



RIIO-GT3

**Business Plan  
Overview**

Benefits for  
customers and  
consumers



**Shaping the future  
gas transmission system**



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## Shaping the future gas transmission system

Business Plan Overview  
Benefits for customers and consumers

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# 1. Introduction

In July 2024, we submitted the basis of our RIIO-GT3 business plan to Ofgem. We continue to develop our stakeholder led business plan as we finalise it before submitting to Ofgem in December 2024.

The Business Plan Overview: Benefits for Consumers and Customers document forms part of our RIIO-GT3 communications and engagements and should be read alongside our suite of Business Plan Overview documents.

We are seeking customers' and stakeholders' views between 12 August and 11 September, on our overall plans and are inviting responses to our survey.



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**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

This document provides information about our proposed commitments and how they will provide value to consumers, while aligning to Ofgem's regulatory outcomes. We also talk about how we've developed our incentives. You can find more information in our [Incentive proposals document](#).





## 2. Our draft commitments and business plan outcomes

Our collaborative stakeholder engagement activity informs our business plan. We will deliver value by delivering against the key topics which are outlined in the 'Vision and investments' document. For each of the key topics there are associated investments and 38 draft commitments which provide value to customers and consumers.

In this section we outline our draft commitments and business plan outcomes that we will deliver in RIIO-GT3.

Representing our plan this way allows us to demonstrate tangible value we will deliver for our customers and consumers, and how our ambition has increased since we submitted our RIIO-T2 plans.

We have aligned our draft commitments to three of the four Ofgem outcomes. 'System efficiency and long-term value for money' is expected to be delivered through overall cost efficiencies and as part of the cost assessment process. Therefore all commitments will fall under one of the following:

- Infrastructure fit for a low-cost transition to net zero.
- Secure and resilient supplies.
- High quality of service from regulated firms.

We consider commitments to be regulatory mechanisms which deliver value for consumers. These will be either licence obligations (LOs), price control deliverables (PCDs) or output delivery incentives (ODIs).

Business plan outcomes are other activities we plan to carry out during RIIO-GT3, that don't fit into a regulatory mechanism but still provide benefits for consumers. We have carried out a full review of our RIIO-T2 commitments. Where appropriate, we propose to carry forward commitments into RIIO-GT3 but they will be refined to reflect the lessons learned from RIIO-T2. Some commitments will have been completed during RIIO-T2, so won't be carried forward.

We are also seeking to deliver new commitments for RIIO-GT3 in targeted instances where we have clearly identified we can deliver additional consumer value.

We are keen to test and improve our draft commitments further and welcome your feedback.

Currently, these commitments are proposals and we plan to continue testing and refining these throughout the summer through continued engagement.

In December 2024, we will put forward a suite of commitments which demonstrates the scale and ambition of our plan and which has been tested for stakeholder advocacy.

Our commitments are summarised in the tables on the following pages. We will expand upon these in our full submission in December by showing how the commitments are aligned to the regulatory priorities, have credible plans for delivery, demonstrate stretching performance compared to what we have achieved in the past, and deliver true added value for consumers.



### High quality of service from regulated firms

Our commitment	How it will deliver customer value
<p><b>1. We will continue to invest in innovation utilising all available mechanisms, such as innovation stimulus funds alongside investing in BAU innovation, ensuring we drive continuous improvements across all our activities and deliver benefits back into the business and to our customers. We will publish an Innovation Strategy outlining our activities annually.</b></p>	<p>Innovation is key to developing new capabilities or finding better ways of doing things. These improvements increase our capabilities and can reduce our costs, deriving benefits that can then be passed on to consumers. For every £1 spent on innovation, we see £4 in value realised and aim to continue this in RIIO-GT3.</p> <p>Further to the financial benefits for our consumers, investing in innovation and sharing the results helps develop the wider gas industry. By collaborating with others, we can address the energy transition challenge together preventing duplication and sharing results.</p> <p>An innovative culture is vital for our business, driving continuous improvement in everything we do and ensuring we are at the forefront of the industry.</p>
<p><b>2. We will collaborate and partner with third parties on wider energy transition innovation projects that will help determine the energy transition options to a net zero future.</b></p>	<p>Ultimately, collaborating with others will help achieve the energy transition providing wider benefits that can be passed onto the consumer. Through sharing and working together, innovation costs can also be reduced. By seeking out and working with the best third parties possible, National Gas will have access to a world class knowledge base helping the business to carry out the research and make the correct decisions for the future. Working together and collaborating with a wide range of third parties can prevent duplication, recognising that the energy transition is a significant challenge which individual companies cannot achieve in silos but together as an industry they can.</p>
<p><b>3. We will facilitate the transformation of the energy industry, supporting the development of NESO, and evolving natural gas commercial market frameworks.</b></p>	<p>Efficient energy network co-ordination. Maintain and enhance our position within the UK energy market as roles and responsibilities adjust.</p> <p>Ensuring commercial market frameworks remain fit for purpose.</p>
<p><b>4. We will work with our customers to enhance our capability to provide data and information to the gas market.</b></p>	<p>Industry will be able to make more informed decisions/ operating strategies, benefits can be passed onto consumers. Ability to provide more data/information to the industry. Receive more data and information.</p>
<p><b>5. We will intervene to maintain the health of our assets. Effectively managing defects, controlling direct environmental risks and mitigating 3rd party impact risks, ensures security of supply, network availability and high quality of service.</b></p>	<p>A safe and reliable network will ensure reduction in unplanned loss of supply for our customers, ensuring gas is available for local distribution and power generation at demand. Prompt management and control of defects is imperative for a safe, well managed asset base. Consistent and predictable levels of network availability underpin a stable gas market.</p>



## 2. Our draft commitments and business plan outcomes

### High quality of service from regulated firms

Our commitment	How it will deliver customer value
<p><b>6.</b> We will ensure we efficiently manage the network capability to meet a 1 in 20 winter peak demand whilst assessing the full range of future energy scenarios to ensure we invest to an appropriate level of network capability (in line with our Transmission Planning Code) that meets the needs of customers, whilst balancing operational and commercial risks.</p>	<p>A network capable of meeting a wide range of gas flow scenarios for the right cost. The right level of network capability ensures a balanced level of constraint risk and any associated reputational impact. A network capable of meeting a wide range of gas flow scenarios underpins a stable and liquid gas market.</p>
<p><b>7.</b> We will improve our investment decision making capabilities, by collecting enhanced and more targeted asset condition data, using innovative data collection tools and methods. Among other efforts, this includes enhancing our remote diagnostic capability for metering and cathodic protection assets and driving down length of pipeline and site pipework that we are currently unable to internally inspect, through our use of NGS AGI inspection tool.</p>	<p>Innovation is key to developing new capabilities or finding better ways to doing things. These improvements increase our capabilities or can reduce our costs, benefits we pass on to consumers. Safety is our priority.</p> <p>We are innovating to improve our asset data to reduce asset risks and the associated impacts. By growing our capabilities, we can offer more to the energy industry.</p>
<p><b>8.</b> We will maintain, reassess and continually improve our asset management system, in accordance with the requirements of ISO55001. We will monitor our performance against our asset management objectives and maximise value for all our stakeholders through the optimisation of our processes, policies and procedures.</p>	<p>Continuously maturing asset management will maximise whole life value delivered by our assets, for the consumers. High performing asset management is at the heart of our business and underpins our ability to deliver a high quality of service to our customers.</p> <p>Optimised asset risk management will improve our business performance resulting in a positive impact on our supply chain and the wider industry.</p>
<p><b>9.</b> Ensure, where applicable, we use most cost-effective construction methodologies and apply innovative solutions to engineering difficulties.</p>	<p>Innovative construction methodologies result in improved safety, cost reduction, reduce disruption or positive environmental impact. This commitment will improve our processes and delivery outcomes (safety, time, cost, environmental impact).</p>
<p><b>10.</b> We will engage responsibly with our supply chain, requiring our suppliers pay real living wage, promoting skills development and equal opportunities, and using our influence and engagement to identify human rights risks.</p>	<p>This commitment aligns to our approach as a responsible business. Responsible engagement with the industry ensures wellbeing and promotes a healthy environment.</p>

Our commitment	How it will deliver customer value
<p><b>11.</b> We will share information throughout the price control such that stakeholders have sight of upcoming competitive processes, and will adopt a tendering process which follows the principle of technology agnosticism and ensures the best outcome for existing and future consumers.</p>	<p>Both technology agnosticism and a well-designed tender and assessment approach drive value driven procurement processes, which ultimately are reflected in consumers' bills. Being technology agnostic and a robust tendering process ensures NGT requires quality bids for work it intends to carry out. A robust, fair tendering process gives industry the best opportunity to engage with us on work.</p>
<p><b>12.</b> We will lead on OT security by sharing knowledge with distribution networks.</p>	<p>Sharing knowledge regarding OT security results in financial savings, which are passed on to consumers. Sharing our knowledge adds value and contributes to both system efficiency and delivering a high quality of service. Sharing our knowledge will save distribution networks money, whilst also ensuring their assets are protected.</p>
<p><b>13.</b> We will collaborate with external experts and educational establishments to deliver local education initiatives.</p>	<p>We'll work to educate young people in communities in which we have a presence. Giving back to local communities aligns to our priority: drive positive environmental and community impact. We're looking to inspire the next generation of industry professionals.</p>
<p><b>14.</b> We will continue to maintain our IT assets to ensure that they are evergreen, secure, safe and resilient.</p>	<p>We will ensure our systems are safe and secure to enable continuous NTS service delivery and information availability. All of our business functions rely on IT systems and data to deliver their role safely and securely.</p> <p>Industry participants rely on the information we provide and our IT-enabled market trading and system operation processes. Industry strategies for interoperability and whole energy system management further increase this reliance.</p>
<p><b>15.</b> We will commit to continue, to implement our Data Strategy and Roadmap which enables how we protect, support the challenges of net zero, innovate and grow using our data. We will continue to mature and hone our data capabilities to comply with Ofgem's Data Best Practice Guidance, collaborate in the future energy market, and to continue to provide a safe, reliable and efficient gas transmission solution for consumers.</p>	<p>National Gas is an essential service and being better able to access, understand and gain value from our data enables more effective management – and provision of – transmission assets, and the safe and effective operation of the network.</p> <p>National Gas has a unique position in the gas industry, and its data will be critical for market transition. Ensuring that data is high quality and available will enable better planning across the entire industry, with National Gas as a reliable and informed partner.</p>
<p><b>16.</b> We will deliver positive, meaningful and sustainable social impact activities, adding value to both the communities within which we operate, and wider society.</p>	<p>We will give back both to communities who are affected by our operations and to wider society. This commitment is critical to our role as a responsible corporate citizen. A positive social impact is important across the energy industry, and something in which all companies must play their part.</p>

## 2. Our draft commitments and business plan outcomes

### Secure and resilient supplies

Our commitment	How it will deliver customer value
<b>17.</b> We will continue to safely, efficiently and reliably operate the network in an increasingly volatile environment, enabling access to the network to deliver asset investment and securing the capability of our critical IT systems.	Ensuring consumers gas supply at an affordable price. Ability to provide a safe, efficient and reliable service. Adaptability to changing gas market conditions.
<b>18.</b> We will identify opportunities to maintain and enhance operational resilience by growing our capability to understand the impact of changes within the energy market.	Security of gas supply and increased preparedness to energy markets shocks. Ability to put gas on and off the NTS where and when they want when market conditions vary.
<b>19.</b> Where we are already seeing impact of climate change, we will invest to manage the risks to our assets appropriately. We will also improve our understanding of the future impact of climate hazards through targeted surveys and any associated interventions.	This will improve the resilience of our network to flooding events and to severe high or low temperate, thereby reducing the risk of unplanned interruptions for our customers. The proactive management of asset failure risks is a priority to ensure we maintain service levels to our customers. Consistent and predictable levels of network availability underpin a stable gas market.
<b>20.</b> In line with NIS Directive, we will reduce the risk of data misuse and network interruption from a cyber-attack by continually assessing emerging threats in order to enhance our cyber security systems. We will ensure our network control and operations remain safe from cyber threats by upgrading our control systems at identified sites.	Customer and commercial data will be protected and the risk of supply interruptions or loss of control as a result of cyber-attacks will be kept to a minimum. The proactive management of asset failure risks is a priority to ensure we maintain service levels to our customers. Consistent and predictable levels of network availability underpin a stable gas market.
<b>21.</b> In line with critical national infrastructure policy we will ensure our sites are secure and protected from external physical threats.	Confidence that the service we provide is safe from malicious actors and intruder threats. A lower risk of service failure. Delivering on the physical security commitments we have agreed with the Department of Energy Security and Net Zero. Consistent and predictable levels of network availability underpin a stable gas market.
<b>22.</b> We will counteract deterioration of network assets through proactive asset management and optimised interventions based on asset performance and risk to keep our network risk at similar levels to the start of the RII0-2 price control period.	A reliable, resilient and stable network service provision to our customers. Reduced cost in the long term through proactive intervention that removes higher reactive repair costs. Our reputation is built on reliable service. Proactive risk-based intervention brings higher levels of control to our asset management. Consistent and predictable levels of network availability underpin a stable gas market.
<b>23.</b> We will ensure adequate and consistent maintenance of critical assets by ensuring valve bypasses are adequate for our most critical valves and our pipeline easements are clear of vegetation to enable complete surveys.	Reduced outages for valve maintenance. Reduced risk associated with isolation in an emergency outage scenario. We can maintain our critical valves in line with our maintenance policies. Reduced maintenance day outages for industrial and power station offtakes.

Our commitment	How it will deliver customer value
<b>24.</b> We will assess and where appropriate mitigate network resilience risks that represent an untenable “high impact/low probability” risk to the gas market.	Confidence that the service we provide is resilient to events that can have a significant impact to gas availability. A resilient network is imperative to our business performance and reputation. The gas industry expects a high-level energy security that is underpinned by a resilient NTS.
<b>25.</b> We will maintain an emergency response and repair service for our pipework system across Great Britain and will provide 24/7 standby cover, emergency planning and training.	Ensuring we are on hand to deal with anything which goes wrong ensures any impacts are minimised, and gas supplies can be maintained/restored as quickly as possible. As owners of GB’s gas transmission system, we are accountable for minimising impact of any issues, and keeping gas flowing 24/7. This commitment will ensure any effects on industry as a result of an emergency are minimised.
<b>26.</b> 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 minimise the chance of third parties damaging our infrastructure and reducing our ability to deliver gas to where it is needed. Damage to pipelines is costly and can affect gas supplies, effecting industry activities.
<b>27.</b> We will maintain an emergency response service – CEME (Centralised Emergency Materials and Equipment) available to a range of pipeline operators to keep their operations running.	Ensuring we are on hand to deal with anything which goes wrong ensures any impacts are minimised, and gas supplies can be maintained/restored as quickly as possible. This commitment will ensure any effects on industry as a result of an emergency are minimised. A commitment to contribute our skills and capabilities to the wider UK transmission and distribution network.
<b>28.</b> We will maintain our Cyber Security Capabilities as we move away from National Grid.	Cyber security capabilities protect our assets from malicious actors, ensuring we can continue to supply gas. Protecting our assets ensures we can continue to deliver for our customers and ensures the industry can continue with their activities.
<b>29.</b> We will develop a strategy to develop and maintain a workforce fit for the future, ensuring we have the right capabilities, both technically and leadership to meet our obligations.	This commitment ensures we have a motivated, skilled workforce to ensure consumer needs are met. A motivated, satisfied workforce is critical to ensuring we successfully manage our obligations and deliver our ambitions. A skilled workforce is necessary to growing our capabilities and what we offer to other participants in the industry.
<b>30.</b> We will develop a strategy to develop and maintain a workforce fit for the future, focussing on diversity, employee satisfaction and retention, and attracting people to the energy sector.	This commitment ensures we have a motivated, skilled workforce to ensure consumer needs are met. A motivated, satisfied workforce is critical to ensuring we successfully manage our obligations and deliver our ambitions. A skilled workforce is necessary to growing our capabilities and what we offer to other participants in the industry.
<b>31.</b> We will deliver on and report against all our License Obligations, efficiently delivering on what we must do to ensure our network is run safely and securely. We will ensure that we remain compliant with all applicable legislation, standards and guidance.	It is important consumers can trust us to deliver what is set out in our license; our must do activities. Meeting license conditions is a legal obligation – something we must comply with. Ensuring we meet our conditions allows other industry players to conduct their operations as normal and with confidence in us.



## 2. Our draft commitments and business plan outcomes

### Infrastructure fit for a low-cost transition to net zero

Our commitment	How it will deliver customer value
<b>32.</b> We will continue to work collaboratively with customers and stakeholders to align our delivery of the net zero transition with Ofgem and consumer priorities, and ensure we deliver value for today's consumers.	An accurate understanding of consumer needs is critical to delivering consumer-centric value. Building external engagement into decision-making ensures that our actions are backed by – and build credibility with – our stakeholders. Collaborative efforts will be required to deliver net zero emissions; engagement fosters the necessary trust and confidence between the parties involved.
<b>33.</b> We will pave the way to net zero by facilitating the evolution of H2 blending and understanding the impact on the natural gas network of repurposing our assets to transport alternative gases.	Meeting UK decarbonisation targets. Helps us position ourselves competitively for low carbon gases. Helps enable change of use of the gas network and transport gases to where they are needed.
<b>34.</b> We will ensure our current and future assets are compliant with emissions legislations to reduce our impact on the environment.	We will reduce the impact of our most polluting assets on the environment. Our network meets the needs of our customers whilst complying with industrial emissions directives. Decarbonising through emissions reduction is critical for a sustainable energy system, meeting our net zero obligations and tackling climate change.
<b>35.</b> We will continue to enable the net zero energy transition through hydrogen, blending, CCUS and decarbonisation. This will also involve upgrading our equipment (i.e. gas chromatograph analysers) to enable our network's Hydrogen readiness at an asset level.	We will support the UK government's overall net zero target of 2050 by enabling the energy transition. Aligns to our values: shape the energy markets of the future, drive positive environmental and community impact. Hydrogen and CCUS are critical to enabling the gas industry to decarbonise, whilst maintaining industrial and economic outputs.
<b>36.</b> We will reduce our operational expenditure (opex) where assets are deemed redundant by decommissioning them as soon as practical, and where appropriate returning the land to its previous state.	The safe removal of redundant assets and where possible the once operational land returned to its original natural state results in lower overall opex costs and improves the natural environment. Reduction in operational safety risk and frees up operational resource from unnecessary maintenance and operational tasks. The cost of decommissioning assets ought to be borne by network users that benefitted from those assets, so timely decommissioning is important.
<b>37.</b> We will publish an ambitious Environmental Action Plan (EAP) outlining our suite of environmental commitments and report our progress.	Our EAP showcases our commitment to sustainability, a consumer priority for our industry. We wish to show we are a responsible company who prioritise the natural environment, and wish to minimise our negative effect on it, and enhance it where possible.
<b>38.</b> We will continue to develop processes and policy to facilitate an increased number of biomethane/green gas connections to the NTS, to help enable a cost efficient transition towards net zero.	By encouraging more biomethane producers to connect to the NTS, National Gas aims to offset carbon emissions that would have otherwise been borne from traditional producers/sources of methane. Efficiencies to the connection process will minimise the additional costs for supporting biomethane and green gas connections to the NTS, thus the impact upon consumers will be negligible.

## 3. Incentives

Incentives are an important part of the overall regulatory package, our incentives help stretch performance from the status quo and go beyond our business-as-usual obligations whilst recognising our unique role in the industry and focus on those areas that matter most to stakeholders, customers and consumers.

We have been working extensively with our regulator and stakeholders over the last 12 months to develop an incentives package for RIIO-GT3 that continues to improve our performance on activities which provide value.

Incentives are designed to improve our performance on specific activities over a standard service level. We design our incentives by using our assessment framework, which incorporates Ofgem feedback.

You can find detailed information about our incentives package and individual schemes in **'Our industry consultation on RIIO-GT3 incentive proposals'**<sup>1</sup>, which was published on our website in July 2024.

We provide more information on how we calibrated our incentives and how they work in practice and invite feedback from our customers and stakeholders.

### 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](mailto:box.RIIOGT3@nationalgas.com)

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

<sup>1</sup> Link to, [Our industry consultation on RIIO-GT3 incentives proposals](#)



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