

Legal Notice

This paper forms part of Wales & West Utilities Limited Regulatory Business Plan. Your attention is specifically drawn to the legal notice relating to the whole of the Business Plan, set out on page 3 of Document 1 of WWU Business Plan Submission. This is applicable in full to this paper, as though set out in full here.

RIIO3 Outcome	Policy area	Type of engagement undertaken	Stakeholder Groups – Consumers and ISG across all.	Summary Feedback – Further detail on individual engagement activities and our triangulation method can be found here .	Impact on Business Plan – Further details on the development of our RIIO-GD3 commitments (in bold below) can be found in our Stakeholder Justification Papers here .
High quality of service from regulated firms	CUSTOMER & VULNERABILITY	Interactive workshops with online voting, meetings, community events - online and face to face. Quantitative and qualitative market research, traditional media, educational events/campaigns, collaborative gas network research, customer panels. Independent customer service trend secondary research, Local Authority Energy Plan (LAEP) consultations.	Key: Local Authority (LA), utility & consumer body representatives, emergency services. Specific: Vulnerability service providers, business representatives, charities, financial stakeholders, supply chain, education/academia, non-governmental organisations, developers and policy-makers.	Key messages: Consumers value reliability, quality, and helpfulness, stating openness, transparency, and interaction ease are very important. Maintaining high service satisfaction levels are important to consumers who also tell us focusing on human contact, empathy, and using new technology brings improvements. Research shows customer satisfaction links to an engaged and efficient workforce. In deliberative qualitative engagement, young people said efficient complaint resolution and transparent communication is important to enhance customer satisfaction and trust. Business consumers value high standards and speed of service, and compensation for losses due to unplanned interruptions. Domestic consumers expect clear communication about interruptions, real-time updates, and safety advice during emergencies. Other energy networks emphasise the importance of close collaboration with local authorities and real-time engineer tracking during emergencies. They believe that improved digitalisation can help reduce gas supply interruptions. Better information dissemination through digital means could enhance community engagement and awareness, potentially leading to quicker responses to issues. During Vulnerability & Carbon Monoxide Allowance (VCMA) engagement, stakeholders' concerns included: consumers deprioritising gas safety due to rising energy costs; a need for us to focus on tenants and homeowners; and carbon monoxide awareness including alarm provision. Collaborative projects with charities and health services are viewed positively, with regional support inconsistencies noted by some. During a regional workshop, expanding VCMA funding for broader issues was advocated. Willingness to pay research with 1,405 consumers from broad demographics, show support for our ambition to maintain increased GD2 VCMA funding levels (including FPNES reallocation). Stakeholders say vulnerable consumers need financial assistance, energy efficiency education and better use of Priority Service Register (PSR) data for the energy transition. Some stakeholders cited barriers including communication gaps and poor housing conditions, particularly in rural areas. Vulnerability service providers state effective communication campaigns, proactive interaction, and collaborative efforts with local authorities are essential to support those at risk of 'being left behind' in the energy transition. Consumers and vulnerability groups support funding innovations that benefit consumers without heavy financial burdens and consumers prefer automatic eligibility for support services as self-identification can be a barrier. Low Carbon Technologies (LCT) tracker research (Base: 1,014) shows consumers' preference to receive LCT information is via dedicated web pages, leaflets and films from government and energy organisations. Different views: Many consumers express a strong preference for in-person engagement over chatbots, though some are open to AI for routine tasks. Weighting commentary: Consumer needs are considered top priority in this area and our plans provide choice, including a mixture of traditional customer service e.g. call centre, with support for customer-facing colleagues using new technologies such as AI.	We are committed to maintaining a customer satisfaction score of at least 9/10 by meeting customers' increasing expectations and achieving 85% complaint resolution within two working days . We aim to enhance the consumer experience, minimise complaints, and improve performance against Guaranteed Standards of Performance using in-person engagement supported by technology. To align with Ofgem's prescribed target times and considering stakeholders and consumers mostly accept these targets for planned and unplanned interruptions, we commit to restoring gas supplies in 4.5 hours for planned and 10 hours for unplanned interruptions, excluding MOBs . Considering stakeholder feedback, we align with Ofgem's guidance on VCMA areas of support, focusing on energy-related issues and vulnerable consumers. While some advocated for broader support like furniture poverty, we understand there are better placed support options for these needs. Independent willingness to pay research to understand the value placed on these services revealed strong support for an increased level of ambition. 95% of participants in our independent acceptability research found our commitment to be acceptable, understand our plans along with their benefits and 93% consider it worth doing to avoid the risks of not doing it. Given our track record of meeting the requirements of the VCMA, which are demonstrated in our annual reports, here , we propose to maintain the increased levels of funding from RIIO-GD2. Specifically, spending £4m per annum to support 716,000 homes in RIIO-GD3 and we commit to support our customers through the net zero transition by upskilling our customer-facing colleagues and trusted partners to provide crucial impartial information and tailored communication.

Infrastructure fit for a low-cost transition to net zero	ENVIRONMENT & SUSTAINABILITY	<p>Online and in-person workshops, roundtable discussions including Wales Environment Link, stakeholder advisory panels, stakeholder surveys, citizens panel engagement, LA consultations, strategy workshops, consumer market research, and colleague trials using new technologies.</p>	<p>Key: LA's, Government, National Park Authorities, Forestry Commission, utilities/energy networks, consumer bodies, colleagues.</p> <p>Specific: Local nature planners, Local enterprise and nature partnerships, Wildlife and National Trust, environmental and vulnerability groups, business representatives, Wales Biodiversity Partnership, academic & research institutions, emergency services, housing associations, business & community groups, Innovation companies</p>	<p>Key messages: Research institutions emphasise the importance of collaboration and expertise in biodiversity initiatives. Many stakeholders recognise the potential for biodiversity initiatives to contribute to carbon reduction, including local authorities who support comprehensive biodiversity surveys and integrating local nature recovery strategies with our land management processes. Local Authorities also suggested we collaborate with them and conservation groups. Charities, business representatives and vulnerable consumers emphasise effective messaging to convey the value of biodiversity actions and express willingness to collaborate with us on rural and local initiatives. Business stakeholders encouraged us to adopt a whole ecosystem approach to tree removal and planting, considering wider environmental effects and aiming for environmental net gain. Engaging with communities was seen as crucial by all with a consensus on achieving broader environmental benefits through biodiversity enhancements, including educational initiatives and collaborative projects. Some stakeholders highlighted broader benefits of environmental net gain, such as emotional, psychological, social, and recreational.</p> <p>Different views: Some consumers believe we lack ambition relating to carbon reduction targets while others questioned government's readiness for any significant changes during RIIO-GD3. Business representatives favoured barren land and hospital grounds to plant trees, while some local authorities preferred urban areas and managed woodlands. There are differences in biodiversity measurement between England and Wales with England using Defra's BNG metric and Wales using Net Benefit for Biodiversity (NBB).</p> <p>Weighting commentary: Policy, market and technology are not ready for significant change in business carbon reduction during RIIO-GD3. It is a fact that native trees benefit the natural ecosystem by enhancing biodiversity, improving soil health, maintaining water management while sequestering carbon and improving air quality. We will use both the NBB, a qualitative method, and the Defra BNG, a quantitative method, to measure biodiversity net gain as we see benefits to both depending on the work being undertaken.</p>	<p>We are ready to take opportunities that arise from advances in technology and market availability, particularly in the area of low emission transport, and from policy changes in support of net zero and the environment. On this basis we commit to reducing our business carbon footprint ahead of Government targets using a decision matrix to balance carbon reduction and cost, monitoring these actions against a defined 2050 pathway to plan for GD4 (2031-2036), when conditions are expected to improve. See our Environmental Action Plan, page 17, Table 1 for details on emission reduction targets. Weighing up the cost to consumers, our obligations and our desire to be a proactive company in relation to biodiversity and sustainability we will work with partners to enable nature recovery and biodiversity gain on their sites, supporting two main partnership projects and at least three minor projects. Taking this further we are committing to planting 6,000 native trees per year. This exceeds the highest recorded annual number in RIIO-GD2 and will include tree planting partnerships with community groups. This approach allows us to progress towards our net-zero goals in RIIO-GD3 by exploring new solutions as they emerge, without overly burdening consumers. We believe this strategy aligns with stakeholder expectations positioning us for significant progress towards the end of RIIO-GD3/start of RIIO-GD4.</p>
Infrastructure fit for a low-cost transition to net zero	NET ZERO & INNOVATION	<p>Citizens, Critical Friends and Small Business Panel, LAEP consultations, workshops, consumer market research, trials and pilots, facilitated group discussions and online</p>	<p>Key: LAs, Industrial clusters, major energy users, UK & Welsh Government, National Energy System Operator (NESO), Ofgem, Citizens Advice, National Energy Action, Other utilities, UK Research and Innovation/other innovators, environmental groups, Energy Networks</p>	<p>Key messages: Government, local authorities and research institutions generally agree on prioritising hydrogen for decarbonising hard-to-abate industrial sectors which provides a cleaner alternative to natural gas and other high-carbon fuels. Government also supports hydrogen blending in distribution networks as a short-term measure to boost early hydrogen production, but not as a long-term solution for reaching net zero. Customers knowledge about hydrogen is generally low, contributing to uncertainty around its adoption. This lack of understanding is a major barrier to acceptance. Local authorities highlighted the need for co-ordinated efforts and significant investments to meet these targets. Research institutions and energy networks call for further research on hydrogen blending and a thorough review of operational practices. Some hydrogen producers are enquiring about blending capacities and timelines. Charities and environmental groups strongly support increasing biomethane capacity, viewing it as a practical and economically viable solution that aligns with climate change objectives. However, they highlight the need for financial support, precise control mechanisms for integration, greater public awareness and collaboration to address technical challenges. Government officials, local authorities, business representatives, and environmental stakeholders all support innovation for its role in economic growth,</p>	<p>Recognising the support for hydrogen use in industry, and to better align with our stakeholders' aspirations and the urgency of climate goals, we are committed to achieving net zero readiness during the 2030s. In industrial areas, prioritised by stakeholders, we aim to be ready for net zero by 2035. For other regions, our target is set for 2040. Recognising the benefits of low carbon gas connections, particularly biomethane, and the broad support for it across all stakeholder groups, we will invest in the gas network to increase its capacity to transport green gas and the number of producers that can connect. Blending policy is likely to be dictated by national changes, and connections will depend on commercial demand within our operating areas. Considering policy and targets being set by government, the heavy</p>

		voting platforms.	Association, colleagues. Specific: Producers, National Grid Electricity System Operator, consultants, energy and vulnerability representatives, research institutions.	sustainability and achieving net zero goals. Stakeholders, including energy networks, industry representatives and charities have expressed cautious opinions on both decommissioning and repurposing the gas network. For decommissioning, there is a consensus on the need for a holistic assessment of costs, social implications, and intergenerational fairness, with many highlighting insufficient evidence to define a clear course of action. In terms of repurposing, collaboration with various stakeholders is deemed essential, alongside financial considerations to ensure a clear business case for repurposing activities. Vulnerability groups and the charity sector support innovation if it doesn't negatively impact vulnerable consumers. All stakeholder groups advocate for increased funding, regulatory support, and public-private partnerships in relation to innovation. Our acceptability testing showed that while innovation was not the most important topic for domestic consumers, it is one of the strongest drivers for those who strongly accept our overall plan. Different views: Energy industry representatives and local authorities advocate for immediate and aggressive action towards hydrogen adoption, arguing that delaying decisions could hinder progress and increase costs. Domestic and business consumers and other stakeholders suggest a more measured approach, emphasising the need for thorough evidence-gathering and public education before fully committing to hydrogen as a primary energy source. There is also tension between focusing on immediate practical issues and long-term strategic innovations, considering the financial implications of funding innovation. Weighting commentary: Differences of opinion highlight the complexity of stakeholder perspectives on the transition to a net-zero gas network, reflecting a mix of optimism, caution, and concern over the implications of such a significant change. Government policy will ultimately determine the pace in which we prepare our network for hydrogen. Outside of this we will take a balanced approach.	involvement of hydrogen blending in LAEPs and the general desire for more information on new technologies and heating solutions relating to hydrogen blending, we will look to lower carbon emissions by looking to replace up to 20% of the gas we transport with hydrogen . We also propose to expand our innovation programme and early-stage net zero delivery activity to further support the development of technologies and techniques needed to deliver decarbonisation. Innovation is a fundamental part of the energy transition for a sustainable future, and we will develop a portfolio approach that addresses various challenges, delivers value for money, and considers the needs of vulnerable consumers. Innovating efficiently but ambitiously will better serve the long-term interests of both the network and consumers in the energy system transition. We commit to innovate to speed up our transition to net zero and improve other areas of the business whilst protecting vulnerable households fulfilling our commitment to support consumers through the energy transition, as outlined above.
Infrastructure fit for a low-cost transition to net zero	WORKFORCE	Regional workshops, strategy workshops, working groups, Critical Friends Panel, bilateral meetings, secondary research/literature review, qualitative and quantitative market research including colleagues, consumers	Key: Employees, EU Skills, Trade Union, Welsh Government. Specific: Schools, colleges and universities, business representatives, STEM Women, charities and community groups.	Key messages: Stakeholders, including colleagues, have varied views on equity, diversity and inclusion (ED&I). There are calls for engaging with schools and expanding apprenticeship programmes to build a diverse future workforce. Partnerships with local charities are suggested, though opinions vary on the objectives of such collaborations. Promoting gender diversity, offering flexible working arrangements and enhancing recognition programmes are additional approaches proposed. Business representatives criticise the lack of diversity in leadership roles and the lack of transparency in career progression. Significant investment in skills provision is needed to support roles in hydrogen and associated net-zero technologies, recognising potential skill shortages in critical areas of work due to competitive nature of the market across the sector. Colleagues support our commitment to the net-zero transition, saying it aligns with their values and provides a sense of purpose and acknowledge the need for specialised training to equip them with the necessary skills for delivery. Suggestions to improve job retention and satisfaction include clear pathways for advancement, better managerial training, and more flexible and accessible training programmes. Different views: Some colleagues advocate for a holistic approach to recruitment that emphasises broader career benefits and the gas industry's role in combating climate change, while others stress the importance of competitive salaries. Feedback around skills is divided between short-term business needs and long-term sustainable solutions to support the gas network's transition to net zero, with some reservations about training commitments in some business areas.	Recognising stakeholder support for attracting a diverse and inclusive workforce along with our commitment to net zero, we aim to proactively manage resourcing and retirement with hiring managers and maintain active brand management with recruiters. We will build on the progress made in RIIO-GD2, remaining moderately competitive in traditional areas while continuing to grow in wellbeing and ED&I. We will develop attraction and outreach campaigns, offering high-quality training programmes, apprenticeships, graduate placements, and introducing career pathways to demonstrate progression opportunities. This will help us attract and retain diverse and talented people who better reflect the communities we serve and have, or can develop, the skills needed to deliver a net zero ready network. We further commit to investing in our colleagues' knowledge and skills so we can deliver a net zero ready network. This involves regular skills gap and training data analysis to meet changing industry needs reinforcing our culture of expertise and

		and future bill payers.		Weighting commentary: Feedback from colleagues suggests a balanced approach with moderately competitive salaries, while promoting active brand management in terms of sustainability and ED&I values. Short-term business safety-related training needs will take priority while balancing this with a need to prepare for the future.	resilience; introducing cross-training opportunities and job rotation schemes; recognising and rewarding development and encouraging cross-functional projects. This makes sure training needs are met in an accessible and efficient manner.
Infrastructure fit for a low-cost transition to net zero	DATA & DIGITALISATION	Stakeholder workshops, feedback panels, online voting and feedback platforms, facilitated group discussions, surveys, research and consultations.	<p>Key Stakeholders: Ofgem, National Cyber Security Centre, UK & Welsh Government, Ofgem, GDNs, DNOs, LAs, NESO.</p> <p>Specific: Technology Developers, Network Rail/ Transport for Wales, academic institutions incl. researchers/ academic experts, Critical Friends Panel, non-governmental organisations and sustainability consultants.</p>	<p>Key messages: Stakeholders including energy representatives, national and local government see data and digitalisation as fundamental to advancing environmental sustainability and addressing energy transition challenges. Many stakeholders emphasise the importance of accurate data collection to identify and support vulnerable consumers on the PSR, using data analytics to understand consumer needs. All agree that transparency, accessibility, and timeliness in data provision are crucial, with support for open data and clear reporting. Protecting personal data is a key concern for consumers and ensuring controlled access to sensitive information is a key concern for Government, alongside the need for robust cybersecurity measures. Collaboration among utilities, government bodies, and third-sector organisations is vital, with training for staff on data-driven interventions. As we work through the energy transition, securing data on alternative energy and best practice for supporting vulnerable consumers is important. Energy industry representatives fed back that digital initiatives play a significant role in optimising how networks are used and managed, leading to more efficient operations.</p> <p>Different views: Stakeholders have conflicting opinions on data access, and data protection. Some, such as local authorities, want us to provide transparent and accessible data to support LAEPs, but consumers are concerned about security risks and potential misuse of data. Additionally, there are differing views on data interoperability and security, with some advocating for cautious data-sharing practices. When engaging on open sharing of data in line with Ofgem’s expectations for RIIO-GD3, our Citizens Panel members and consumers in other engagements expressed concerns about data privacy.</p> <p>Weighting commentary: Both Ofgem and consumers raise relevant points, so we are taking a balanced approach, but will prioritise data security in safety critical areas. We will also be compliant with the General Data Protection Regulation and other legislation.</p>	<p>During RIIO-GD2 we shared data through manual processes, limiting data put out openly - but broad-based feedback said this is not good enough. Given stakeholder feedback and Ofgem’s stringent requirements, our best option is to propose a high ambition to evolve the way the business utilises data. To resolve conflicting views and strike a balance between transparency, cybersecurity, cost management, and stakeholder concerns, we will develop risk assessments, a triage process and good governance. This will help build infrastructure and capability to share data, considering safety concerns. During RIIO-GD3 we commit to safeguard our data against cyber threats and only make it accessible, when safe to do so.</p> <p>Our proposed data sharing activities for RIIO-GD3 include not only consumer data but also other data such as asset locations, future reinforcement plans, and data for energy planning etc. We have balanced our ambition for data and digitalisation with the need to maintain a high level of security. We will comply with law and risk assess all data sharing requests, making sure we can meet the expectations of the regulator, local authorities and other relevant stakeholders.</p>
Secure and resilient supplies	SAFETY & RELIABILITY	Qualitative and quantitative market research including focus groups, surveys, regional workshops, interviews, collaborative projects, feedback sessions and steering groups.	<p>Key: Health& safety Executive (HSE), Ofgem, LAs, emergency services, other utilities major energy users.</p> <p>Specific: Charities and vulnerability groups, resilience forums, academia, housing associations, landowners, community energy organisations and transport providers.</p>	<p>Key messages: Safety is consistently a top consumer priority, with a strong emphasis on attending gas emergencies within an hour. Stakeholders at our regional workshop indicated their acceptability of our rapid response to gas leak commitment at 3.88 out of 5 (sample 73). Consumers also highly value this commitment, with 96% of domestic customers and 97% of SMEs (from a total sample of 1,401) finding it acceptable. All stakeholders recognise the importance of effective management of gas escape risks and business consumers, despite geographic challenges, appreciate our work, stressing the need for clear communication during emergencies. Vulnerable consumers value the quick response but have concerns about fully resolving issues, like when appliances need repairs. Some stakeholders want increased public awareness about the National Gas Emergency Service number and recommend providing estimated response times based on regions. They call for a comprehensive approach to fully resolve issues and suggest targeted public awareness campaigns, improved communication strategies, and collaboration with local organisations. Opinions on mains replacement and gas network resiliency are varied. There is broad support for replacing gas mains to future-proof, improve reliability and reduce emissions. Cost is a concern along with funding sources and the need for better communication and</p>	<p>Stakeholders generally support our commitment to safety, reliability, and emissions reduction through the mains replacement programme. The programme, mandated by Ofgem and the HSE, aims to be completed in 2032 and we commit to supporting the UK’s environmental targets by replacing on average 450km of metal gas pipes each year of RIIO-GD3, maintaining a safe and reliable gas network and actively reducing methane emissions. Stakeholders appreciate a speedy response to gas emergencies, and we are maintaining our commitment to keeping people and their properties safe responding to all reported gas leaks rapidly. This means attending uncontrolled gas emergencies within an hour, and within two hours when controlled, 97% of the time. While stakeholders note concerns about costs and</p>

			<p>transparency. Stakeholders emphasise flexibility in adopting alternative energy solutions and addressing the impact on vulnerable consumers, valuing the commitment to improve the gas network but want greater transparency and more detail on funding and impact on consumers.</p> <p>Different views: While most stakeholders support the average time target, some expressed concerns, highlighting there may be outliers in rural areas and suggest using estimated times based on region.</p> <p>Weighting commentary: We have a positive track record of not only meeting but exceeding our target for attending gas emergencies rapidly. Additionally, we have regularly tested the safety commitment during RIIO-GD2 with robust sample groups of domestic and business consumers which largely shows the existing commitment to be a top priority and acceptable.</p>	<p>regional response time variations, they value the overall approach to maintaining a safe and resilient gas network. Our commitment to support consumers using the VCMA (outlined above) will make sure we can fully resolve issues for consumers who need extra support.</p>
System Efficiency and Long -Term Value for Money	COST & EFFICIENCY	Meetings, consultant research and analysis, qualitative and quantitative market research including surveys and consultations	<p>Key: Ofgem Specific Economic consultants including Oxera and Economic Insight</p> <p>Key messages: Independent specialist research, commissioned by GDNs and conducted by advisors Economic Insight, suggested that the appropriate ongoing efficiency target range for RIIO-GD3 is between 0.2% and 0.8%, with the mid-point (0.5%) recommended. Recognising the regional differences associated with our operations and as an alternative cross-check view, we commissioned separate work with expert economic advisors Oxera. Results suggested an ongoing efficiency range of 0.2% to 0.5%. Acceptability research with 1,401 consumers showed high acceptability for our proposed commitments as being the right ones, with consumers understanding what we plan to do and the associated benefits. 93% of domestic consumers and 96% of business consumers found our proposed efficiency commitment for RIIO-GD3 to be acceptable. Deliberative qualitative research with 200 consumers showed high overall acceptance (89%-98%) of our commitments. When engaged on the details of our portion of the proposed domestic consumer bill, 73% of respondents found the cost to be acceptable, and 76% considered the average bill level to be fair to excellent value for money.</p> <p>Different views: Some stakeholders are concerned about higher bill impact on vulnerable consumers.</p> <p>Weighting commentary: Our in-depth deliberative qualitative research across a wide demographic considered our proposed commitments and the bill impact of proposals associated with accelerated depreciation, and this demonstrated high acceptability of our proposed RIIO-GD3 cost position. Strong weighting was given to this independently conducted research as it was in-depth and allowed time for participants to consider information.</p>	<p>To deliver the commitments that are considered important by our stakeholders and to meet regulatory requirements, we are committed to an average annual cost of £244 on the domestic consumer bill over the RIIO-GD3 period. Consumers are generally accepting of this position, but we recognise that any increase will be difficult for vulnerable consumers. We propose continuing with extensive support for those consumers in vulnerable situations, including projects that support income maximisation, through our VCMA.</p> <p>We also commit to reducing how much it costs to run the business by 0.5% a year by improving the way we do things. In arriving at this figure, there were no conflicts. The work by both Economic Insight and Oxera (as a cross-check using more targeted WWU data) is complementary in arriving at a stretching 0.5% p.a. ongoing efficiency target.</p>