

December 2024

Your NGN News Update

A Word From Mark



It has been another busy year. As we get our energy system ready to deliver net zero, collaboration with industry and our trusted partners throughout all sectors will continue to be essential to achieve successful outcomes for our northern communities. I cannot overstate the importance of the role that you, our stakeholder community, play as part of this and the value that you deliver.

I'd like to thank you for your continued support and dedication to and to send you warm wishes for the festive season.

We hope you find this both an interesting and informative read.

2024 highlights and look ahead

The cost-of-living crisis continues to dominate the lives of many of our customers throughout the region and we're committed to ensuring that every investment decision we make makes a

difference today, while helping to deliver our vision for a fairer, greener future for the North of England.

This year our focus has continued to remain on ensuring that every pound that we spend delivers value for money, prioritising those areas that matter most to our customers, in particular for those that need additional help and support.

Since 2013 our work in this area has delivered £55 million of social benefits for our communities, and we continue to innovate in this area year on year, something made possible by Ofgem's Vulnerability and Carbon Monoxide Allowance and continued support from our investors.

2024 saw us launch of our landmark programme, Warm Homes, Healthy Futures, in partnership with National Energy Action and the other gas distribution networks. The programme is our largest single investment in this area to date and will enable effective partnership working between health, energy and housing in various local areas to tackle fuel poverty and improve health for tens of thousands of people across Great Britain.

This year also saw us make the strategic decision to bring our Services Beyond the Meter offering in house. This service has already helped hundreds of eligible customers and the move means that we can provide an even more efficient service, which includes boiler repairs or arranging a replacement boiler for households free of charge. We've also continued to direct funding to support customers that are most in need, including reallocating allowed revenue from unbilled energy.

I'm delighted that our work to provide inclusive services and flexible support for customers in vulnerable situations was acknowledged once again by the British Standards Organisation (BSI), seeing us retain our prestigious Inclusive Service Kitemark for a third year running following an audit against the ISO Standard 2245.

As one of the region's largest employers, we provide a wealth of opportunities for the region throughout investment in jobs and skills development and we're committed to ensuring that these extend to those who may be harder to reach as part of our commitment to creating a more diverse and inclusive workforce.

Our Colleague Communities were shortlisted for the award for Best EDI Initiate at the inaugural Women in Utilities Awards in May. We were also delighted to welcome 12 talented new apprentices into our business in September, joining our 86 strong cohort, and to be able to offer full time jobs to five former business admin apprentices who completed their qualifications earlier this year.

This year we've continued to celebrate our amazing people and ensure that they continue to be fairly rewarded and supported. Following the threat of industrial action by the GMB earlier this year, we were pleased that we were able to support our workforce and find a mutually agreeable way forward. We'll be working hard to continue to strengthen relationships with the trade union.

This month we submitted our <u>business plan</u> for the next regulatory price control period, known as RIIO-GD3, to our regulator. The plan which sets out the investment that we propose to deliver for our customers and the environment in the five-year period from 2026 – 2031. Informed by thousands of conversations with customers and stakeholders, this plan is predicated on our track record of consistently high levels of performance in the areas of efficiency, safety, reliability and customer service and pushes the boundaries of what's possible to drive up performance sector wide.

I'm incredibly proud of our strong performance, which continued this year and saw us exceed our targets for replacing ageing metal gas mains, getting more plastic pipe in the ground than originally planned to continue to keep homes warm and businesses powered up.

A fairer greener future for the North of England means continuing to demonstrate the opportunities that the gas network presents for rolling out clean energy, delivering it energy efficiently and giving customers choice about how they heat their homes in future, as well as highlighting the wider value for society and the economy through creation of jobs and investment for our region.

We know that if we want to get to net zero in a realistic and practical way, hydrogen has to play a role. We're currently awaiting a decision on our funding application to Ofgem to conduct a Front End Engineering Design – or known more simply as 'FEED Study' for our East Coast Hydrogen project, in collaboration with Cadent and National Gas which is looking at how we can use our existing gas network to support decarbonisation of industry. We expect to hear if funding has been approved early in the New Year.

We've also continued to develop our ground-breaking whole energy systems facility at Low Thornley, where industry will be able to test and explore the best energy technologies for adapting and retrofitting existing homes to help inform the governments net zero plans.

The new government also recently confirmed its commitment to fund a hydrogen production and storage plant and fuelling station at NGN's former gas holder site at Birkshaw in Bradford. The site, which is being developed by N-Gen, our sister business, will be the UK's largest low carbon hydrogen production facility and is estimated to generate £120 million for the local economy and create 125 jobs. The project has received great local support in Bradford with around 100 stakeholders from local government and industry joining the stakeholder event in September, where we were delighted to be joined by the council leader and West Yorkshire Mayor, Tracy Brabin who spoke enthusiastically about our plans.

I'd like to take the opportunity to reiterate once again my thanks for your continued support and commitment and to wish you the very best for 2025.

Mark Horsley

CEO Northern Gas Networks



We think the best part of Christmas is the joy of giving.

That's why we're supporting four different charities this year: Dove House Hospice, Hull, Sunderland Community Soup Kitchen, St George's Crypt, Leeds, Martin House Children's Hospice, Wetherby.

All you have to do is click below to choose which charity you'd like us to make a donation to on your behalf.

Choose a charity

Click on the link below before the 31st December 2024 and we'll make sure your chosen charity receives a donation.

Northern Gas Networks, 1100 Century Way Thorpe Business Park, Colton Leeds, LS15 8TU



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