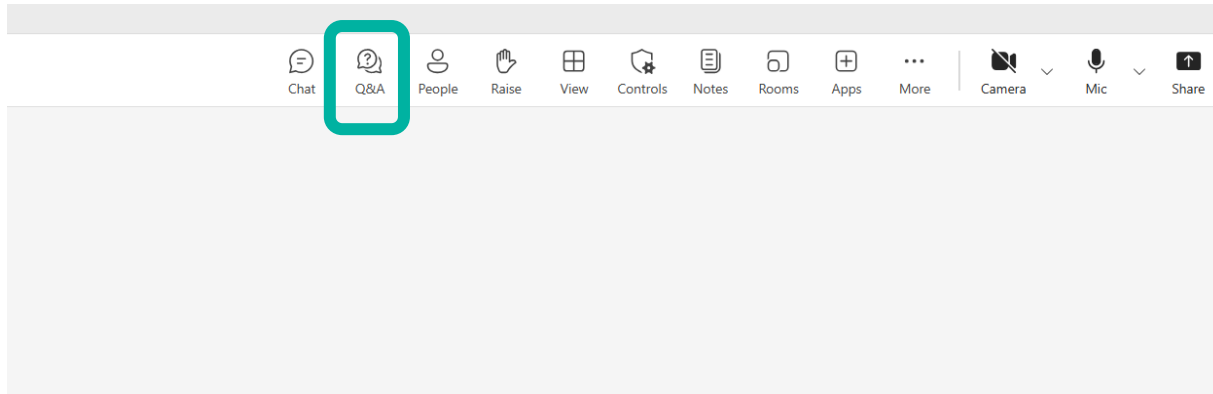




Housekeeping

- Attendees are automatically muted and cameras will be unavailable
- There is time for a Q&A at the end following the presentations
- Questions can be asked **via** Q&A within this meeting
- Please address your question to the speaker



Agenda

10 September 2026 10:00

Operational Update Max Chapman, Operational Liaison Manager

Market Modifications: UNC and Capacity Frameworks Nicola Lond, Senior Codes Change Lead

RIO3 Incentives Christopher Hewitt, Principal Incentive Performance Management Analyst

Maintenance Focus: Recompression Lanre Bamisaiye, Network Access Engineer

Exercise Hydra Alex Potter, Lead NEC Specialist

General News Charlotte Gillan, Senior Operational Liaison Officer

Q&A



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Max Chapman

Operational Liaison Manager



Since the last National Gas Energy Forum...

Iran war projected to hike UK gas and electricity costs by over £5bn next year



UtilityWeek

'Winter panic': EU gas stores at their lowest level in 13 years

As one of Europe's biggest consumers of gas the UK may be particularly exposed to heightened price volatility



The Guardian

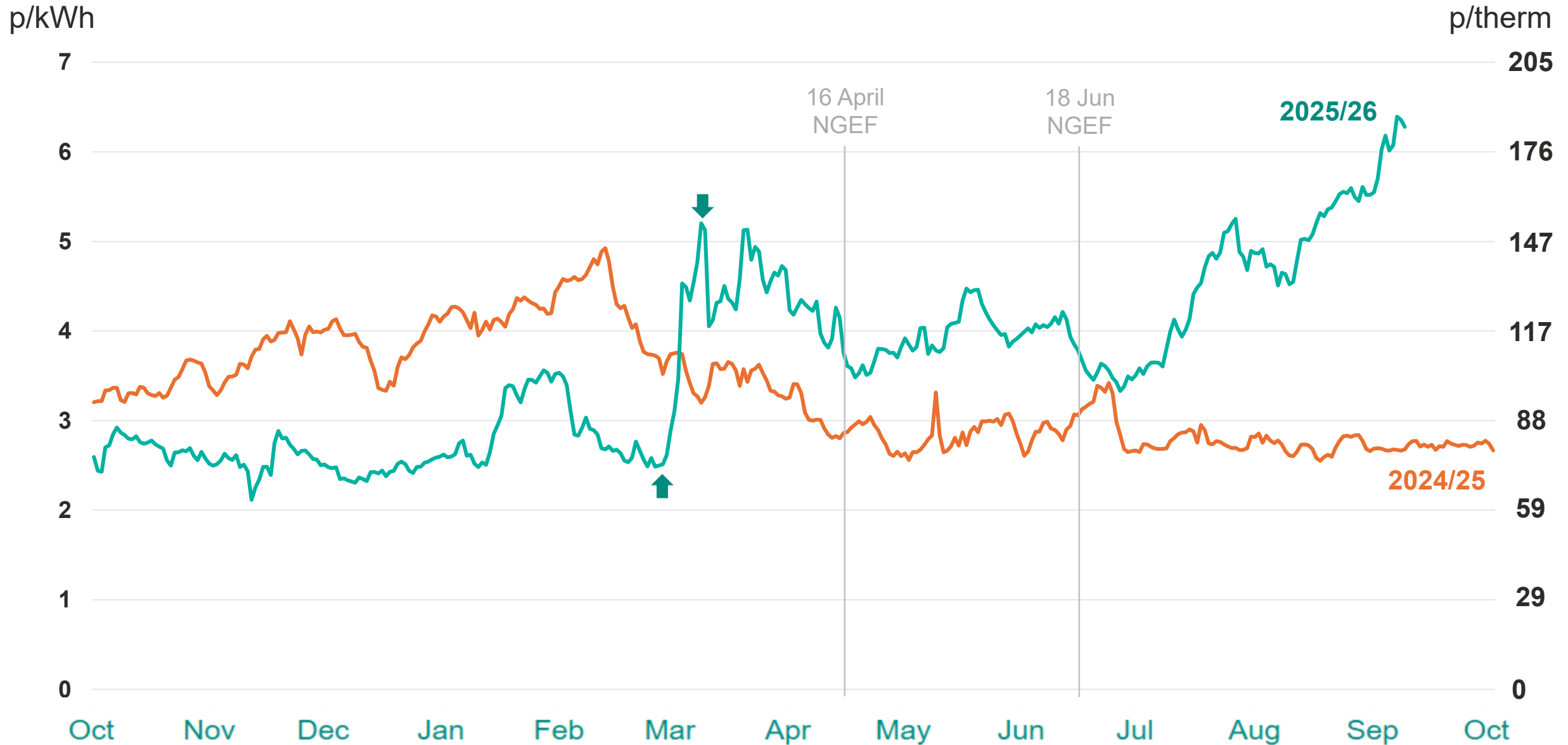


**Met Office Deep Dive:
UK weather forecast
and what's in store for
winter?**



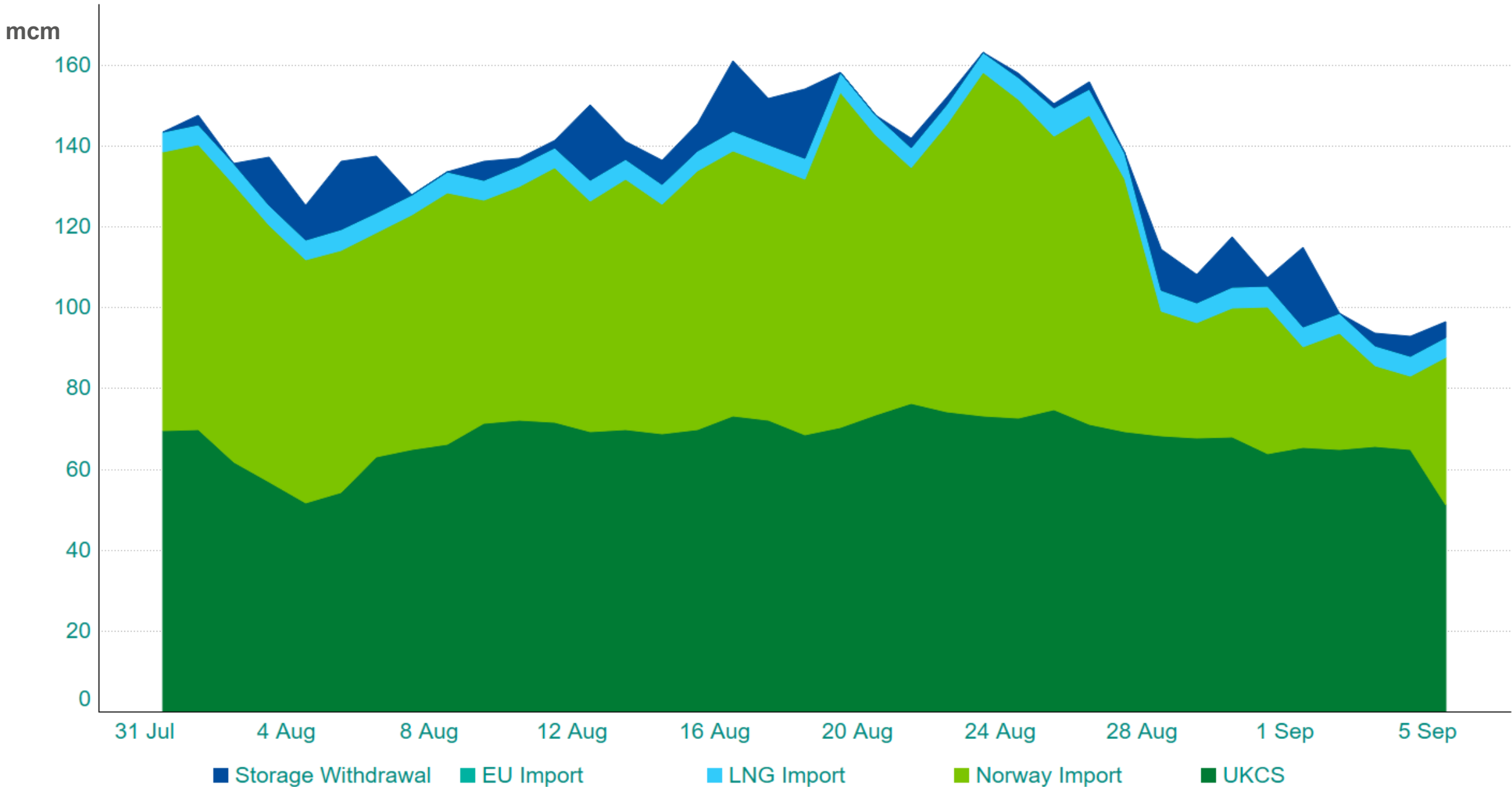
System Average Prices

Current vs previous gas year



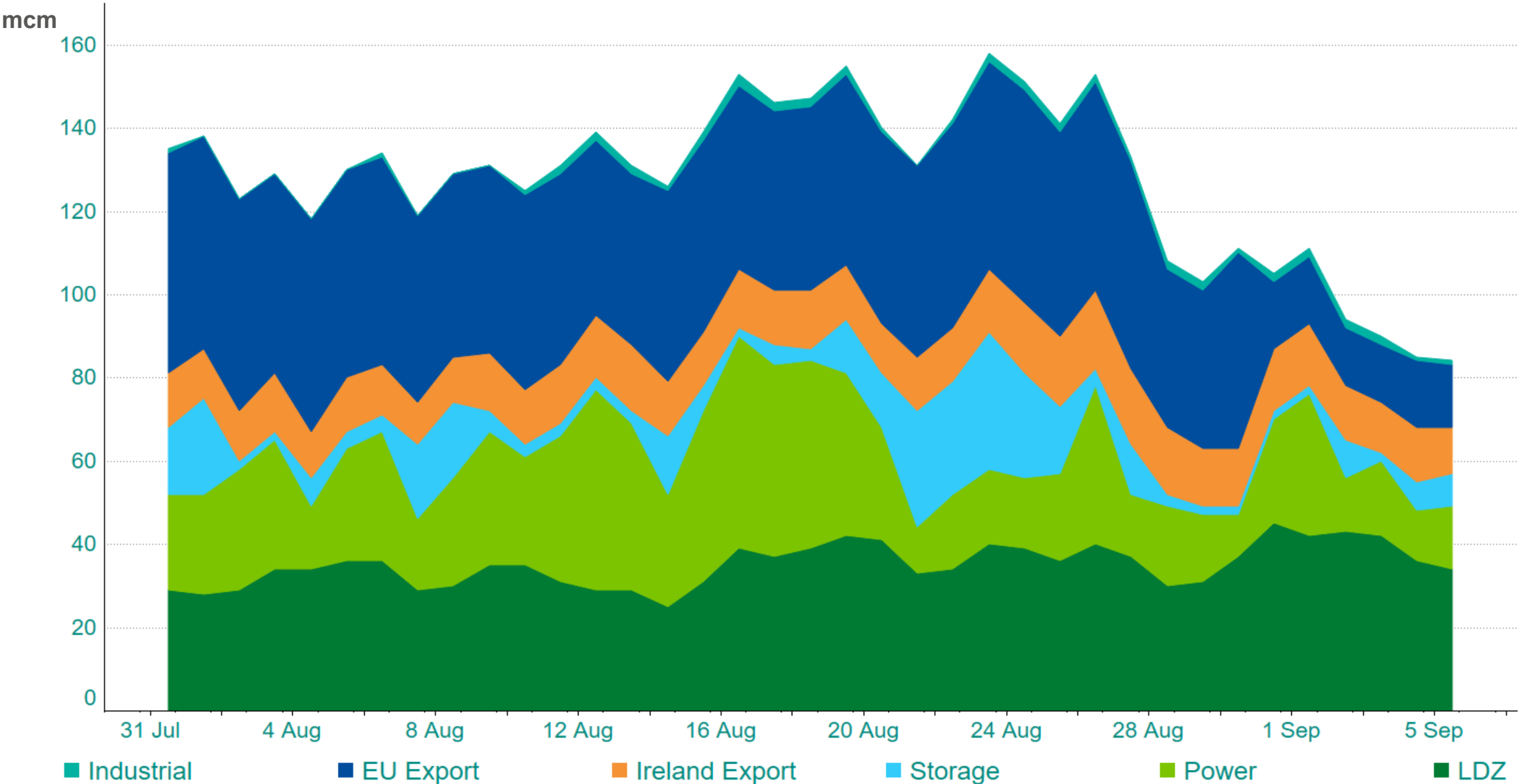
NTS Supply overview

1 Aug - 6 Sept



NTS Demand overview

1 Aug - 6 Sept



GB and LNG Storage Levels

Current vs previous gas year

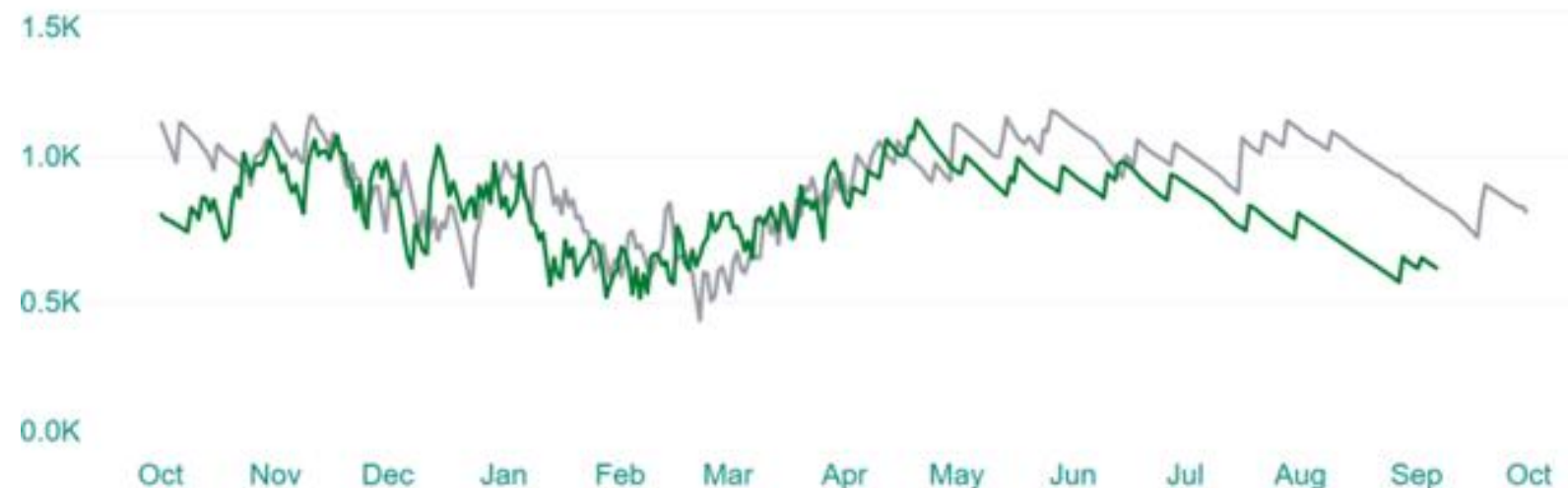
Total LNG Storage Stock

621 mcm

43% full

— Oct 25 – Sep 26

— Oct 24 – Oct 25



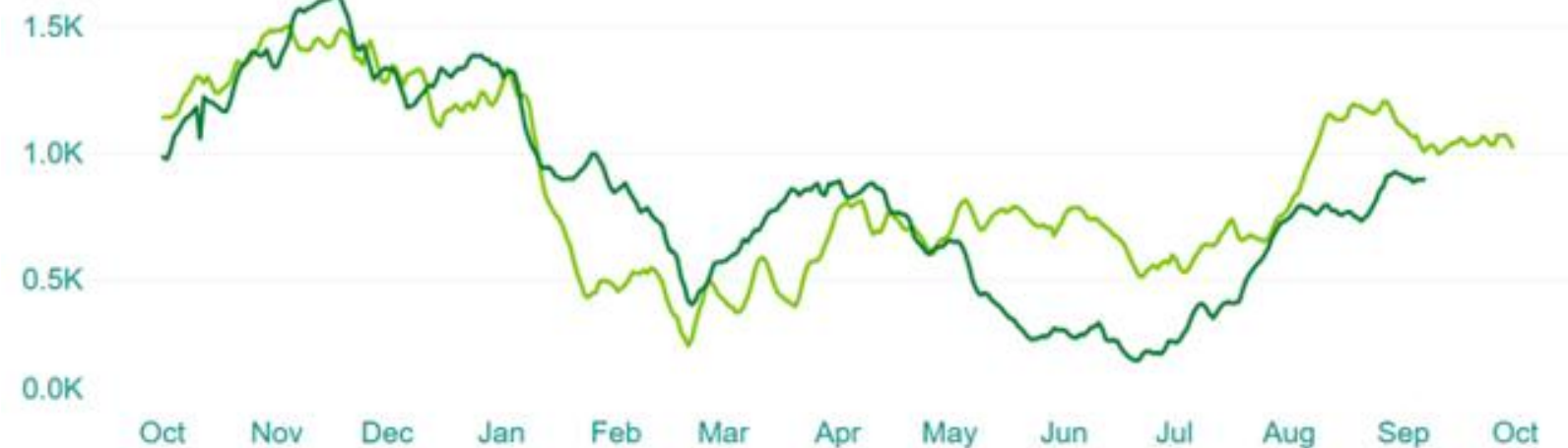
Total GB Storage Stock

938 mcm

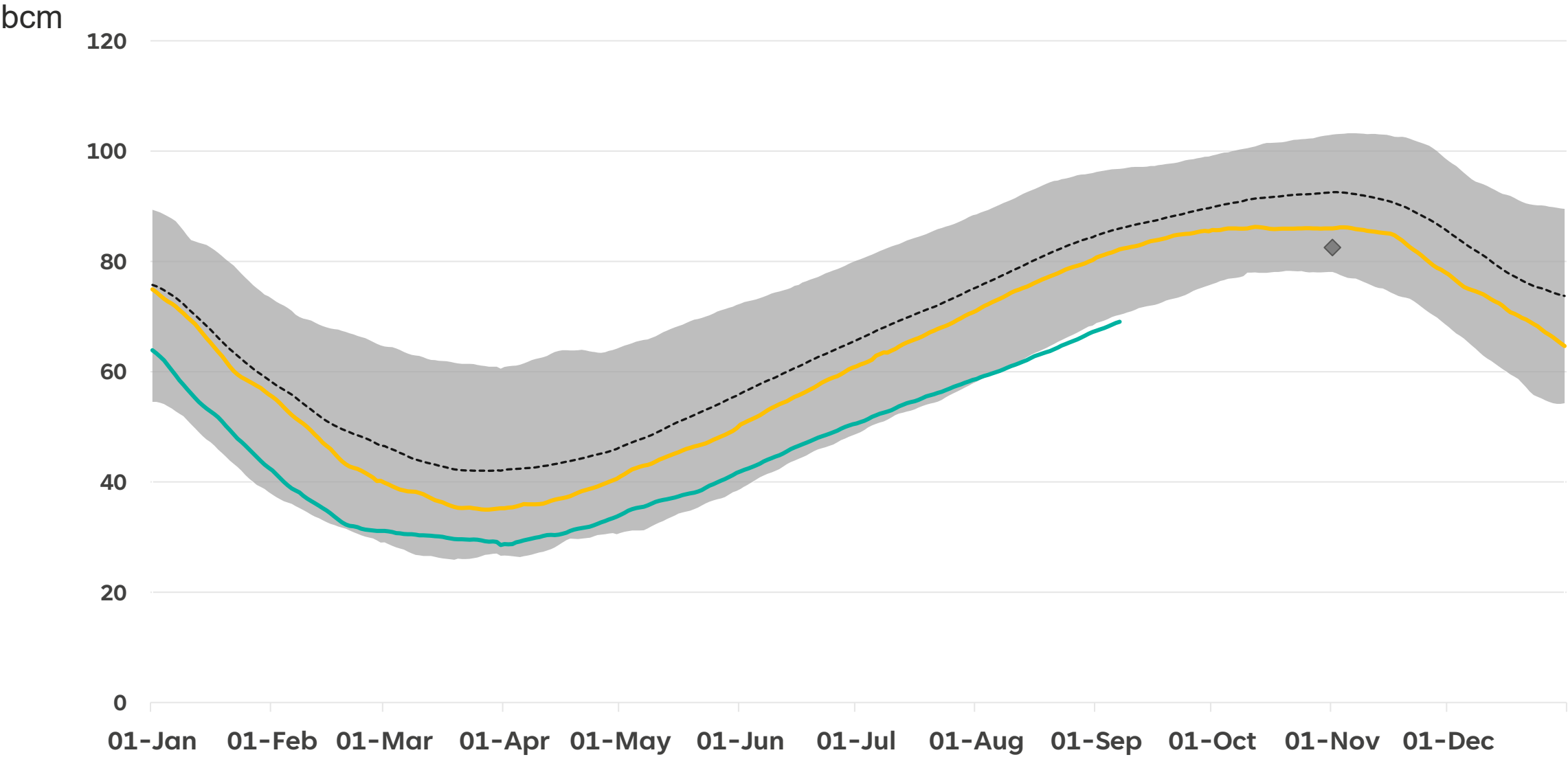
52% full (MRS)

— Oct 25 – Sep 26

— Oct 24 – Oct-25



EU Storage Levels



----- 5-Year Average — 2026 — 2025 ♦ EU Target



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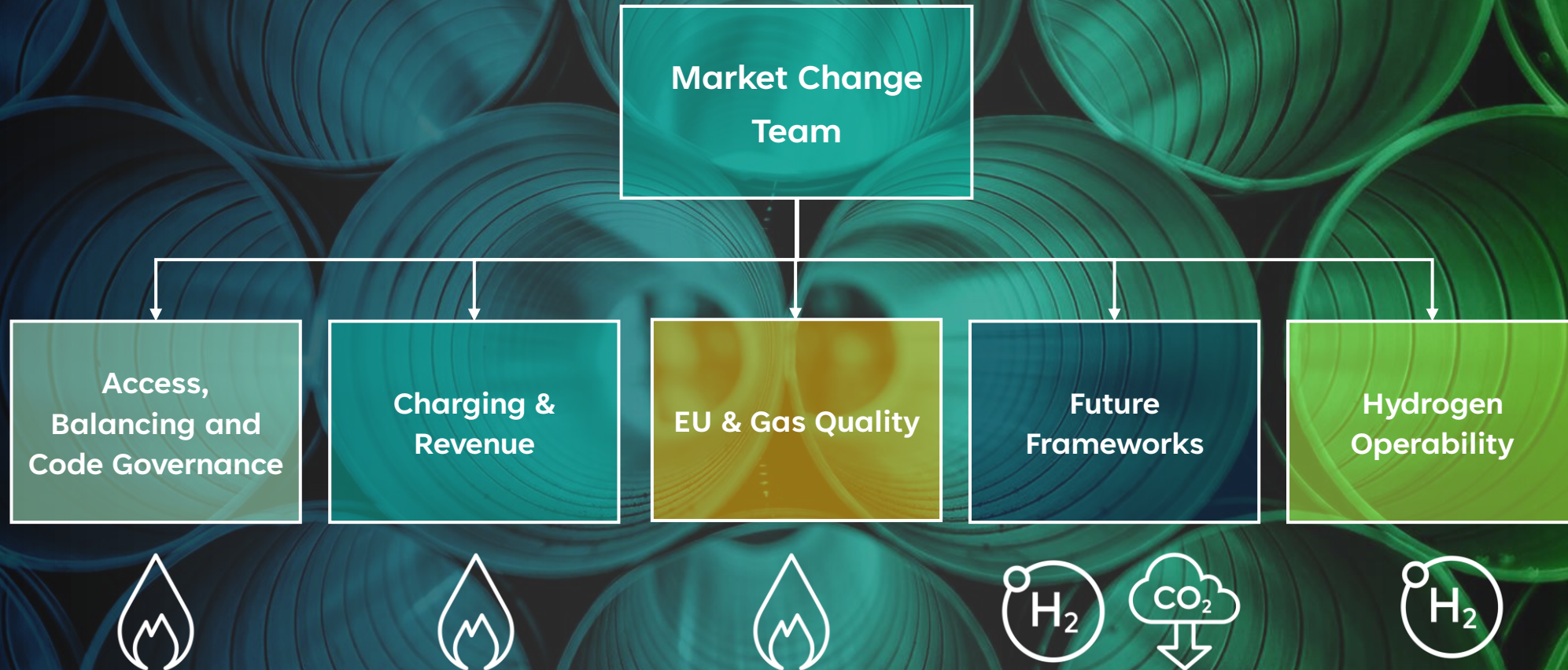
Nicola Lond

Senior Codes Change Lead



Market Modifications: UNC & Capacity Frameworks

Market Change



Transmission UNC Modifications

In Development

0916: Reform of Capacity Arrangements at Interconnection Points

0924R: Review of UK retained EU Network Codes

0936S: 3 Year Modified Extension to UNC 0780S

0929R: Independent Gas Quality Expert under the Uniform Network Code (UNC)

0938R: Introduction of Qualification Requirements for new Shippers

0939R: Gas Quality NTS Entry Specification at the Teesside or Easington System Entry Point

Awaiting Authority Decision

0894/A: Biomethane entry into the GDN by exporting methane from the GDN into the NTS

0900: Amendment to the Gas Quality NTS Entry Specification at Biomethane System Entry Points

0903: Introduction of a Single NTS Capacity Reference Price

0920: PARCA Security Amount (16/10/26)

At Consultation

0934: Clarification of Panel Member Attendance Requirements

0928s: Amendment of Hydrogen Sulphide Limits in Network Entry Agreements

0941s: Incorrect cross-references to NTS Licence RIIO-T2 to RIIO-T3 renumbering – closed 04/09/26

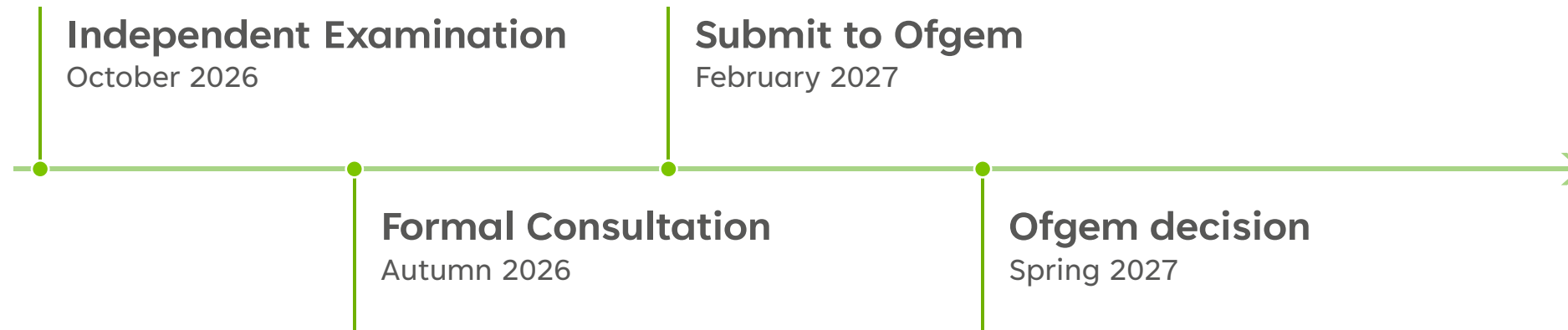
Recent Implementation

0887: Bi-Directional Connections Between IGT Pipelines and the NTS - Implemented 14/08/26

Ofgem expected publication dates [timetable](#) for all [modifications](#) awaiting decisions.

Capacity Methodology Statements Review

- All 5 capacity methodology statements are under review
- A pre-liminary consultation was concluded in July
- The Entry Capacity Release (ECR) methodology statement will include most change due to the development of a new methodology for supply utilisation forecast
- Scope is agreed with Ofgem for Independent Examination



Find out more at: [Capacity methodology statements | National Gas](#)

Capacity Access Review



Thank you

Find out more here:
[Market Change | National Gas](#)

Get in touch:
box.gsoconsultations@nationalgas.com
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Chris Hewitt

**Principal Incentive Performance
Management Analyst**

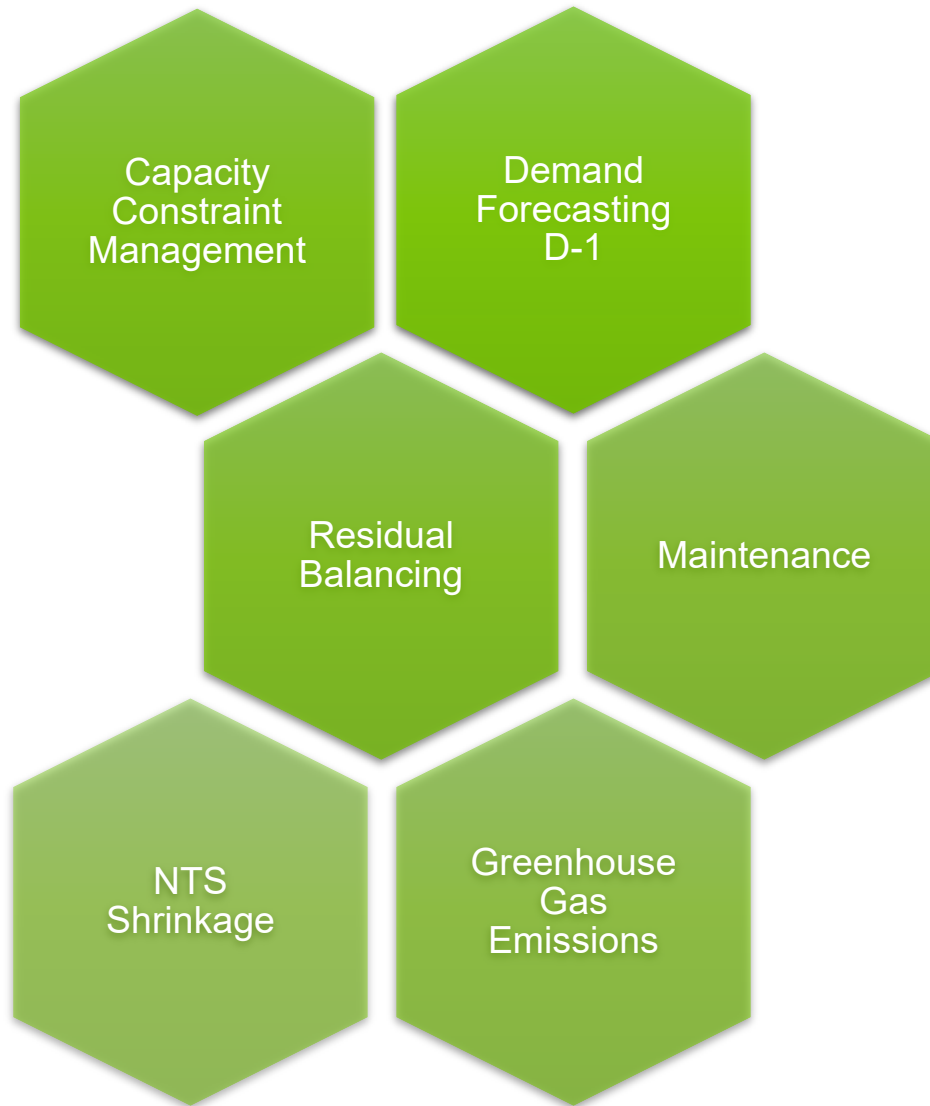




RIO3 Incentives



Overview



Background – RII03 Framework

Ahead of each regulatory period, we submit a detailed Business Plan to Ofgem

Revenues

Constraint on revenue set up front to ensure:

- Timely and efficient delivery
- Network companies remain financeable
- Transparency and predictability
- Balance costs paid by current and future consumers

Incentives

Deliver outputs efficiently over time with:

- Five year control periods
- Rewards and penalties for output delivery performance
- Symmetric upfront efficiency incentive rate for all costs
- Use uncertainty mechanisms where add value for consumers

Innovation

Technical and commercial innovation encouraged through:

- Core incentives in price control package
- Option of giving responsibility for delivery to third parties
- Innovation stimulus gives support and 'prizes' for innovation, building on Low Carbon Networks Fund (LCN) fund

Outputs

- Outputs set out in licence
- Consumers know what they are paying for
- Incentives on network companies to deliver
- Outputs reflect enhanced engagement with stakeholders

How we're regulated

As the owner of the National Gas Transmission network in Great Britain, we're classed as a 'natural monopoly'. We're regulated by the energy regulator, Ofgem, which simulates the effects of competition by setting price controls – a ceiling on the amount we can earn from charges to use our network.

Capacity Constraint Management

RIIO3 scheme design, and what has changed from RIIO-T2

-  **Objective**
Maximise the capacity released to network users above obligated levels and minimise the cost of managing network constraints.
-  **Cost target £6.7m**
Entry and exit constraint management costs measured against the target — now including the commodity cost of gas used in locational actions.
-  **Sharing with industry**
39% NGT / 61% industry sharing of any under- or over-spend; 14% of non-obligated capacity revenue included in incentive.
-  **Cap and collar $\pm$ £5.2m**
Symmetric financial exposure against the cost target.

Parameter	RIIO-T2	RIIO3 (2026/27)
Cost target	£8.5m (2025/26)	£6.7m — 21% reduction
Locational actions	Theoretical secondary Commodity gas cost excluded	Theoretical secondary Commodity gas cost now included
Sharing Factor	39% / 61% 14% non-obligated revenue	Unchanged
Cap / collar	+£5.2m to -£5.2m	Unchanged

Demand Forecasting D-1

RIIO3 scheme design, and what has changed from RIIO-T2

 **Objective**
Deliver an accurate 13:00 day-ahead (D-1) demand forecast so shippers and the market can plan efficiently.

 **Target error 6.79 mcm/day**
Average absolute D-1 forecast error for the year, with a wind generation adjuster of up to 2 mcm/day.

 **±£567k per mcm/day**
Each 1 mcm/day of average error above or below the target is valued at £567k.

 **Cap and collar ±£1.7m**
D-2 to D-5 forecast accuracy continues as a reputational scheme.

Parameter	RIIO-T2	RIIO3 (2026/27)
Target error	8.35 mcm/day	6.79 mcm/day — 19% reduction in target
Adjuster	Demand Storage Forecast Adjuster (DFSA) up to 1 mcm	Wind generation, up to 2 mcm/day
Incentive rate	±£389k per mcm/day	±£567k per mcm/day
Cap / collar	+£1.5m to -£1.5m	+£1.7m to -£1.7m

Residual Balancing

RIIO3 scheme design, and what has changed from RIIO-T2



Objective

Balance the system on the gas day while minimising the impact of NGT's residual balancing actions on the market.



Linepack Performance Measure

Target 2.8 mcm/day change; neutral between 2.8 and 5.6 mcm/day in shoulder months (Oct, Nov, Feb, Mar).



Price Performance Measure

Keep the trade price spread within 1.5% of the System Average Price (SAP).



Combined value +£2.4m to -£4.2m

Asymmetric design — the collar is deeper than the cap.

Parameter	RIIO-T2	RIIO3 (2026/27)
Measures	LPM 2.8 mcm/day · PPM 1.5% SAP	Unchanged
Cap	+£1.6m	+£2.4m
Collar	-£2.8m	-£4.2m
Shoulder months	2.8–5.6 mcm/day neutral	Unchanged

Maintenance

RIIO3 scheme design, and what has changed from RIIO-T2



Objective

Deliver the agreed summer maintenance plan with minimal NGT initiated change, facilitating customers' access to the network.



Changes benchmark 3.5%

Minimise NGT initiated changes to the agreed maintenance plan (+£0.25m / -£0.5m).



Use of Days – inc Valve Ops

Valve operations: 5-day target, downside only (-£0.5m).



Use of Days – exc Valve Ops

Excluding valve operations: align 90% of customer-impacting days (+£0.35m / -£0.7m).

Parameter	RIIO-T2	RIIO3 (2026/27)
Changes benchmark	7.25% of plan days	Reward under 3.5% penalty over 4%
UoD (valve ops)	11-day target	5-day target, downside only
UoD (ex-valve ops)	Align 75%	Align 90%
Value	+£0.5m to -£1.5m	+£0.6m to -£1.7m

NTS Shrinkage

RIIO3 scheme design, and what has changed from RIIO-T2



Objective

Procure the gas that covers shrinkage — own-use gas, unaccounted-for gas and calorific value shrinkage — efficiently against market reference prices.



Trading performance measure

Purchases benchmarked against Price Reporting Agency (Argus) reference prices, volume-weighted where available, otherwise end of day'



Procurement strategy obligation

Independent examination and assurance of the NTS Shrinkage Procurement Strategy, undertaken at least once every two regulatory years.



Cap and collar +£2.3m to –£2.3m

The cap and collar limits annual incentive rewards and penalties.

Parameter	RIIO-T2	RIIO3 (2026/27)
Incentive	None — cost reporting only	NEW financial trading incentive
Benchmark	—	Argus end-of-day reference prices
Value	—	+£2.3m to –£2.3m
Reporting	Quarterly cost updates	Annual RRP (confidential trading data)

Greenhouse Gas Emissions

RIIO3 scheme design, and what has changed from RIIO-T2



Objective

Minimise greenhouse gas vented to atmosphere from our NTS compressor operations.



Target

Dynamic target for the price control period. Annual decrease by 75 tonnes from 2,156 tonnes in 2026/27:



Deadband ± 100 t

No reward or penalty within ± 100 t of the target, absorbing normal flow pattern fluctuation.



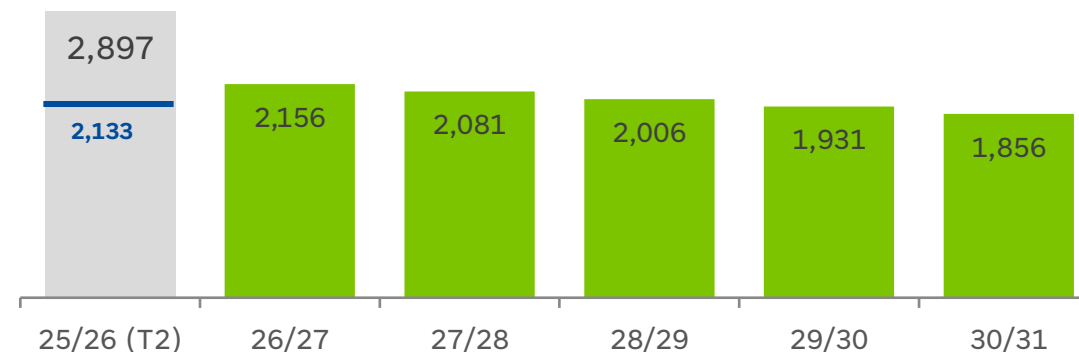
Value at the central carbon price

Each tonne outside the deadband is rewarded or penalised at the central carbon price * methane conversion factor. An average of £8000/t each year across incentive period.

Parameter	RIIO-T2	RIIO3 (2026/27)
Financial exposure	+£1.5m to -£1.5m	+£2.0m to -£2.0m
Annual target	2,897 t in 2025/26, set yearly	2,156 t — 26% reduction in Y1, reducing by 75 t/yr to 1,856 t by 2030/31
Deadband	None	± 100 t deadband
Price applied	Reference Price (£2,766.53/t)	Reference Price (£7791.8/t)

Vented-emissions target glidepath (tonnes)

Blue line on T2 bar = 2,133 t: average annual venting across the 5-year RIIO-T2 period (2021/22 – 2025/26)



Thank you



[Quarter 1 Financial incentive summary published on website](#)

Chris Hewitt

Principal Incentive Performance Management Analyst
chris.hewitt@nationalgas.com





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Lanre Bamisaiye
Network Access Engineer





Pipeline Recompression



Network Access

Who are we?

Network Access and Short-Term Risk

What kind of outages do we facilitate?

Compressor station outages

Compressor unit outages

★ Recompression pipeline outages

Pressure restrictions

Pressure hold

Inline inspections

Local isolations

Telemetry

Gas quality

Pipeline Recompression

What is pipeline recompression?

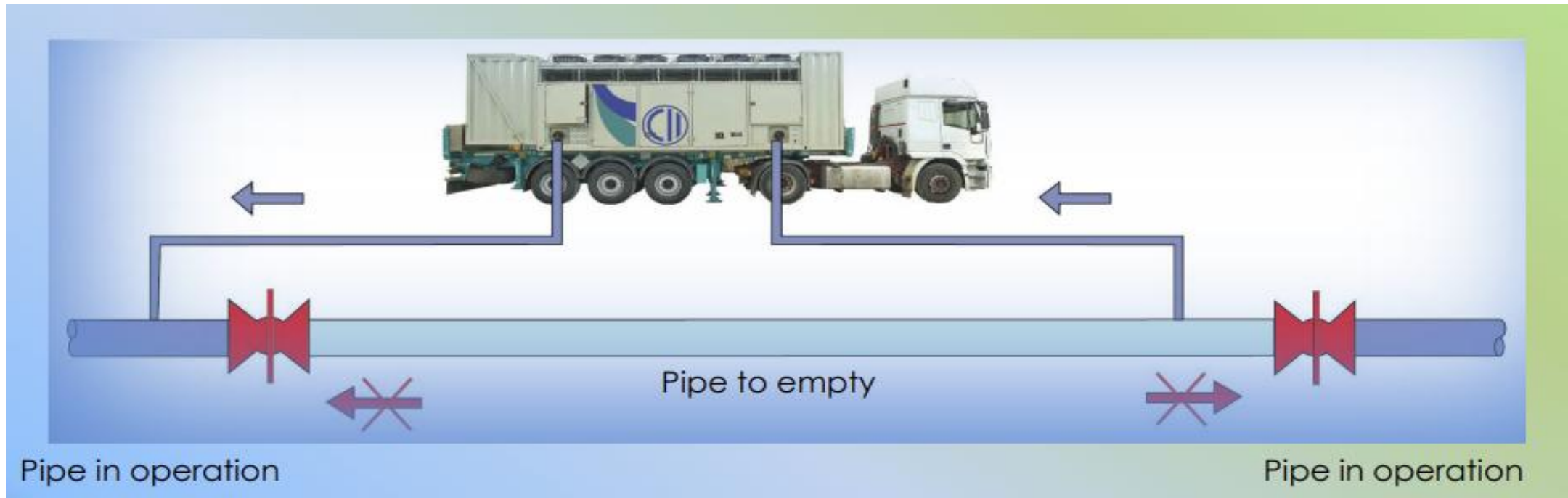
- Recovering gas from an isolated pipeline section and transferring it back into the live network before maintenance begins.

How does it work?

Isolate → Recover → Transfer → Maintain → Regas

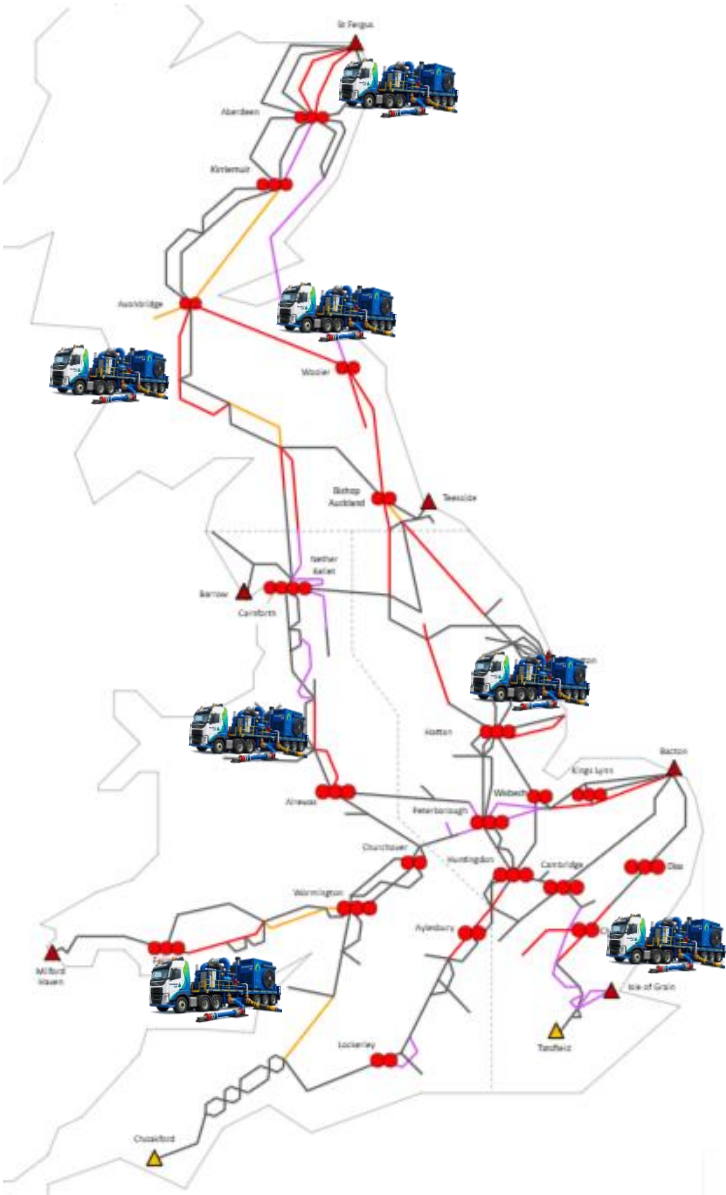
Why is it important?

- Safety:** repair, cut and or welded safely.
- Environmental Protection:** Recaptures greenhouse gases instead of venting or flaring them
- Economic Value:** Retains usable fuel rather than burning or wasting it



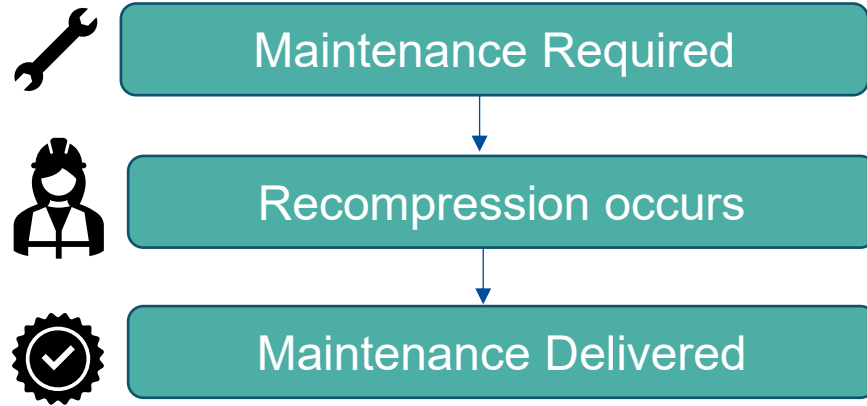
Recompression Capability

Current Fleet



What people don't see

The Assumption



The Reality



What lands on my desk?

Asset	Project Manager	Location	Delivery Theme	Duration	Zone
Compressor	PM A	Compressor Outages	Routine Maintenance	28 wks	Z2
Compressor	PM B	Oakridge Station	Valve Upgrade	10 days	Z3
Compressor	PM C	Riverdale Station	Routine Maintenance	2 wks	Z4
Compressor	PM D	Northfield Station	Control Panels	3 wks?	Z1
Feeder	PM E	F01 Ashbury to Westbrook	Inspection Run	1 wk	Z5
Feeder	PM F	F07 Brookside to Hartwell	Asset Renewal	4 wks	Z5
Feeder	PM G	F12 Meadow Park to Elmhurst	Infrastructure Upgrade	6 wks	Z4
Site	PM H	Ashborough	Boiler Refurbishment	5 wks	Z3
Site	PM I	Eastborough Facility	Telemetry Upgrade	4 wks	Z2

Note: Asset names, locations, programme names, and dates shown in this presentation have been anonymised and replaced with fictional data.

Example National Recompression Plan

Task Name	Delivery Theme	Duration	Start	Finish
Feeder 2 Ashbury to Westbrook	Programme A			
Loading, travel & set-up		5 days	Mon 09/02/27	Fri 13/02/27
Recompression		4 days	Sat 14/02/27	Tue 17/02/27
De-mob		3 days	Wed 18/02/27	Fri 20/02/27
Travel & Unloading		3 days	Mon 23/02/27	Wed 25/02/27
Available Pipeline outage		16 wks	Wed 18/02/27	Tue 09/06/27
Feeder 15 Brookside to Hartwell	Customer & Programme B			
Loading, travel & set-up		5 days	Mon 02/03/27	Fri 06/03/27
Recompression		12 days	Sat 07/03/27	Wed 18/03/27
De-mob		3 days	Thu 19/03/27	Mon 23/03/27
Travel & Unloading		3 days	Tue 24/03/27	Thu 26/03/27
Available Pipeline outage		5 wks	Thu 19/03/27	Wed 22/04/27
Feeder 15 Meadowhurst to Elmhurst	Programme A			
Loading, travel & set-up		5 days	Thu 23/04/27	Wed 29/04/27
Recompression		10 days	Thu 30/04/27	Sat 09/05/27
De-mob		3 days	Mon 11/05/27	Wed 13/05/27
Travel & Unloading		3 days	Thu 14/05/27	Mon 18/05/27
Available Pipeline outage		22 wks	Mon 11/05/27	Fri 09/10/27
Feeder 10 Riverford to Northgate	ILI Digs & Programme A			
Loading, travel & set-up		5 days	Tue 19/05/27	Mon 25/05/27
Recompression		4 days	Tue 26/05/27	Fri 29/05/27
De-mob		3 days	Mon 01/06/27	Wed 03/06/27
Travel & Unloading		4 days	Thu 04/06/27	Tue 09/06/27
Available Pipeline outage		8wks	Mon 01/06/27	Fri 24/07/27

What success looks like

- ✓ Safe maintenance delivered
- ✓ Minimal customer impact
- ✓ Reduced emissions
- ✓ Efficient use of recompression resources

Note: Asset names, locations, programme names, and dates shown in this presentation have been anonymised and replaced with fictional data.

Recompression Fleet and Investment

Current Fleet (legacy)



Recent Investment



Pending Investment



Final Takeaway

Recompression is a major part of outage planning, forming the skeleton of the outage plan.



The success of a recompression project is determined months before the recompression unit arrives on site.



Network Access provides the engineering judgement, customer engagement, outage strategy and national coordination that makes safe maintenance delivery possible.





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Alex Potter
Lead NEC Specialist



Exercise HYDRA

NEC Assurance Exercise 2026

Network
Emergency
Co-ordinator



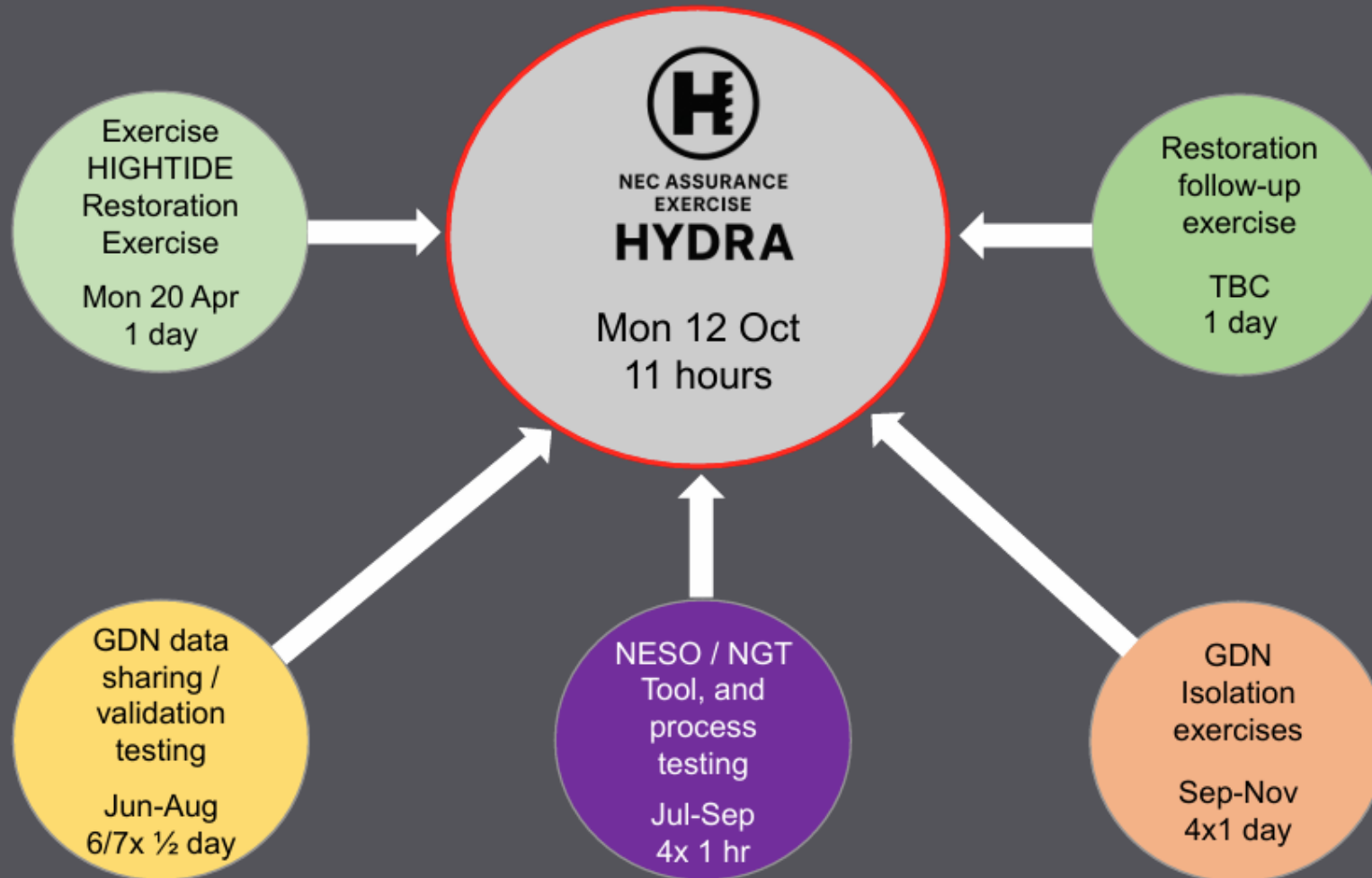
NEC ASSURANCE
EXERCISE

HYDRA



Exercise HYDRA

This year's exercise format introduces an extended one-day exercise complemented by shorter satellite exercises to focus on specific areas of response. These targeted activities will allow deeper exploration of complex issues and learning point resolution compared to the previous three-day model.



Exercise HYDRA



PURPOSE

- Showcase the gas industry's ability to manage a Network Gas Supply Emergency (NGSE) safely and effectively.
- Fulfil the NEC's legal obligation to assure emergency response capability.



SCENARIO

- Simulated supply losses will trigger an NGSE, testing industry-wide response mechanisms.

Exercise HYDRA Objectives



Test the management of a gas supply shortage.



The capability of the Primary Transporter to form an accurate situational awareness through industry collaboration.



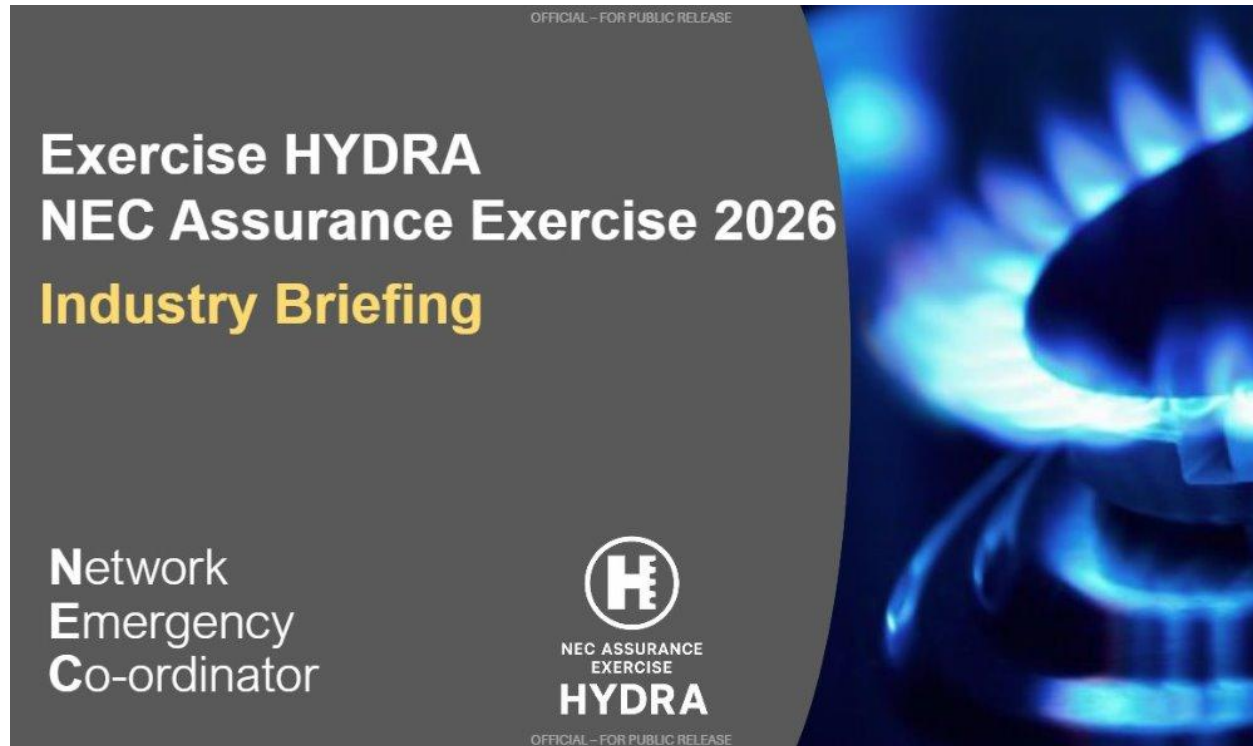
Practice and enhance processes and tools associated with the interactions between gas and electricity organisations during times of whole energy system stress.



Test industry's ability to warn and inform the public through participation of the Communications Task Group.

Industry Briefing Note

Can be viewed at Network Emergency Co-ordinator webpage:
<https://www.nationalgas.com/nec/exercises>



Participation Requirements

Requirements can be viewed on our website:

<https://www.nationalgas.com/our-businesses/emergencies>

Industry exercise participant requirements

The following documents provide more information about the participation requirements for NEC industry exercises.

Very Large Daily Metered Customers (VLDMCs / Directly Connected Sites)

Shippers

Gas Storage Facilities

Supplementary Transporters

Terminals & LNG

Emergency Contact Data

Distribution Networks

This map shows the Distribution zones by region, and network operator.

There are currently four DNs which operate across several LDZs, and they are listed below:

1. SGN
2. Northern Gas Networks
3. Cadent
4. Wales & West Utilities



Thank you

Get in touch:

gasops.emergencyplanning@nationalgas.com



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Charlotte Gillan

Senior Operational Liaison Officer





General News



Margin Notice Reports Available on the Gas Data Portal From 30 September 2026

Margin Notice Forecast Position • Daily Margin Notice & Safety Monitor Position

30 Sept 2026

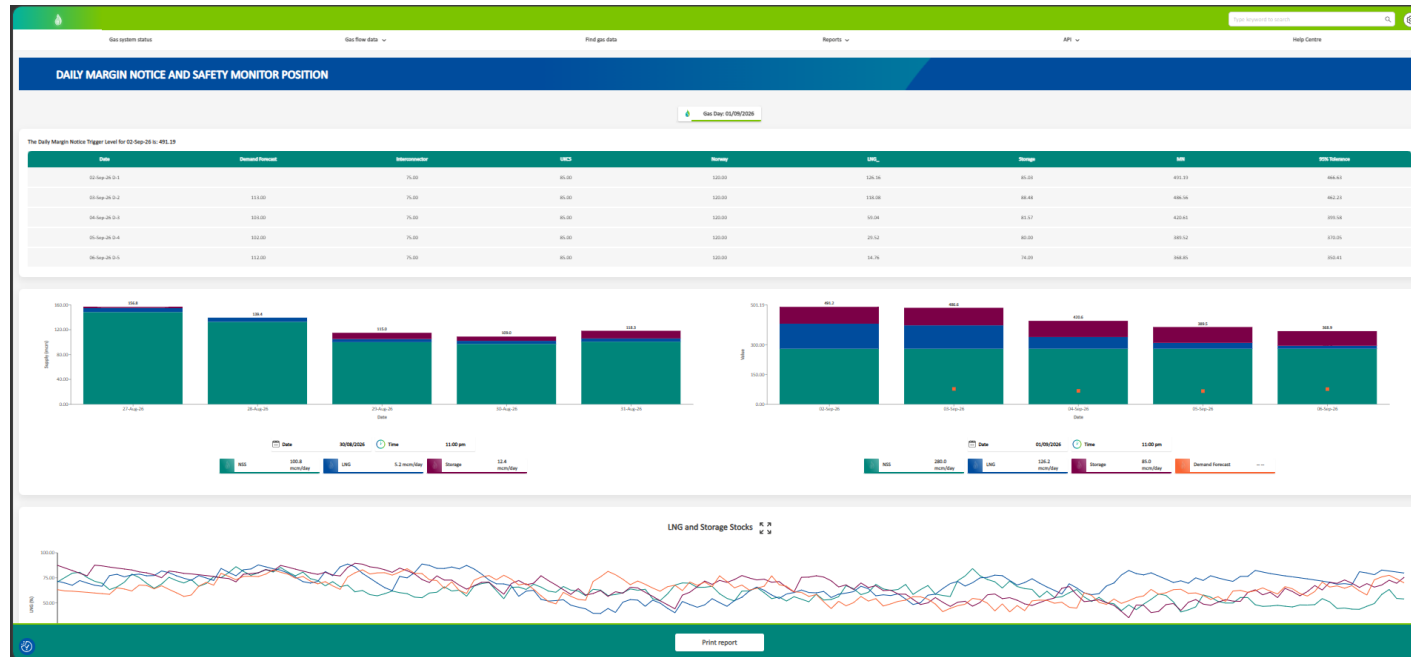
1st Report Published in the Gas Data Portal

Transition Period

Reports will also be published on NG Website

Mid-Oct 2026

Reports only available via the Gas Data Portal



Why you'll love the new design

- ✓ Modern visual layout
- ✓ Easier interpretation of trends
- ✓ Improved charts and forecasting views
- ✓ Single location for report access
- ✓ Better user experience within the Gas Data Portal

ACTION: Start transitioning to the Gas Data Portal before mid-October 2026 for these reports



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Q&A



We value your feedback

Tell Us What You Think About The Online National Gas Energy Forum

Help us make future Forums even better by sharing your thoughts, suggestions, or questions. Your feedback is important to us!



Up Next: Hybrid Forum on 15 October

Part I 9:30

Henry Tufnell MP Member of Parliament for Mid and South Pembrokeshire

Tom Sawyer CEO at Port of Milford Haven

Alison Tann Head of Operational Delivery at National Gas

Break (10:50 – 11:10)

Part II 11:10

Katie Petherbridge Head of Innovation at National Gas

Darren Davidson Vice President at Siemens Energy UK&I

Filippo Gaddo Managing Director at Alvarez & Marsal

Alex Froley Senior LNG Analyst at ICIS

Lunch (12:30 – 13:00)

Thank you for joining

We look forward to seeing you
on 15 October 2026 in person
& 3 December 2026 online!

If you would like to get in touch, please email
Box.OperationalLiaison@nationalgas.com



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