably, with some organisations already considering the National Transmission System (NTS) as a potential off-taker for production, pending relevant DESNZ decisions, market changes, and GS(M)R amendments.</p> <p>D. Stakeholders welcomed a specific commitment on biomethane within our business plan.</p> <p>E. We have had positive engagement thus far with Project Acorn and potential emitters supporting Carbon Capture and Storage (CCS) in Scotland.</p>	<p><b>Feedback implemented:</b></p> <p>A. Weighing the trade-offs of cost and hydrogen-ready infrastructure, we have chosen to continue to propose replacing assets with like-for-like hydrogen-ready alternatives where the technology is suitably mature.</p> <p>B. We have decided to actively continue to provide information on our hydrogen preparation activities, for example, providing public updates on FutureGrid, our bespoke hydrogen testing site, throughout the remainder of RIIO-T2 and throughout RIIO-GT3.</p> <p>C. We have committed to collaborating on new hydrogen blending connection processes and ensure adequate resources for effective connections reform.</p> <p>D. We have agreed to engage with potential NTS entry customers to streamline new gas-to-grid projects by standardising green gas connection designs, simplifying the connections process, and proactively addressing lead-time items.</p> <p>E. To best explore opportunities for expansion of a CCS network with clusters in the rest of Britain, we have opted to continue with and amplify this engagement.</p>
	Caring for our environment and our communities	Acceptability testing; Coalition; Customer forums; External	Consumer bodies; Environmental agencies; GDNs	<p>A. Stakeholders suggested we should link our Environmental Action Plan (EAP) Commitments to the government’s Environmental Improvement Plan (EIP) and/or other Green Infrastructure (GI) Frameworks.</p> <p>B. Those commitments originally considered lacking in ambition were those absent of quantitative targets or those</p>	<p><b>Feedback implemented:</b></p> <p>A. Our EAP Commitments have been built based on historical opinion from our EAP development process. Our suite broadly aligns with EIP and GI Frameworks, and we have made links clearer in our Environmental Action Plan<sup>2</sup>.</p>

		benchmarking against other companies' ESG commitments		<p>that restated Ofgem's obligations (e.g., our commitment to embed circular economy principles into projects).</p> <p>C. Stakeholders queried how our commitments affect our emissions and RIIO-GT3 decarbonisation glidepath.</p> <p>D. Consumers felt net zero was important to achieve; even those that did not personally prioritise net zero appreciated the need for net zero to benefit future generations; most thought that 2050 was too far away as a target and we should take actions to achieve net zero sooner.</p> <p>E. Stakeholders advised a commitment to decarbonise our vehicle fleet in line with targets set by similar organisations.</p>	<p>B. We have decided to develop metrics to set more quantitative targets for our qualitative commitments, e.g., Circular Economy targets, and have made clearer in our submission which commitments are obligations.</p> <p>C. Following an assessment of our stakeholder expectations, we have clarified how our commitments will impact our Scope 3 emissions and our target position on the glidepath by T4.</p> <p>D. We have refreshed our consumer priorities to reflect the expectation that National Gas should be leading (rather than facilitating) the energy system transition.</p> <p><b>Feedback not yet implemented:</b></p> <p>E. We have chosen not to implement a commitment to adopt EVs into our vehicle fleet, as we believe that the existing charging infrastructure is not mature enough, and that current options available on the market lack the range for critical operations (e.g., emergency response). We will continue to monitor the market and are planning a hydrogen van trial during RIIO-GT3.</p>
	Investing in our people and capability for the future	Coalitions	GDNs; Landowners; Training Providers; Workers Union Representatives	<p>A. Stakeholders agreed that the industry faces workforce challenges including outdated standards, aging staff, trainer shortages, and skill competition. Stakeholders highlighted training inconsistencies across GB (e.g., differences between England and Scotland) and suggested further inter-network collaboration moving forwards. Our plans to upgrade the conditions of non-operational facilities on our operational sites were endorsed, with acknowledgment of potential budget changes during RIIO-GT3 to address newly emerging risks. Leveraging EU Skills for accreditation and reconvening the coalition were proposed as next steps.</p>	<p><b>Feedback implemented:</b></p> <p>A. We have decided to continue to work closely with GDNs, training providers, and other industry bodies to address shortfalls in skilled resources, e.g., in electrical, instrumental, cyber, and mechanical disciplines, in advance of and during RIIO-GT3. Otherwise, plan submission remains unchanged. With stakeholder backing, we will continue with our proposed programme of activities and prepare for RIIO-GT3 implementation.</p>
High quality of service from regulated firms	Drive relentless performance and service	1-1 interviews and bilaterals with Ofgem; Broadcast Webinars; Online consultation	Consultancies; Energy industry representatives; Environmental agencies; European TSOs; GDNs; Interconnectors Major energy users; Offshore energy companies; Ofgem; Public bodies and trade bodies; Shippers	<p>A. Stakeholders queried whether NGT had considered other renewable energy sources in the development of our demand forecasting (D-1). Stakeholders opposed re-introduction of the financial scheme for D2-5 forecasting as it was of no or very limited commercial value to them.</p> <p>B. Some stakeholders suggested that our Capacity Constraint Management (CCM) incentive should be valued on good performance rather than market value. Greater transparency was requested around the parameter-setting process, given the complexity of the analysis.</p> <p>C. Stakeholders agreed that increasing the cap and collar linked to System Average Price (SAP) inflation was fair and logical for the residual balancing incentive, which is fundamentally sound. There was an additional suggestion to introduce a mechanism to reset the parameters during the price control.</p> <p>D. There was broad consensus that our greenhouse gas incentive proposals are non-controversial and effectively support the goal of achieving net zero. Some stakeholders questioned the reliability of our benchmarking assurance</p>	<p><b>Feedback implemented:</b></p> <p>A. Following an assessment of our demand forecasting, we have excluded solar from demand forecasting due to low output compared to wind and to simplify adjustor calculations. We are evaluating additional supporting analyses. We agree with customers that the D2-5 scheme should remain reputational and will consider a project-based approach to process changes that could be considered to improve our performance.</p> <p>B. We have committed to proposing new obligations related to transparency around the actions we take to manage constraints proactively and reactively. In response to feedback, we held an additional webinar to explain the parameters and model.</p> <p>C. We have chosen to propose an automatic adjustment to the scheme's financial caps and collars. To avoid yearly changes due to minor SAP fluctuations, we suggest using a three-year rolling average.</p> <p>D. To optimise our savings to SAP, emissions costs and incentives that drive local air quality, we are</p>

			<p>and whether National Gas would implement these measures without incentives.</p> <p>E. Customers supported splitting Customer Satisfaction (CSAT) targets into score areas. Some proposed using metrics other than historical averages to drive continuous improvement. Fuller details can be found in our System Operator Annex<sup>3</sup>.</p>	<p>considering an independent audit of our calculations to ensure that metering on rigs is correctly calibrated.</p> <p><b>Feedback considered but not implemented:</b></p> <p>E. We have decided not to amend our proposal to use the upper quartile of historical results as the basis for our CSAT targets, as this would result in a systematic loss.</p>
Operating the system safely, reliably and efficiently	BAU industry engagement; Broadcast Webinar; Coalitions; Fortnightly 1-1s with Ofgem on Data Best Practice; Monthly steering meetings through the ENA and other steering meetings with GDNs	Academia; DNOs; ENA; Engineering and sustainability consultancies; ESO / NESO; European TSOs and GDNs; Industry bodies; Major energy users; Market and data providers; Organisations which represent vulnerable end-consumers; Underground storage operators	<p>A. A majority of customers and stakeholders (74%) endorsed our identified Gas System Operator (GSO) priorities as appropriate for supporting a low-cost transition to net zero (remaining 26% unsure). There was stronger agreement (96%) from customers and stakeholders on the need to develop market frameworks during RIIO-GT3, indicating broad support for our strategic direction. Within the remit of the GSO, some thought our priorities were missing reference to decommissioning, customer service, process simplification, repurposing assets, blending, entry tariffs, tariff discrimination, and detailing whether we were expecting domestic use of hydrogen. Some stakeholders sought clarification on topics including: financial impacts on consumers; maintenance planning and its implications; intergenerational fairness; long-term gas quality management and associated costs; National Gas' asset optimisation and efficiency strategies; and our capacity marketing approach.</p> <p>B. Some stakeholders suggested building capacity to provide forecasts on the long-term future for regional variations in gas quality, as well as information provision and proactive network management so that industry did not incur extra costs associated with short-term gas quality fluctuations.</p>	<p><b>Feedback implemented:</b></p> <p>A. We have decided to provide detailed clarifications on: our collaborative approach to maintenance planning, balancing flexibility with commercial considerations; the impact of extended maintenance windows on customers; mandatory responsibilities, particularly regarding emergency response and NESO support; proposed resource increases; and our asset optimisation strategies, including routine asset sweating through our AMP Annex<sup>4</sup>. To address the identified gaps across the GSO, we have chosen to outline our market framework and charging frameworks to ensure our costs remain globally competitive, informed by ongoing discussions at our NTS Charging Methodology Forum. Details on end-consumer cost impacts are included across our plan.</p> <p><b>Feedback considered but not implemented:</b></p> <p>B. We have decided not to amend our investment asks for T3 to address questions regarding regional variations in gas quality. We understand stakeholders' concerns, but envision the need for investment in this area will come beyond April 2026, when there may be greater flows of biomethane and/or hydrogen onto the NTS.</p>
Innovating now and for future generations	End-consumer focus groups; Industry coalitions and workshops with innovators and academics	Academia; European TSOs; GDNs and DNOs; Independent Stakeholder Group (ISG); Innovators and innovation partners	<p>A. Our innovator community validated our RIIO-GT3 innovation themes, and suggested additional focus areas including business development, automation and measurement, materials and processing, artificial intelligence, and quantum computing and sensing. From deliberative end consumer focus groups, the majority (71%) of consumer respondents were supportive of National Gas investing in innovation, acknowledging that without innovation, any business would become stagnant.</p> <p>B. We collaborate with our European counterparts through working groups such as H2GAR and the European Hydrogen Backbone consortium.</p> <p>C. Stakeholders are keen to see a mix of natural gas and hydrogen in their future gas demand. Messaging about our FutureGrid and Project Union projects has reached the stakeholder community, but some stakeholders fed back that more could be done to discuss our wider innovation portfolio with the hydrogen community.</p> <p>D. The ISG has played a pivotal role in the development of our Innovation Strategy for RIIO-T2 and RIIO-GT3 approach.</p>	<p><b>Feedback implemented:</b></p> <p>A. Exploring the key topics raised by the innovator community, we have decided to add to our roadmaps key topics including Artificial Intelligence and Quantum Computing and Sensing. These can be found in the relevant themes of our Innovation Strategy<sup>5</sup></p> <p>B. Assessing the benefits of collaboration and partnership with our European counterparts, we have chosen to continue to grow the number of industries we work with and look globally for collaborations that can benefit Britain, e.g., engaging with storage operators to understand how our interactions will change in the future and continuing engagement with electricity transmission following separation from National Grid.</p> <p>C. To address the hydrogen community engagement feedback, we have determined that disseminating information on our hydrogen innovation portfolio will be a focus area into RIIO-GT3.</p> <p>D. We will continue engagement with our ISG as we continue to evolve our innovation strategy and embed a mindset of innovation into our organisational culture.</p>

<sup>3</sup>NGT\_A10\_System Operator Annex\_RIIO\_GT3

<sup>4</sup>NGT\_A01\_Asset Management Plan (AMP)\_RIIO\_GT3

<sup>5</sup>NGT\_A04\_Innovation Strategy\_RIIO\_GT3