

Consultation name: Consultation on the draft Centralised Strategic Network Plan Guidance

Issued by: Ofgem

Territorial extent: Great Britain

Response author: SGN

Deadline for responding: 1st September 2025



SGN

St Lawrence House

Station Approach

Horley

RH6 9HJ

Transmission Network Planning

Ofgem

01 September 2025

Response via Email to: strategicplanning@ofgem.gov.uk

Dear Tristan, Konark,

Consultation on the draft Centralised Strategic Network Plan Guidance

Thank you for the opportunity to respond to the above consultation¹. To ease comparison with other participants, we have provided responses in line with the detailed consultation questions in Appendix 1 below.

SGN is responding in its capacity as a regulated Gas Transporter (GT). In Scotland, our network delivers gas to 75% of Scottish households and businesses, serving around 1.8 million customers across the whole of Scotland through over 26,000km of pipeline. We also operate five standalone and remote Scottish networks known as Scottish Statutory Independent Undertakings. In the South, our network delivers gas to around 90% of homes and businesses, serving around 4.2 million customers through over 50,000km of pipeline. We serve large numbers of customers living in London's densely populated urban communities, as well as many customers living in county towns and rural villages across the South and South East of England.

Although we operate gas networks in discrete geographical locations, our response to this consultation pertains to our views as an organisation. Whilst the Centralised Strategic Network Plan (CSNP) predominantly focuses on the future system needs of the National Electricity Transmission System; the natural gas National Transmission System (NTS); and the need for new hydrogen networks and storage facilities, it is critical that the needs of the connected downstream systems, such as the Gas Distribution Networks (GDN's), and their customers views are factored in to the emerging CSNP.

We agree in principle with the structure set out in the CSNP Guidance document reflects the policy intent of the CSNP. We also acknowledge that data will play a key role in the identification of options as part of the CSNP planning process. However, we have concerns in several areas regarding the impact of effective data exchange, as set out in Chapter 6 of the guidance document. These concerns relate to resourcing implications, assurance that the appropriate data security protocols are in place, given that some elements of our infrastructure are considered critical pieces of national infrastructure and the need for access rights to be governed under a strict code of practice agreed by the data owners.

As we move towards a more integrated energy system, supplied by a diverse range of renewable and low carbon sources, the need to ensure a co-ordinated approach towards energy network investment, operation, and the impact this has on consumers, is increasingly important. Improved flow of information and co-ordination between network companies, system operators and other actors who impact the energy system will ensure that more options are available to deliver low carbon energy to consumers at the lowest cost.

¹ [Consultation on the draft Centralised Strategic Network Plan Guidance](#)

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We look forward to continued engagement and consultation with Ofgem on this topic. Should you have any questions regarding our response, or wish to discuss further, please do not hesitate to contact me at Hilary.Chapman@SGN.co.uk

Hilary Chapman

Head of Regulation

SGN

Appendix 1: SGN Responses to Consultation Questions

Do you agree that Chapter 2 – developing and submitting the CSNP Methodology - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

We agree in principle that Chapter 2 adequately reflects the policy intent of the CSNP. We would however draw Ofgem's attention to the criticality of stakeholder engagement during the development of the CSNP especially around the network planning process associated with the NESO's role as the ISOP Gas System Planner for the natural gas National Transmission System (NTS). The impact of poor stakeholder engagement for downstream users of the NTS, such as GDNs, could have significant implications on the resilience and security of the supply afforded by the natural gas network in the transition to net zero. We would encourage early engagement with the GDNs by NESO as part of the CSNP planning cycle.

Do you agree that Chapter 3 – general requirements applying to all CSNP stages - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

We agree, the general requirements adequately reflect our understanding of the policy intent. SGN welcomes references to the 1 in 20 obligations for the NTS, which will require to take cognisance of downstream gas networks to ensure capacity bookings and offtake pressure agreements can be met. Similarly, the CSNP needs to consider GDN system requirements, demand planning obligations and our 10-year demand forecasts.

We welcome the coordination protocol development with distribution network operators. Furthermore, we are pleased to see the introduction of working-level and senior-level governance bodies responsible for the technical and analytical scrutiny and provide strategic insights and advice to the CSNP, which must include network owners such as SGN.

Do you agree that Chapter 4 – Stage 1: model future energy supply and demand - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

In our response to NESO's SSEP Methodology consultation in January this year, SGN took the view that any Future Energy Pathways (FEP) must include gas distribution network data if they are to be used in strategic planning.

GDNs maintain network models developed in collaboration with other actors, such as major energy users and Local Authorities, using existing network data to forecast annual gas demand. These forecasts are based on current policy and anticipated network usage in both the short and longer term². SGN's demand planning, when compared to the demand observed, is highly accurate with only a minimal variance³, even in the event of extreme weather events⁴. Given this high degree of accuracy, and as discussed in our response to the Future Energy Pathways Draft Guidance consultation⁵, we use our own demand forecasts rather than the FEP. This approach is taken to protect our network integrity and ensure security of supply along with maintaining safety in line with current policy and legislative requirements.

To ensure the success of the CSNP and associated SSEP and regional plans, they must be informed by demand forecasts, the latter of which is already shared, to ensure it is based on common planning assumptions. Recent engagement has confirmed that SGN and NESO are aligned in this view. GDNs already make a significant amount of data available, and we would encourage NESO in its position as an independent actor to seek a wide range of data sources, in addition to performing in a review and challenge capacity if required.

² As a result of our annual gas demand forecast, we publish our Long Term Development Statement: [Long Term Development Statement \(LTDS\) | SGN Your gas. Our network.](#)

³ C.2%

⁴ An example is during the Beast from the East storm in 2018, where SGN networks did not exceed peak day Forecasts.

⁵ [Future Energy Pathways \(FEP\): draft guidance - Ofgem - Citizen Space](#)

We would also welcome further discussion with NESO around the introduction of a time delay being applied to the FEP pathways in respect of the gas distribution network planning, as indicated in paragraph 4.11 of the consultation.

Do you agree that Chapter 5 – Stage 2: identifying system needs – adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

Within Chapter 5 of the consultation, we agree the introduction of an evidenced led approach to network planning should form the backbone of a transparent and coordinated methodology to communicate the CSNP system needs. We welcome the provision within the guidance for the licensee to set out its communication plans with stakeholders, including network owners. We also note in paragraph 5.30 the requirement for the licensee to consider the constraints around sharing any confidential or sensitive information, aligning with our concerns raised in the introductory letter as part of this response.

We would highlight again our concerns on the use of the FEP pathways as a basis for planning assumptions and probabilistic supply-demand modelling for the reasons set out in our response to Chapter 4 above.

As a downstream user of natural gas from the NTS we have specific licence obligations to maintain a resilient and secure supply of energy to the consumers connected to our network. The availability of flexible natural gas supplies from the NTS, at agreed pressures, cannot be compromised and as such the coordination and engagement of planning activities between the system operator and the GDN's is crucial. This also applies under a scenario where there is potential to repurpose natural gas assets to transport hydrogen, the communication of the impacts from the assessment of this must be carried out at the earliest opportunity with the relevant stakeholders.

Do you agree that Chapter 6 - Stage 3: identifying options - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree

We agree the requirements listed within Chapter 6 will help facilitate the identification of the options to address system needs, stemming from stage 2. However, we have identified several areas within this chapter that will require further clarity from NESO on its approach to 'effective data exchange' around data access, data sharing and data security, especially regarding sensitive network information.

Our expectation is there will need to be data standardisation interoperability to drive consistent data provision across all networks in compliance with Data Best Practice guidelines. This area has potential cost and resource implications for the networks in the provision of this intelligence. We also note and agree with the establishment of a data sharing approach that outlines data ownership, access rights and responsibilities of all parties engaged in the option identification. We would however wish to understand through engagement with NESO the technical implications of enabling real-time access to data to external parties including academia, not-for-profits, and organisations involved in developing network innovations. There will be a requirement to have stringent security protocols around this access, and we note within the guidance document the requirement for the licensee to recognise operational and commercial sensitivities may impose constraints, this may require anonymisation and aggregation to protect certain data items.

We would also offer our assistance in the development of the Data Sharing Infrastructure (DSI) as this is an area we are currently involved in through the Digitalisation and Data Collaboration group.

Regarding the Gas – Stage 3 section of Chapter 6, we agree with the requirement of the licensee to consider the effects of any interventions may have on the future of the gas and hydrogen networks, and the justification of these interventions with regard to their impact on gas consumers. This must take into consideration the implications for security of supply and the performance of the downstream gas networks in meeting their obligations to consumers.

Do you agree that Chapter 7 - Stage 4: decision-making framework - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

We agree the decision-making framework adequately reflects the policy intent of the CSNP and welcome the recognition and interdependencies with other strategic planning and modelling activities undertaken by the licensee but would again emphasise the limitations around some of these, flagging our concerns regarding the potential conflict between planning assumptions and policy / licence requirements – for example the variation between the FEP and demand planning as discussed above.

Do you agree that Chapter 8 – develop a CSNP - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

We agree this chapter of the guidance document adequately reflects the policy intent of the CSNP, reflecting the need to ensure a robust consultation process on the CSNP is undertaken, with the presentation of the options identified.

Do you agree that Chapter 9 – Stage 6: handover to a delivery body - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree

We agree Chapter 9 – Stage 6 adequately reflects the policy intent of the CSNP.

Do you agree that Chapter 10 – Other planning roles in CSNP - adequately reflects the policy intent of the CSNP? Please provide the reasons and any alternative suggestions if you disagree.

We agree Chapter 10 adequately reflects the policy intent of the CSNP.

We're proposing that offshore connections should be planned within the scope of the CSNP. We set out our requirements on the licensee with regards to this additional scope (see chapter 10: Electricity - offshore network planning in the CSNP). What are your views on this proposal?

We have no specific views on this aspect of the CSNP Guidance consultation but would agree that future offshore connections should be planned strategically and in a coordinated manner within the CSNP. This needs to take into consideration a whole system approach for the delivery of energy, managing and designing out network constraints to avoid stranded capacity, through alternative solutions such as green hydrogen production.