

11th August 2025

Response submitted by the National Gas Independent Stakeholder Group (ISG)

We believe that ISGs provide an important independent, external perspective to rigorously scrutinise and challenge the network companies' business plans. This has helped to ensure that the RIIO-T3 plans are robust, well-evidenced, and are in the interest of consumers and stakeholders. We believe that ISGs can play a key role in the on-going review of performance during a price control period.

The Ofgem Business Plan Guidance was important in empowering and supporting ISGs. This not only mandated the requirement for ISGs (if they were not already established) but gave the Groups the remit to cover both the business planning process and ongoing BAU delivery. The guidance emphasised the importance of stakeholder engagement, requiring companies to clearly demonstrate how they had incorporated feedback, but avoiding the ISG representing stakeholders. This gave ISGs a powerful lever to challenge companies if engagement was not effective or if feedback had not been adequately addressed, without the ISG having the responsibility of managing stakeholder engagement.

The ISG Chairs meetings helped to ensure dialogue between the Groups and created a forum for the Chairs to raise questions and concerns with Ofgem directly and this should continue.

For future price controls, it would be good to see more guidance on the requirements for the ISG reports submitted with business plans, as well as for the ISG responses to the Ofgem Call for Evidence. This would lead to greater consistency in approach across the different Groups and enable Ofgem to more easily compare and assess their reports and responses.

There is also an argument for Ofgem being more prescriptive on what role the ISG should play in their on-going work. Perhaps identifying some "core" activities, while maintaining some freedom and independence to be demonstrated by the ISG, would create greater consistency for how companies interact with their ISGs and give extra assurance to Ofgem too. It should help further embed stakeholder engagement into BAU.

Yours



Mike Foster
Chair, National Gas ISG.