



Contact person	Department	Phone	Fax	E-mail
Darren Clement	Vice President Engineering, Automation & Projects E&M UK, Commercial	0161 537 5555	0161 537 5273	<a href="mailto:Darren.clement@bilfinger.com">Darren.clement@bilfinger.com</a>

To: [RIIO3@ofgem.gov.uk](mailto:RIIO3@ofgem.gov.uk)

26<sup>th</sup> August 2025

## Response to RIIO-3 Draft Determinations for the Gas Transmission sector

Bilfinger UK provide engineering design, construction, manufacturing and maintenance services. We operate throughout the UK and work with clients in oil & gas, chemical, energy, pharma and nuclear sectors. We are committed to delivering support throughout our customers' asset lifecycle.

We welcome the opportunity to respond to Ofgem's draft determinations on RIIO-3 Plans for the Gas Transmission sector and appreciate the extensive work Ofgem has undertaken to review and assess the business plans submitted across Gas Transmission, Electricity Transmission and Gas Distribution.

As outlined in our response to the Call for Evidence on RIIO-3 Plans earlier this year, we have engaged with National Gas throughout RIIO-T2, and we have expressed our support for and confidence in National Gas' business plan for RIIO-GT3. Particularly, we have been working with National Gas to improve ways of working in preparation to ramp up and deliver increased volumes of work on the network during the next price control period. We believe that key members of the supply chain, including ourselves, are ready to support National Gas in executing this plan having built and invested in our organisation substantially during the RIIO-T2 period and have worked collaboratively with National Gas. Our own plan is to grow and develop consistently through RIIO-GT3 period, maintaining our support to National Gas.

We note that within Ofgem's draft determinations, much of National Gas' proposed capex volumes have been reallocated from baseline funded works into in-period Uncertainty Mechanisms. As a key supplier of engineering and construction services to National Gas, we express concerns over the effect that the scale of this reallocation might have on our own business and the supply chain as a whole.

### **Bilfinger UK Limited**

Wilson House, Daten Park  
Birchwood  
Warrington  
WA3 6JA

Phone +44 (0)161 537 555  
Enquiries-info.b-uk@bilfinger.com  
[www.uk.bilfinger.com](http://www.uk.bilfinger.com)

**Headquarters  
and Registered Office**  
Warrington, UK  
Registered in England  
Registration No: 5384376

**Bank Account**  
Deutsche Bank AG London  
6 Bishopgate, London, EC2P 2AT  
Account no. 19084200  
Sort Code: 23-10-48  
IBAN GB80DEUT40508119084200  
SWIFT-Code DEUTGB2L  
VAT registr. no. GB 849 773 857  
Tax no. 2944728087



We are concerned that signalling approval for large volumes of capital works in-period rather than at final determinations may have unintended consequences for the supply chain, including:

- **Reduced programme certainty and continuity:** Disrupting our ability to work with National Gas to build a clear, consistent and committed programme of work; working with National Gas to plan and optimise the forward-looking pipeline of work has been a key feature of improvements to our ways of working and is a basis to the collaborative approach in advance of RIIO-GT3.
- **Resource planning challenges, loss of competency and skills:** The market is increasingly competitive for skilled labour and resources. A lack of clarity on future workbook reduces our ability to invest in and commit to specialist resource with confidence. Through continuous recruitment and organisational improvements, our resources and skills have adapted and developed throughout RIIO-T2. Competencies and skills of our resources have been developed with the services provided to National Gas in mind. Without continuous and secure workload, such specialist resources are at risk of leaving the gas industry.
- **Procurement inefficiencies, cost and delay risks:** Uncertainty limits the procurement options available to us, particularly for long lead time items. We are unable to leverage whole volumes across the portfolio to buy materials and products to meet future demand potentially creating greater exposure to price changes and lead times. In many cases this approach is likely to result in additional costs incurred and delays to projects, relative to our ability to set-out procurement plans for such items ahead of time, bulk-purchase materials or set out better terms with manufacturers and suppliers.

In summary, we look forward to working with National Gas to deliver crucial investment on the gas transmission network to maintain resilience, safe levels of risk, and progress towards net zero. However, we believe that the proposed reallocation of significant volumes of work from baseline funded into in-period uncertainty mechanisms introduces additional risks to delivery, reduces the potential for efficiency and may ultimately pass additional costs onto end consumers.

Yours sincerely,  
For Bilfinger UK

**Darren Clement**  
Vice President Engineering, Automation & Projects E&M  
Bilfinger UK

**Ben Hill**  
Gas Frameworks Director, Automation & Projects E&M  
Bilfinger UK