



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

Addressed to: RIIO3@ofgem.gov.uk

22nd August 2025

Yokogawa provides a full range of industrial automation, control and instrumentation solutions with the capability to deliver fully engineered turnkey projects from concept through to implementation, installation and commissioning, training, post-delivery maintenance and system support.

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.

Yokogawa 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 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 Control, Instrumentation, and Project delivery to National Gas, we express concerns over the effects that the scale of this reallocation might have on the supply chain.

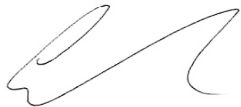
We are concerned that signalling approval for large volumes of capital works in-period rather than at final determinations may have unintended consequences for the supply chain, including:

- **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.
- **Investment hesitation:** Potentially reducing confidence to invest in new Cyber Security resilience and innovations without a clear pipeline of work. This also impacts ability to bid for work if there is less certainty that this work will materialise.
- **Resource planning challenges:** 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.

- **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 this approach is likely to result in additional costs incurred and delays to projects, relative to if we are able to set out procurement plans for such items ahead of time, bulk-purchase materials or set out better terms with manufacturers and suppliers.
- **Imbalance with the Electricity Transmission sector:** Increasing the discrepancy between gas and electricity transmission sectors in their ability to procure heavy electrical items, given that the electricity transmission networks have been afforded an advanced procurement mechanism for such items, many of which already have long lead times.

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 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,

A handwritten signature in black ink, appearing to read 'Carl Ramsden', with a stylized, flowing script.

Carl Ramsden  
Managing Director