

We remain steadfast in delivering a safe, secure and reliable supply of energy.



At the heart of our work is our relentless pursuit of delivering a safe, secure and reliable supply of energy to the country, while continuing to play a leading role in unlocking a net zero future.

Jon Butterworth
Chief Executive Officer

Change has always been a defining characteristic of the energy sector — and FY25 has been no different. Amid the uncertainty and shifts of the past year, we have remained steadfast — delivering a safe, secure and reliable supply of energy to the country, while continuing to play a leading role in helping to unlocking a net zero future.

As I reflect on the past year, I do so with pride. Yet again, National Gas colleagues have impressed me with their passion, innovation and commitment. We continue to embed our core values of simplicity, ownership and progress into everything we do, becoming a more agile, performance-focused and innovative organisation. Whatever has come our way, our employees have risen to the challenge with enthusiasm and determination. They have ensured our compliance with our licence obligations, delivered our operational commitments, and displayed tenacity in our pursuit of leading the energy transition. I thank every colleague for their contributions to our success this year.

Our work in FY25 has continued to be shaped by our five strategic priorities:

- Operate safely, reliably and flexibly
- Deliver sustainable value for customers and stakeholders
- Drive positive environmental and community impact
- Invest in our people, grow our capability, and value everyone's contribution
- Shape the markets of the future

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Putting safety first

Our ambition is to be 'safe every day' and our firm commitment is never to compromise on the safety of our people, our customers, the public and our assets. This year's exceptional safety performance, with our Lost Time Injury Frequency Rate of 0.02, is testament to that commitment. We have also strengthened our maturity as an organisation when it comes to our safety culture, achieving 6.83 in our safety culture survey (6.47 in 2023/24), with a

target to achieve 7 by 2026. Alongside this, we have operated the National Transmission System (NTS) to the highest safety standards by maintaining the health of our assets, applying robust controls to manage workplace hazards, and complying with all relevant legislation. All our people understand that – whatever it is they are doing – their safety, and that of the communities within which we work, is non-negotiable.

A reliable and resilient network

Natural gas is the largest primary source of energy in the UK, this year meeting around 36% of the country's annual energy needs. It is quite simply an integral part of a secure energy supply for the country – and will continue to play a vital role for decades to come.

More than ever, we need the security and certainty that gas brings – whether that's to keep the lights on, power industry or run businesses. As the owner and operator of the National Transmission System (NTS), the backbone of the country's energy supply, and Critical National Infrastructure, we make sure that the gas gets to where it is needed safely, securely and reliably. Over the year, we have ensured the NTS has remained resilient and reliable, achieving 100% reliability in our network.

Over the summer months, our dedicated teams were out in the field undertaking the largest transmission maintenance programme of the current regulatory period. The teams were granted unprecedented access to the network throughout the summer, enabling them to conduct vital pipeline inspections, digs and maintenance on the network, across the length and breadth of the country. Delivering this programme of maintenance ensured we were resilient when it came to winter, enabling us to continue to safeguard the country's energy security.

Securing Britain's Energy

Securing the country's energy has been front and centre of our work this year.

From an external perspective, the last year has been one of notable change both at home and abroad. There have been elections across the world, with new political administrations coming to power and setting out their priorities. In addition to the political upheaval of the year, the ongoing conflicts in Ukraine and the Middle East have meant that geopolitical tensions remain high. And that is

to say nothing of the turbulence we have seen in the global markets.

The volatility in the external environment, coupled with the unprecedented, rapid deployment of intermittent renewables, is placing new and different demands on our system – reminding us how critical the security of our energy supply is, and how integral energy diversity is to energy security. Something that was brought into sharp focus by events at Heathrow in March and on the Iberian Peninsula in April.

In December 2024, we submitted our RIIO–GT3 business plan to our regulator, Ofgem. At its heart, this plan seeks to address the new and different demands placed on our network, while reflecting the vital role National Gas plays – and will continue to play – at the heart of energy security for decades to come. Our teams worked hard to set out a stakeholder-led plan to meet the future challenges head on – detailing crucial, yet prudent and targeted, investments all aimed at ensuring our network remains able to deliver secure, reliable and safe energy, where and when it is needed, now and into the future. On 1 July 2025, we received our draft determination for RIIO–GT3 (2026–2031) from Ofgem. Over the coming period, we will work closely with Ofgem to progress towards a final determination, which enables us to deliver for our customers, invest with confidence and offer value for money for British consumers. Without doubt, we are ready – as are our partners – to deliver our commitments and to ensure that the country has the energy security and stability it requires.

Investing in our communities and our people

There can be no doubt about how seriously we take our responsibility for securing Britain’s energy. But in our relentless pursuit, we have continued to strive to be a compassionate and caring company.

Throughout 2024/25, we have built on our history of giving back to our communities. National Gas employees have continued to drive positive community impact, from raising over £78k for our corporate charity partner (Barnardo’s) to delivering our ‘Tackling Loneliness’ initiative and supporting charitable and community organisations close to our sites.

Our people are the ‘energy behind the change’ – without them we cannot achieve our ambitions. Over 2024/25, we have invested to ensure our workforce is flexible, resilient and highly skilled, and ready to deliver for years to come. Our early careers programme has gone from strength to strength, and I was delighted that were able to welcome 79 apprentices and graduates to National Gas in September 2024. I have been privileged to spend time with these young people who, simply put, are the future not only of our company but of the energy sector. Our investment in and development of them is something on which we have focused – and will continue to focus in the years to come.

Delivering value for shareholders and customers

From a financial perspective, our performance in 2024/25 has been strong. We made a return on equity (RoE) of 9.4%, which is 1.7% higher than the 7.7% allowed return on equity (refer to page 73). Our capital investment during the year totalled £576 million, compared to £479 million in 2023/24. We have delivered profit before tax of £710 million (compared with £839 million in 2023/24). A review of our financial performance is set out on page 69.

We have continued to put customers at the heart of our business, by listening to and acting upon their feedback. We are pleased to have maintained the momentum of previous years and delivered further improvement on our already high satisfaction score, achieving a customer satisfaction score of 8.89 this year (8.56 in 2023/24).

Finally, everything we have achieved this year has been done with a view to keeping our portion of the average domestic customer bill to an absolute minimum. This year that has been less than three pence per day.

Unlocking a net zero future

By continuing to deliver our ‘three-molecule’ (natural gas, hydrogen and carbon) strategy in FY25, we are playing and will continue to play a critical role in the country’s energy needs today while taking a leading role in enabling Britain to deliver its net zero commitments. Throughout the year, we have not only maintained and sought to improve the existing natural gas network, but have also taken further steps towards building our capability for hydrogen and carbon capture and storage.

As we move towards net zero, we are ready to lead the delivery of the energy transition, with the extraordinary level of flexibility of our system becoming more critical than ever. In 2024/25, we submitted three re-opener requests for FEED (Front End Engineering Design) funding for different stages of Project Union – our core hydrogen network. We were delighted to secure, in early 2025, a positive ‘minded to’ position to fund FEED works for the first phase of Project Union in the East Coast (subject to consultation). This decision is an exciting step forward – it means we can begin to deliver, in earnest, on our hydrogen ambitions and prepare our transmission network for the transition to low-carbon energy.

To ensure we can unlock the full potential of hydrogen, we know that we must demonstrate that our existing network can safely transport it to where it is needed. In July 2024, we published the closure report for Phase 1 of the work at our world-leading FutureGrid project. This report confirmed that our assets can transport hydrogen safely and reliably – both as a blend and as 100% hydrogen. With this evidence to hand, we have since focused on making the case to government for a strategic policy decision to enable hydrogen blending at transmission level. In 2025/26, we look forward to hearing more from the government on its ambitions – so we can begin to unlock the opportunities that hydrogen blending will provide.

We have also worked to pursue our aspirations for carbon capture and storage, working closely with our partners in Scotland to further our SCO₂T Connect project. As a core component of the Scottish Cluster, we have ambitions to design, construct, own and operate over 200 miles of onshore carbon dioxide transportation assets, connecting major industrial and power generation sites across the central belt of Scotland to the Acorn infrastructure at St Fergus. This year, we have been engaging government and other stakeholders to demonstrate the value that the Scottish Cluster will deliver – creating thousands of jobs, safeguarding industrial sites, and directly supporting the government’s Clean Power 2030 ambitions.

From a policy perspective, we have continued to work with Ofgem and the Department for Energy Security and Net Zero (DESNZ) to shape the future regulatory frameworks for both hydrogen and carbon, recognising that these will be crucial for attracting investment to enable the deployment of these new energy technologies.

The year ahead

I am sure that the year ahead will be a busy one for National Gas.

Our focus will be on executing delivery of the final year of RIIO–T2, ensuring we close out the price control period strongly, driving through our capital delivery programme to make good on our commitments. At the same time, we will be working tirelessly to secure a RIIO–GT3 outcome that enables us to maintain, improve and invest in the network to ensure it is resilient and fit for the future, as well as laying the foundations for delivery from the start of the price control period in April 2026.

While I have no doubt that 2025/26 will present new and different challenges, I know that National Gas is more than up to the task. As a company, we will not stand still – we will continue to evolve, ensuring we have the right structures and systems, skills and tools, people and capabilities in place.

With our ongoing evolution, commitment to improvement and performance, I am confident that we will continue to secure Britain’s energy today, whilst helping to unlock a net zero future.

Jon Butterworth
Chief Executive Officer