

# Cementing our role at the heart of the energy transition.



We are united by an important national endeavour — ensuring the resilience of the country’s energy system — while taking a critical role in the efforts to achieve net zero. This includes ambitious plans for a core hydrogen network and innovative carbon capture and storage solutions.

Dr Phil Nolan  
Chair

Welcome

Welcome to our Annual Report and Accounts for FY25.

This has been a pivotal year for National Gas. Our shareholders, Macquarie Asset Management (MAM) and British Columbia Investment Management Corporation (BCI), underlined their commitment to the business by exercising the option to purchase the remaining 20% of the Group, taking their ownership of National Gas from 80% to 100%.

Following this transaction, in September 2024, Australian Retirement Trust (ART), one of the largest superannuation funds in Australia, acquired a 12.20% ownership stake in the company. The resulting company ownership is MAM 60.09%, BCI 27.71% and ART 12.20%.

Concurrently, National Gas completed the operational separation of the company from National Grid. The separation programme, which encompassed the migration of the company’s systems, was completed on time and to budget.

Therefore, with the support of our shareholders, and the tireless efforts of our people, we have continued to strengthen the foundations of the company, while ensuring the delivery of safe, uninterrupted supplies of gas to our customers.

This report sets out the details of our operational achievements and strong performance this year. From a financial perspective, we have made a return on equity (RoE) of 9.4%. Our safety performance for the year has continued to be impressive, with a Lost Time Injury Frequency Rate (LTIFR) of 0.02, and we have enjoyed a successful year in respect of customer satisfaction, achieving a weighted average CSAT score of 8.89.

On behalf of the Board, I would like to take the opportunity to recognise the efforts made by every single individual who has contributed to the success of National Gas this year. Thank you.

Securing Britain’s Energy

We know that natural gas will still be needed as a strategic energy reserve for years to come — not least when the wind doesn’t blow and the sun doesn’t shine. Our network will continue to be the backbone of the nation’s energy supply — making sure that gas is available, where and when it is required, keeping our country’s industrial base powered, the lights on and our homes warm.

But to ensure that the network can serve the country’s needs for years to come, whilst enabling the transition to a net zero energy system, the network requires high levels of security and resilience. This, in turn, requires significant continuing investment.

Therefore, in December 2024, we submitted a high-quality business plan for RIIO-GT3 to Ofgem. This plan commits to a significant increase in capital expenditure to ensure that we can deliver the resilient energy system the country needs. As a Board, we are confident that our RIIO-GT3 plan is not only ambitious, but is also deliverable, affordable and in the customer interest. We believe it will deliver value to our customers, consumers and stakeholders whilst performing a critical role in ensuring the continued security of energy supply for the country.

Over the course of the year, we have engaged across governments and Parliament to make our voice heard — speaking with authority and credibility on matters relating to energy security, diversity of supply and resilience. We have also been pleased to collaborate with our partners across the sector, from developing our relationship with National Energy Systems Operator (NESO) and the newly established National Infrastructure and Service Transformation Authority (NISTA), to strengthening our relationship with our regulator, Ofgem.

Helping to unlock a net zero future

As we plan for a net zero future, we consider that hydrogen will play a significant role. We believe the country will need a core hydrogen network, taking hydrogen to where it’s needed across the whole of the country. This year, we have continued to take steps towards such a network. In doing so, we have been encouraged by the statements in support of our plans from the Climate Change Committee and the then National Infrastructure Commission (now NISTA). We have also watched with interest as several European countries have committed to such networks.

In March 2025, we welcomed Ofgem’s decision to consult on a ‘minded to’ position in respect of funding for the first phase of a hydrogen network — Project Union (East Coast).

Our FutureGrid facility has built on its success of the previous year, when we successfully carried out testing using different blends of hydrogen and natural gas, as well as 100% hydrogen. We have demonstrated that our existing National Transmission System (NTS) assets can transport hydrogen — on its own, or as a part of a blend — safely and reliably. We believe we have made the strategic case for transmission-level hydrogen blending — and we look forward to securing approval for blending hydrogen into the current natural gas network.

With the backing of such important hydrogen infrastructure, we hope to be able to play our part in protecting the future competitiveness of British industry and the many jobs that depend on it.

Looking ahead

Over the course of FY25 we have achieved a great deal, yet there remains much more to accomplish.

In FY26, we will focus on delivering the final year of the current (RIIO-T2) price control period, making sure we complete our capital programme to the highest standard, and delivering efficiently and safely. We will also seek to secure the best possible outcome for RIIO-GT3 and focus on readying ourselves to deliver our ambitious investment plans from the ‘get go’ in April 2026.

Alongside these key strategic priorities, we will continue to harness the collective strength, skill and expertise of our people, to ensure that we continue to meet our critical obligations. Without doubt, National Gas is well positioned to deliver over the coming year, maintaining and improving our network to make it cleaner and even more secure.

Thank you

On a personal note, I have decided to step down as Chair at the end of the year. The timing will allow a successor to take the reins before the start of the RIIO-GT3 period. I am delighted that Mark Russell (one of our Sufficiently Independent Directors) will become the new Chair. I know that I could not leave the company in better hands. It has been an honour to be the Chair of National Gas as it has embarked on its journey from being part of National Grid to the stand-alone business it is today. I thank everyone with whom I have worked during my tenure as Chair, and wish the company, the shareholders and employees the very best for the future.

Dr Phil Nolan  
Chair

