



Shaping the future gas transmission system

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Martin Cook
Chief Commercial Officer,
National Gas Transmission

I am delighted to share an overview of our RIIO-GT3 business plan with you, which will run from April 2026 to March 2031.

The plans we're developing are to ensure the gas transmission network continues to provide energy security today while also helping the UK achieve its net zero ambitions.

Our plan will be focused on ensuring that gas is transported safely and reliably at all times – keeping the lights on, allowing UK businesses to flourish and keeping our nation warm in winter.

Recent global events have reminded us how critical security of energy supply is and how cyber security is vital to the security of the UK economy.

Our plan will ensure that we can rely on a resilient gas system as we transition to net zero to deliver the clean and secure energy system of the future.

The gas transmission system was built between the late 1960s and early 1980s and is now in a period of maintenance and replacement.

The joint work between Department of Energy Security Net Zero (DESNZ), Ofgem, National Grid Electricity System Operator (ESO) and National Gas has resulted in a clear articulation of the resilience levels required to ensure a safe, secure and reliable system.

A message from our Chief Commercial Officer

The output of this work underpins our plan and we have carefully considered how we can achieve these outcomes in the most cost-effective way and will provide evidence to give you confidence in our plan. We explain in more detail how the plan enables National Gas Transmission (NGT) to fulfil these objectives and protect existing and future users and consumers.

Throughout 2023, the gas transmission network was crucial to meeting peak demand for dispatchable power generation.

In 2023, there were 110 days where gas generation made up more than 40% of Great Britain's electricity supply and 31 days where it made up more than 50% of **Great Britain's electricity supply**¹. Without the much needed gas being present within the generation mix, there would have been approximately 200 equivalent days in aggregate last year, where Great Britain's power demand would not have been met with alternative electricity supply sources.

Looking forward, the Future Energy Scenario (Falling Short 2023 – which is the basis of the plan we submitted to Ofgem in July) suggests that peak gas demand will be required at around 85% of current levels out to 2044.

The gas industry is the lifeblood of society, powering everything from homes and businesses to transportation and industry.

In 2023, natural gas provided 36% of the **UK's primary energy demand**². The plans we are now developing must ensure the gas transmission network continues to provide energy security today while also

helping the UK achieve its net zero ambitions.

But the energy sector is also undergoing significant transformation as we transition to meet net zero targets by 2050. We are actively developing plans for connecting more green gas to the transmission system.

It is imperative that NGT not only meets the needs of existing consumers but anticipates the requirements of future generations.

By investing in sustainable and innovative energy solutions NGT can ensure reliable gas supply, while minimising our environmental impact.

Our suite of Business Plan Overview documents support the RIIO-GT3 business plan and demonstrate a clear line of sight of Ofgem's core regulatory outputs and stakeholders' priorities.

We have developed our business plan by considering 14 key topics that are important to you, our customers and stakeholders, and which are underpinned by an ambitious set of draft commitments and outcomes.

You can read more about these within the **'Business Plan Overview: Benefits for consumers and customers'** document.

We are proposing to increase the level of investment relative to RIIO-T2, which is necessary to ensure security of supply and to manage and stabilise the aging network at acceptable levels of risk (which is measured by Ofgem's network asset risk metrics). This also supports an orderly and prudent transition to net zero by 2050.

The current set of draft commitments have been developed through engagement with customers and stakeholders but we're looking for input to help shape them further.

Members of our Independent Stakeholder Group (ISG)³ have been providing independent input to the development of the business plan to:

- Scrutinise and challenge our business plan development
- Monitor and review the delivery of these plans, taking into account the priorities of local and regional consumers and network users
- Review and challenge our approach to stakeholder engagement at every stage

The ISG plays a vital role in adding value to the development of our business plans by:

- Maintaining independence and transparency
- Providing constructive challenge and targeted feedback
- Bringing a diversity of views
- Focusing on outcomes
- Supporting us to improve the way we do things

We are seeking your views to help refine our business plan.

Your views and feedback will be important to help shape the gas transmission system of the future.



Scan the QR code to leave your feedback

¹ https://www.nationalgrideso.com/data-portal/historic-generation-mix/historic_gb_generation_mix

² Digest of UK Energy Statistics (DUKES) - GOV.UK (www.gov.uk)

³ Independent Stakeholder Group | National Gas

1. Introduction

This RIIO-GT3 publication provides an opportunity for National Gas Transmission to communicate how we're creating our RIIO-GT3 business plan. The plan is based on continued engagement on topics throughout the current regulatory period, and also reinforces the critical role we play in the industry. We have shared our methodology, anticipated outcomes and approach to how we are building the RIIO-GT3 plan. This comes ahead of our business plan submission to Ofgem in December 2024.

By informing customers and stakeholders of our plans, we hope to reinforce our commitment to better understand and address the needs of the industry and support our ongoing stakeholder engagement strategy.

We have published a suite of five documents, including this one, setting out our approach to building the business plan, stakeholder priorities, and outcomes we will deliver.



All documents can be found on our RIIO-GT3 webpage.



1. Business Plan Overview:
Summary and stakeholder engagement



2. Business Plan Overview:
Vision and investments



3. Business Plan Overview:
Benefits for customers and consumers



4. Business Plan Overview:
Our credible plan



5. Business Plan Overview:
Incentives consultation



click here

We are seeking your views

We've included a link to a feedback form, and invite customers, stakeholders and consumers to share any feedback directly with us.

All feedback we receive will be confidential and analysed to help shape the plan. We will highlight where insights have influenced the plan, within the December submission. The consultation period will close on 11 September 2024.

In addition to this consultation, we're also running a series of webinars.

To book on to one of our webinars, please follow the links for your chosen event.

Date	Time	Webinar
16 Aug	2.00pm – 3.00pm	Deep Dive on Gas System Operation
20 Aug	1.00pm – 2.00pm	Our Asset Management Plan Explained
29 Aug	2.00pm – 3.00pm	Our Business Plan Overview
17 Sept	1.00pm-2.00pm	Deep Dive on our IT Plan

2. About us

National Gas Transmission own and operate the natural gas high pressure transmission system and provides Great Britain and European customers with access to energy – both gas and electricity.

We are responsible for transporting gas to more than half a million businesses, 23 million homes and more than 30 power stations. The current National Transmission System (NTS) comprises nearly 5,000 miles of high-pressure pipes, driven by a fleet of over 60 gas compressors. We employ more than 2,000 people directly, while indirectly we support hundreds of thousands of jobs in industries which rely on gas for their operations.

We are designing the business plan to deliver high value proposition for existing and future customers, market structure and government policy. The gas transported through our pipes keeps homes warm, businesses running and, through gas fired power generation, keeps the lights on.

The extraordinary level of flexibility of our transmission system enables intermittent generation, providing power generators with the ability to

ramp up when the wind doesn't blow, or sun doesn't shine. It also ensures that gas is transported to where it needs to be, in GB and beyond.

The gas transported in our network represents around **45% of the total UK primary energy demand (1918 TWh⁴)** as we serve customers across the energy system – electricity and gas, in the UK and in Europe.

In 2023, our network exported 187 TWh (terawatt-hour) of energy to Ireland and Europe (21.5% of the demand on our network).

In 2022, we played an even greater role in supporting European consumers and governments in a time of geopolitical instability and crisis with the level of exports exceeding that of total UK residential demand.

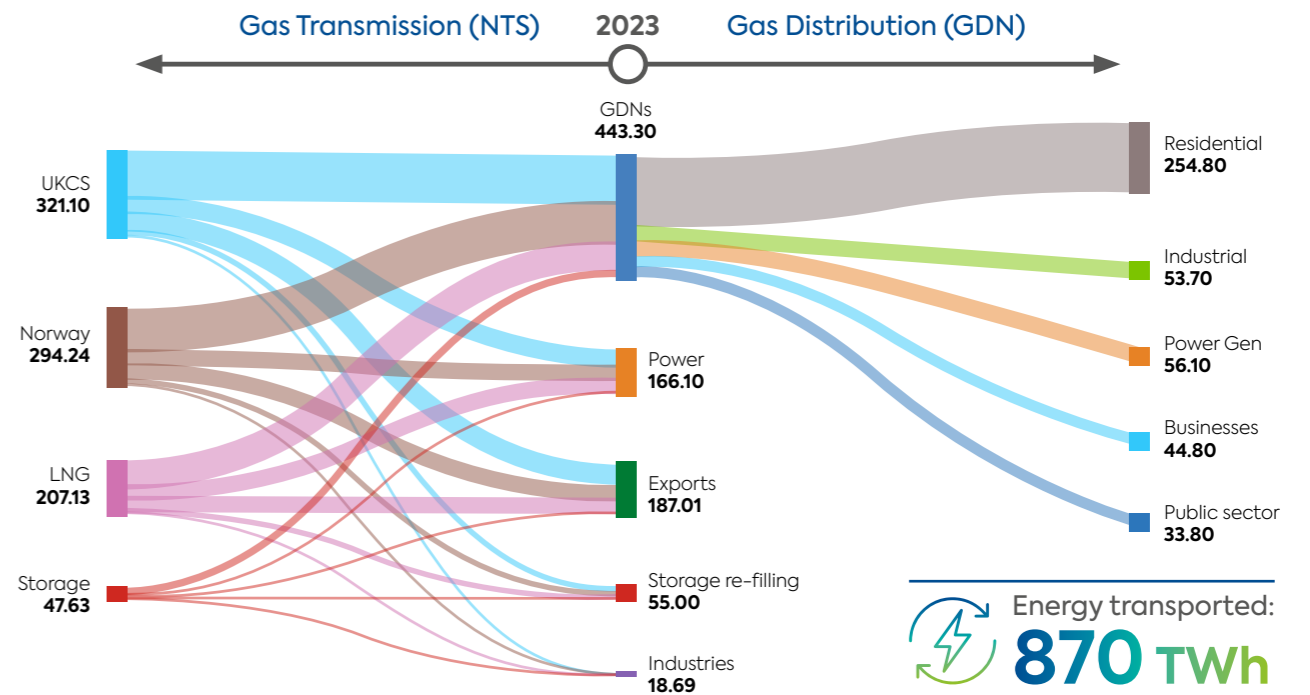
We are committed to leading the way to a zero-carbon future.

While there remains uncertainty around the pace of the transition to net zero, we can start taking action now to repurpose our network. Most of the NTS was constructed between the late 1960s and the early 1980s and many of the assets are ageing.

It's crucial that we take action now to ensure asset integrity and stabilise the level of risk across the network, in order to provide a system that will be fit for purpose now and in the future.

The way in which customers use the network has also changed significantly and adds to the volatility of the gas network. Alongside this uncertainty we also face a multitude of security threats, which are increasing in sophistication and persistence.

We're developing our plan to only contain work that is necessary now, while tightening security, to ensure it supports our purpose to leading a clean energy future for everyone.



⁴ Digest of UK Energy Statistics (DUKES) - GOV.UK (www.gov.uk)

3. National Gas Transmission proposition

We are designing the business plan to deliver high value proposition for existing and future customers, market and government policy.



Our customers are gas users and providers.⁵



We provide our customers with flexible, open and safe access to gas enabling them to participate in multiple commodity markets (gas, electricity wholesale, ancillary services).



We allow gas producers to bring their gas to the beach, and we ensure secure supplies for domestic consumers and exports to Europe.



We allow power generators to keep the lights on; without gas as a flexible backup for renewables the electricity system would fail.



We enable industrial and commercial businesses to generate high grade heat in order to sell goods, services and create jobs.



We ensure that the country stays warm and lit under peak winter demand conditions (our 1-in-20 pipeline system security standard).



We provide gas to the GDNs who then supply gas used in everyone's boilers and hobs. We also ensure that the UK energy industry is prepared, and able to meet its obligations, in the event of a gas supply emergency.



We help the UK to support its international partners by enabling huge volumes of exports to Europe.



Gas Transmission represents a small annual cost for end consumers, when compared to generation and electricity networks. We constantly challenge ourselves to drive efficiency and hold down bills.



We will deliver an efficient and secure, transition to net zero through cost effective re-purposing of our existing network.



As we transition to net zero repurposing and blending will facilitate emergence of markets to attract hydrogen production and storage investments and decarbonise difficult to electrify transport and industrial sectors. It will allow the UK to continue to be a major exporter of energy.

⁵ Users: End consumers, Businesses and industrials (mostly via GDNs), power generators, public bodies (hospitals etc). Providers: O&G shippers, commodity traders. Both User and Provider: Interconnectors, Storage, GDNs.

4. A plan shaped by stakeholders

National Gas Transmission is regulated by Ofgem. The regulatory framework is called RIIO (revenue = incentives + innovation + outputs) and covers our role as transmission owner (TO) and gas system operator (SO).

The RIIO price controls run for five years, where the current price control period started on April 2021 and runs until March 2026.

We are currently developing a new stakeholder led business plan for the next price control, which will focus on natural gas and run from April 2026 to March 2031.

We engage continuously with customers, stakeholders and consumers to ensure our

strategies align with their expectations.

We have been refining, testing, validating and securing advocacy through our engagement strategy to better serve our stakeholders.

While we maintain regular touch points, we have intensified our interactions to ensure the RIIO-GT3 plan effectively meets our customers' needs in the lead up to the next decade.

Our customers, stakeholders and end consumers are at the heart of all National Gas Transmission's operations.

Our engagement strategy has been developed to ensure that we incorporate the voices and values of the energy ecosystem into our decision making and day to day activities.

This customer-centric approach is vital to ensure that we support society as we transition to net zero by 2050.

4.1 Our customers, stakeholders and consumers

Who?	Recent engagements	
Our customers are directly connected to our infrastructure and play an integral role in distributing gas to consumers.	Power generation	RWE, SSE EPUKI
	Directly connected industrials	INEOS, CF Fertiliser, Centrax, Inovyn
	Network companies	Cadent, Northern Gas Networks, SGN, Wales & West Utilities
	Gas storage	Centrica, SSE Thermal, Humby Grove
	Terminals and interconnectors	BBL, Interconnector UK
Our consumers are domestic or industrial users of gas, who don't directly connect to our infrastructure but indirectly benefit from it.	End consumers (homes, businesses, schools)	Citizens Advice
Our wider stakeholders have direct and invested interest in National Gas Transmission.	Regulators	Ofgem
	Local and regional governments	With members of the Conservative, Labour, and Scottish National Parties
	Environmental interest groups/consultancies	Waters Wye, OEUK, Greenpeace
	Innovators and academics	E3G, Regen
	Supply chain	NSMP
	Other trade bodies	Energy UK

4. A plan shaped by stakeholders

4.2 Our engagement approach

National Gas Transmission foster a robust and tailored stakeholder engagement strategy, following the AA1000 **Stakeholder Engagement Standard**⁶.

We leverage a variety of channels to cultivate productive dialogue with a wide range of stakeholders, including various customers that are directly connected to the National Transmission System (NTS), government officials, industry experts, and many more.

Forums, executive-level meetings, and informative webinars serve as key platforms for these interactions.

We've also been able to improve the way in which we engage with stakeholders. Based on insights received we have introduced a biomethane forum, additional 1-to-1s, the Operations Liaison Forums, 'Shaping the Future' webinars and Hydrogen Blend stakeholder interactions.

Stakeholder discussions explore critical industry issues, with National Gas Transmission at the forefront of these conversations.

This guiding position within industry is evident through National Gas Transmission's keynote addresses, facilitating code changes and commercial evolution,

exploring sustainable construction practices, and ensuring transparent access to energy data.

We also address network operational updates, methane emission reduction strategies, the evolving regulatory framework for hydrogen, and the advancement of innovative solutions.

We also actively champion blending of green gases and the decarbonisation of heat, all while remaining committed to achieving a clean energy transition that fosters a positive environmental and social impact.

4.3 Engagement to date


Since publishing our **Stakeholder Engagement Strategy**⁷, as part of the RIIO-GT2 business plan, we have engaged with our stakeholders on an ongoing basis and through various forums, including via the Gas Operation Forum, the Gas Data Portal User Community, meetings with regulators and other government bodies, and

customer workshops. Other recent examples of high-level engagement activities include participation from National Gas Transmissions' Conservative Party and Labour Party conferences, Prime Minister visit to the Bacton Gas Terminal.


Looking forward towards RIIO-GT3, we are supplementing

our existing engagement with a comprehensive engagement plan. This plan incorporates a diverse toolbox of interactive, multi-channel engagement methods, including external surveys, workshops, insightful interviews with industry experts, informative webinars and collaborative brainstorming sessions.


To complement our longer-term campaigns and regularly occurring forums, we have designed and completed a stakeholder engagement sprint in February and March 2024, consisting of:



6
interactive workshops



70+
1-to-1 deep-dive interviews



35+
organisations and over 40 senior stakeholders.

Stakeholder engagement sessions reaching

⁶ <https://www.accountability.org/standards/aa1000-stakeholder-engagement-standard/>
⁷ <https://www.nationalgas.com/document/129471/download>

Since the start of our RIIO-GT3 planning process, various geopolitical developments have caused the UK energy landscape to become increasingly dynamic.

The purpose of this sprint was to rapidly collate the data to build an informed and up-to-date snapshot of customer and stakeholder needs from across the energy ecosystem, in order to re-validate the content of

our business plan submission against customer and stakeholder priorities, and to shape our series of summer engagements where challenges and key topics of interest were identified.

Driving a targeted, strategic and two-way approach to customer engagement



4.4 Outcomes and priorities

Our comprehensive stakeholder engagement strategy has enabled us to capture priorities, potential pain points and opportunities for improvement. We then analyse this data with input from relevant business

areas, which informs the development of strategic questions within the Customer and Stakeholder (C&S) team. This ensures that the investments proposed in our business plan for RIIO-GT3 directly address

the needs and aspirations of the market, customers and stakeholders. Through our stakeholder engagement, we have identified the following consumer key insights which confirms that our existing priorities are still valid:



I want an affordable energy bill
 'At the end of the day consumers are the ones we are providing a service for, sustainable value is really important.'



I want the network to operate safely, reliably, and efficiently, as a foundational standard of service
 'Reliability is key for the future of gas – gas needs to be...the reliable strategic partner.'



I want the drive to net zero to be at the core of all National Gas Transmission's initiatives
 'Decarbonisation of the power system and... heat are key enablers to the path to net zero.'

These priorities will continue to guide our decision-making processes and strategies in all areas of our business. Where these priorities are not fully compatible with one another, we will continue to actively engage in discussions with customers and stakeholders around the possible trade-offs and what course of action will ultimately deliver greatest consumer value.

4. A plan shaped by stakeholders

4.5 How we'll use insights to influence the plan

Our approach starts with capturing strategic questions to explore with our stakeholders.

We then use the answers to drive decision-making within National Gas. Continuous feedback, through our engagement channels, ensures our plans and decisions remain responsive and evolve alongside stakeholder priorities. This agility cultivates strong relationships between National Gas Transmission and its stakeholders, leading to collaborative and future-proofed plans.

As a customer-focused business, we continue to be responsive to market demands and consumer priorities.

Consequently, National Gas Transmission has incorporated several new steps to ensure that we remain adaptable and flexible to the rapidly changing energy landscape and stakeholder needs.

This encompasses mobilising our account management function, building National Energy System Operator (NESO)-embedded relationships, improved data-sharing, streamlining processes and costs for green gas connections, provision of connections incentives, and utilising an engagement and insights-led approach (our RIIO-GT3 approach).

Furthermore, we have successfully utilised customer

satisfaction data (CSAT) to drive improvements within the organisation.

This includes new offerings and system improvements such as an improved customer relationship management (CRM) process, a new complaints procedure, enhanced international information-sharing capabilities, and the development of a Gas Customer Hub.

Moreover, we have continued to exceed expectations in our service, for example in streamlining communications through SPOCs and engaging in industry specific webinars.



4.6 Your views

We've created an online feedback form to capture your comments and welcome any other views and insights you may have about our business plan. For feedback on RIIO-GT3 incentives, please use the separate published document with relevant questions.



Do you feel that our proposed commitments are ambitious and that the focus areas for the plan deliver the right consumer priorities?



Do you feel that National Gas Transmission's consumer priorities for RIIO-GT3 accurately represent your views as an individual or organisation?



Do you have any feedback on how we engage with our customers, stakeholders and consumers, for us to consider in planning our future interactions?



When thinking about the networks of the future, which topics do you think we should be talking about more with our customers, consumers and stakeholders?



In response to customer and stakeholder feedback, National Gas Transmission has an ambition to make it easier for those in the industry to understand what we do and what drives our decision-making as a business. What aspects of our network operations could we further educate on?



National Gas has a vision to go above and beyond our licensed responsibilities as a gas transporter, and become an energy platform for the industry. How can National Gas better represent the needs of your organisation as an industry leader?



Do you have any comments about the tone and content of the BPO suite of documents?

Timetable

Draft BPDT submission date	31 July
Draft EJP submission date	
Draft CBA submission date	
Business Plan Overview documents published on our website	12 August
Stakeholder consultation window	12 August to 11 September
Final Business Plan submission	11 December
Final Business Plan published online	18 December
Open Call for Evidence	18 December
Close Call for Evidence	10 February 2025
RIIO-GT3 price control period	April 2026 to March 2031



[click here](#)

Share your views with us

Scan or click the QR code to complete our online form, or email your feedback to box.RIIOGT3@nationalgas.com

The consultation period is now open and runs until 11 September 2024.



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