
Appendix A: Supplementary Quantitative Data and Analysis

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- A1.1 This Appendix sets out our methodology for quantitative data collection and includes supplementary information to the key findings and quantitative evidence drawn out within the report.

Methodology

- A1.2 The review incorporated several data-gathering exercises, including the CFI and RFI which contained both qualitative and quantitative disconnection questions on volumes, cost and regional variation.
- A1.3 **From the CFI**, published in March 2025, we received and analysed a total of 15 written responses. These included three consumer and environmental groups, eight GDNs and IGTs, three suppliers and one from the National Energy System Operator (NESO). We received additional responses from additional interested parties, such as consumers, but these did not form part of total analysis of our Summary of Responses, noting limitations on scope.
- A1.4 We asked 35 questions on the current operation of the disconnections framework, potential improvements, information on costs and volumes, and whether any other factors should be considered ahead of potential reform. The analysis of this data is captured in our Summary of Responses.
- A1.5 **From the RFI**, published in August 2025 we received 10 written responses, including four from GDNs, five from IGTs and one from the general public. We asked eight questions (seven quantitative, and one qualitative) on the past, current and future operation and delivery of gas disconnections within the UK. The information we received from the RFI filled the majority of data gaps that was not evidenced through the CFI. The Transporters provided their data under the requirements of the Gas Act 1986. For the purposes of this report, the data has been anonymised subject to statutory restrictions on disclosure under section 105 of the Utilities Act 2000.
- A1.6 It is important to note that UIPs are unregulated entities under the Gas Act, and therefore we did not obtain data from them through the RFI process.

Disconnection Volumes and Access

- A1.7 According to the transporters, GDNs, with 88% of the customer base (~21.7 million households in FY2025/26), forecast a ~270,000 (1.2%) decline in customer numbers

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and IGTs, with 12% of the customer base (~3.1 million households in FY2025/26), forecast a ~440,000 (14.4%) decline in customer base.

A1.8 By comparison Table 1 shows the disconnections volumes in the FES pathways are substantially higher than those currently forecast by GDNs and IGTs.

Table 1: *The predicted customer numbers and predicted decrease for FY2025/26 and FY2034/35 based on the Transporters' forecasts and four FES pathways*

Customer numbers for end of financial year	FY2025-26	FY2034-35	Predicted decrease
GDN/IGT Predicted numbers	24.8m	24.1m	2.9%
Falling Behind FES pathway	24.9m	21.9m	11.6%
Holistic Transition FES pathway	24.9m	17.0m	31.6%
Hydrogen Evolution FES Pathway	24.9m	17.3m	30.1%
Electric Engagement FES Pathway	24.9m	17.1m	31.0%

A1.9 Low numbers of consumers disconnecting from the gas grid would result in a continued reliance on the gas system, requiring full maintenance to ensure adequate supply for remaining gas consumers even on high stress event days and/or during a material drop in supply¹. We note that across these pathways, network maintenance will still be required but to varying degrees.

A1.10 Increasing disconnections volumes across the medium-term will also have an impact on business planning particularly on workforce capacity and capabilities. Increased disconnections intensify the need for specialist technical skills and recruiting and training skilled workers requires time. Without proactive workforce planning, Gas Transporters (and UIPs) may struggle to scale capacity and disconnect at pace, leading to inconsistent service outcomes and challenges in meeting standards. Higher disconnection volumes will require coordinated workforce planning, strengthened training pipelines, and closer collaboration with Government and related sectors to ensure the sector is adequately equipped and aligned with long-term system transition needs.

¹ High stress day example: a 1-in-20 peak day demand equates to the highest level of peak gas demand we should expect to experience on only one day every 20 years; material drop in supply example: an N-1 infrastructure scenario equates to the loss of the largest piece of our supply infrastructure

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Disconnections Costs and Prices

- A1.11 The anticipated increase in future disconnection costs (forecasted by transporters) suggests that delivery costs are influenced by a range of factors including structural (regulatory and policy frameworks), operational (workforce, disconnection complexity) and market-driven factors (charging practices, disconnection volumes). Disconnections are currently not delivered through a single, standardised process, and GDN and IGT predictions indicate that cost variability is more likely to increase rather than reduce in the future.
- A1.12 Section 4.38 of the Report states between FY2025/26 & FY2034/35, using the predicted number of disconnections from the GDNs, the increase to the average consumer gas bill averages at 0.2% per year across the time period.
- A1.13 The Typical Domestic Consumption Values (TDCVs) reflects the average consumption (of gas & electricity) within GB. There are three bands; low, medium and high, with low at 6,000kWh per year, medium at 9,500kWh per year and high at 14,000kWh per year². These figures give a typical gas bill (using the price cap) of £455, £659 and £920 respectively.
- A1.14 It has been assumed that each consumer will pay the same unit rate for each disconnection, regardless of consumption volume. Therefore, lower consumption users will see their bills increase proportionately more than higher users, despite the cost per disconnection being the same³.
- A1.15 Disconnection costs recovered from a declining gas consumer base may impact remaining gas network consumers. As the number of consumers connected to the gas network falls, a greater share of socialised disconnection costs would be recovered from a smaller customer base. Certain consumer groups may face greater barriers to transitioning away from gas and therefore remain exposed to a larger proportion of residual network costs.
- A1.16 Between FY2025/26 and FY2034/35, the Falling Behind pathway results in an increase of between 0.6% and 2.6% per consumer per year. The Holistic Transition

² [Review of typical domestic consumption values decision.pdf](#)

³ i.e. for FY2025/26, for the GDN/IGT predicted numbers, there is around a £1 increase on consumer bills. For the low usage users, this is a 0.2% increase in their bills, whereas for the higher usage consumers, this is a 0.1% increase in their bills.

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pathway results in an increase of between 0.8% and 9.3% for medium consumption levels. These scenarios illustrate how higher levels of disconnection activity could increase the volume of socialised disconnection costs recovered from a smaller remaining customer base, highlighting the importance of future decisions regarding cost recovery and the allocation of transition costs.

Table 2: *The percentage bill increase without intervention across low, medium and high consumption bill scenarios based upon current GDN projections and current FES Pathways*

Pathway	kWh	Percentage Bill Increase FY2025/26	Percentage Bill Increase FY2034/35	Percentage Bill Increase Average across 10 years
GDN Predicted Numbers	Low	0.2%	0.2%	0.2%
GDN Predicted Numbers	Medium	0.2%	0.2%	0.2%
GDN Predicted Numbers	High	0.1%	0.1%	0.1%
Falling Behind FES	Low	0.8%	3.7%	2.4%
Falling Behind FES	Medium	0.6%	2.6%	1.6%
Falling Behind FES	High	0.4%	1.8%	1.2%
Holistic Transition	Low	1.2%	13.5%	7.4%
Holistic Transition	Medium	0.8%	9.3%	5.1%
Holistic Transition	High	0.4%	6.7%	3.7%
Hydrogen Evolution	Low	1.3%	12.0%	7.0%
Hydrogen Evolution	Medium	0.9%	8.3%	4.8%
Hydrogen Evolution	High	0.6%	6.0%	3.7%
Electric Engagement FES Pathway	Low	1.3%	12.2%	7%
Electric Engagement FES Pathway	Medium	0.9%	8.4%	4.8%
Electric Engagement FES Pathway	High	0.6%	6.0%	3.5%

A1.17 These findings highlight the importance of future decisions regarding cost recovery and the allocation of transition costs. As gas demand declines, consideration will need to be given to how disconnection costs are recovered in a way that remains fair, proportionate and affordable for consumers while supporting the wider transition of the gas network.

Cost drivers and cost differences regarding GDNs and IGTs

A1.18 Across simple, complex and Voluntary Disconnections, the costs provided by transporters had a wide range within their individual regions and across GB. Tables 3 & 4 provide both a relative and actual monetary predicted cost breakdown of each type of disconnection between FY2025/26 and FY2034/35.

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Table 3: The actual minimum, average and highest cost breakdown for different types of disconnections between FY2025/26 and FY2034/35 across the GDNs and IGTs⁴

Associated GDN and IGT costs	Labour cost and availability	Material costs ⁵	Civils cost	Street works cost	Indirect costs
Minimum cost H&S (GDN)	£242.53 (highest)	£0.61	£26.44	£16.90	£190.86 (second highest)
Average cost H&S (GDN)	£403.59 (highest)	£17.41	£62.81	£28.39	£304.58 (second highest)
Highest cost H&S (GDN)	£545.27 (highest)	£46.62	£98.85	£39.39	£446.17 (second highest)
Average cost H&S (IGT)	£695.52	£133.07	£975.43 (second highest)	£1150.74 (highest)	£266.10
Minimum cost voluntary (GDN)	£351.09 (highest)	£5.00	£128.23	£54.07	£175.25 (second highest)
Average cost voluntary (GDN)	£644.96 (highest)	£16.59	£400.27	£154.26	£432.91 (second highest)
Highest cost voluntary (GDN)	£950.87 (highest)	£24.02	£791.67 (second highest)	£378.73	£663.10
Average cost voluntary (IGT)	£695.52	£133.07	£975.43 (second highest)	£1150.74 (highest)	£266.10

A1.19 **Labour costs and indirect costs** respectively for H&S disconnections, on average accounted for 44% and 30% of total average cost, and for voluntary, represented 40% and 26% of total average cost.

A1.20 **Civils costs** varied significantly for between both disconnection types, with a cost difference of almost 600%, from ~£62 (H&S average) to ~£400 (voluntary average). Civils also made up a significant amount of the total average cost of a disconnection, at approximately 30% for both H&S, and voluntary.

⁴ The most expensive cost for each row is in Red. The second expensive cost for each row is in blue

⁵ One of the GDNs provided a £0 cost for materials, therefore, this was removed from the calculations

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A1.21 **Street works** also made up a significant proportion of the total cost of a disconnection, at 40% of total average cost of a H&S disconnection, and 35% of total average cost for voluntary.

A1.22 **Across IGTs**, costs largely remained consistent between the two disconnection types, however this may be due to fewer responses from IGTs and fewer total disconnections conducted.

A1.23 **The differences between the GDNs and IGTs** are significant across most categories, for example, the street works costs for a H&S Disconnection averaged £1150.02 for an IGT compared to £28 for a GDN, a difference of over 4000%. This may be due to the current low volumes of disconnections for IGTs, requiring them to outsource contractors and requiring higher volumes to insource the work and develop in-house labour capacity. One IGT predicts higher street works costs (£1,870), due to the limited, but costly, traffic management costs needed to undertake the work. **Table 3** shows the difference in the split of costs between the figures provided by the different IGTs and GDNs.

Table 4: Detailing the minimum and maximum range for each of the cost areas⁶

GDN/IGT cost range	Labour cost and availability	Material costs	Civils cost	Street works cost	Indirect costs
H&S Percentage (GDN)	36% - 54%	0.5%-9%	5% - 33%	2%-4%	28%-39%
Voluntary Percentage (GDN)	27% - 45%	0.5%-9%	10% - 41%	2% - 15%	24%-40%
H&S Percentage (IGT)	20%	0.5%-3%	25% - 30%	19%-41%	2% -29%
Voluntary Percentage (IGT)⁷	20%	0.5%-3%	25% - 30%	19%-41%	1% -29%

A1.24 **For GDNs, labour costs accounted for 36%–54% of average total costs for H&S disconnections.** Gas Transporters noted that there has been a decrease in skilled labour resources to facilitate successful disconnection completion within budget

⁶ Please note, it will not add up to 100% across the categories, due to different GDNs being the top range/bottom range percentage numbers. The largest range is in Red, the second largest in Orange.

⁷ Not all IGTs provided splits for the different categories, therefore, for Labour cost and availability the value is at 20%.

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and general increase in the cost of labour (i.e. the increased employer National Insurance Contributions) resulting in needing a higher cost base to recover overall costs.

- A1.25 **For IGTs, labour represented 20% of the average total cost**, with the work largely coming from contracted labour. In general, labour costs and labour availability are one of the main blockers to upscaling disconnection volumes, due to the high percentage of cost attributed to labour.
- A1.26 With an increase in materials and plant machinery required to facilitate disconnections, management of the supply-chain needs to be effective and streamlined to reduce cost and time lost to delays. This requires an increase in back-office resources, which is reflective in **indirect costs being the second highest** proportion of the disconnection costs for both GDNs and IGTs.
- A1.27 The **third largest cost for disconnections is the civil costs**. For GDNs, civils costs ranged from 5-33% for H&S disconnections. This may be partially explained as civil costs are location dependent, with barrier costs, the cost of returning the road/pavement to its original condition and other smaller factors.
- A1.28 Other costs that explain the large percentage range include travel time for job completion, either in areas with wide footprints (resulting in increased travel time between jobs) or jobs within dense urban environments (covering less distance in more time) due to the nature of urban streets. Furthermore, differences in ground material needing to be excavated and reinstated requires usage of specialised tools can cause regional disparity in civil costs.
- A1.29 IGTs provided fewer answers however their cost ranges fell into similar groupings to the GDNs. For IGTs, most of the disconnections they undertake are done by contractors, which are normally more expensive than using in-house labour. Due to the size of the IGTs, and the low volumes of disconnections being performed, having in-house labour is cost prohibitive. Should volumes increase, one IGT mentioned the consideration of taking all activity in-house. IGT businesses are also geographically disparate and so it is inherently more difficult to have in-house staff due to uncertain timings and locations of where opportunities may arise.
- A1.30 Alongside the different indirect costs, there were other disagreements as to what specific cost would fall into a certain category. As an example, one GDN mentioned

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that the logistic support and reinstatement team for returning the road to full working order was covered by civil costs and another mentioned that part of this would fall under street works costs. Therefore, with the variability of the definitions provided, it is hard to focus on a specific area to save costs, without an industry-wide plan for streamlining.

Regional analysis of disconnection costs

A1.31 In terms of actual costs of delivering a H&S Disconnection, under our Volume Driver, we have decided to set network specific unit costs for simple and complex H&S Disconnections (Table 5), which may be a closer representation of the actual cost of delivering H&S Disconnections, however we understand these costs vary⁸.

Table 5: H&S Disconnections Volume Driver Unit Costs

GDN	Simple Disconnection Unit Cost (£)	Complex Disconnection Unit Cost (£)
EoE	148	1,137
Lon	132	1,600
NW	153	1,212
WM	143	1,177
NGN	245	693
Sc	181	1,414
So	220	1,810
WWU	250	1,111

Caveats and limitations

Gas Transporter Quantitative Data

A1.32 Certain data within the report and this appendix relied upon by Ofgem has been derived from data provided by the GDNs in response to our CFI and RFI.

⁸ These are the unit costs set out in our [RIIO-3 Final Determinations](#), published on 4 December 2025. While discussions continue on certain elements of the methodology, these remain the applicable unit costs unless and until revised.

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- A1.33 To date, Gas Transporters have not been required to collect data and report on disconnections including the volumes carried out and the associated costs.
- A1.34 The GDNs do not consider the quantitative data sets provided during the review to be mature or consistent on the basis that industry is in the emerging stages of disconnection data capture. According to the GDNs, different methodologies, assumptions and reporting approaches have been used by individual networks when collecting and providing the data.
- A1.35 We note the GDNs contention that, for this reason, the data should not be relied upon for comparative analysis. However, Ofgem's view is that despite the differences in collection and approach, the data provided serves a useful illustrative purpose and will be improved upon in future as formal reporting requirements are implemented.

Limitations

- A1.36 Compared to the summary of responses document for the CFI issued in September 2025⁹, the RFI data was of better quality and filled some of the quantitative gaps from the CFI. The responses from GDNs provided data that was usable for more nuanced analysis, i.e. understanding the cost variability between the different disconnection types and disconnection locations.
- A1.37 However, there were still limitations. As UIPs have no formal responsibilities under energy laws, they were not required to respond to the RFI. This created a gap in the data available and therefore the results should be caveated due to this.
- A1.38 Additionally, as there was limited IGT uptake in response (largely due to limited disconnections having taken place by these companies prior to the issuing of the RFI), this resulted in analysis that was caveated due to fewer data points compared to the GDN responses.

⁹ [Summary of Responses: Gas Disconnections Framework Review](#) – Publication date: 19th September 2025