

Long Term Development Statement Summary 2026



Foreword	3
Executive Summary	4
Appendix 1 : Links to Supporting Data	9
Gas Transporter Licence	9
Long Term Strategy	9
Demand & Supply Data	10
Connections at WWU	11

Foreword

Welcome to Wales & West Utilities' 2026 Long Term Development Statement Summary. This document provides a high level overview of current and forecasted gas demand on our network, future network developments, and the role our infrastructure can play in supporting a secure, affordable and lower-carbon energy system.

As we continue to deliver safe and reliable gas supplies to 3 million customers (including IGT connections) and the 7.5 million people we serve, the energy landscape is evolving rapidly. While gas demand has remained below historic levels in recent years, gas networks continue to play a vital role in heating homes, supporting industry, enabling flexible power generation and maintaining energy security.

Alongside our core responsibilities, we are preparing for the future. We are supporting the growth of biomethane connections, exploring opportunities for hydrogen infrastructure, and contributing to the development of national and regional strategic energy planning through NESO and other stakeholders. Through innovation, collaboration and investment, we are ensuring our network remains resilient and adaptable as the UK progresses towards Net Zero.

Over the last year we have continued to strengthen our environmental performance, develop whole-system planning capabilities and work with partners across Wales and the South West of England to support industrial decarbonisation and the transition to cleaner energy solutions.

This summary gives a high level view of our latest forecasts, network developments and investment plans, providing stakeholders with the information needed to understand how our network is evolving and how it can support future energy requirements.

Our focus remains clear: delivering excellent service to customers today while preparing for the energy system of tomorrow.



Executive Summary

Context

We are required to publish this annual statement summary in accordance with **Standard Special Condition D3 of our Gas Transporters Licence** and Section 4.1 of the Uniform Network Code (UNC) Transportation Principal Document¹.

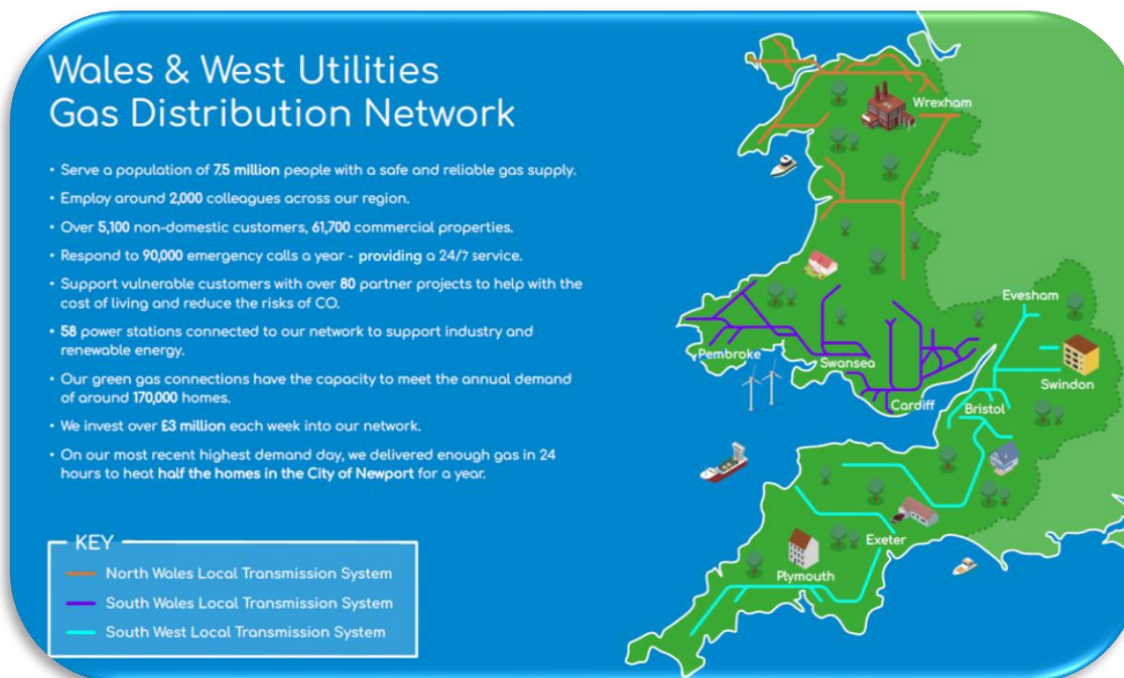
Reflecting our responsive forecasting approach using the latest information available; this year our forecasts are presented in scenarios relating to the impact of the cost of energy on temperature-sensitive load bands and industrial growth.

Our Long-Term Strategy

The gas distribution sector is undergoing significant change as energy systems become more integrated and customer behaviours evolve. We are adapting our network to support increasing volumes of renewable gases, changing demand patterns and the transition to Net Zero.

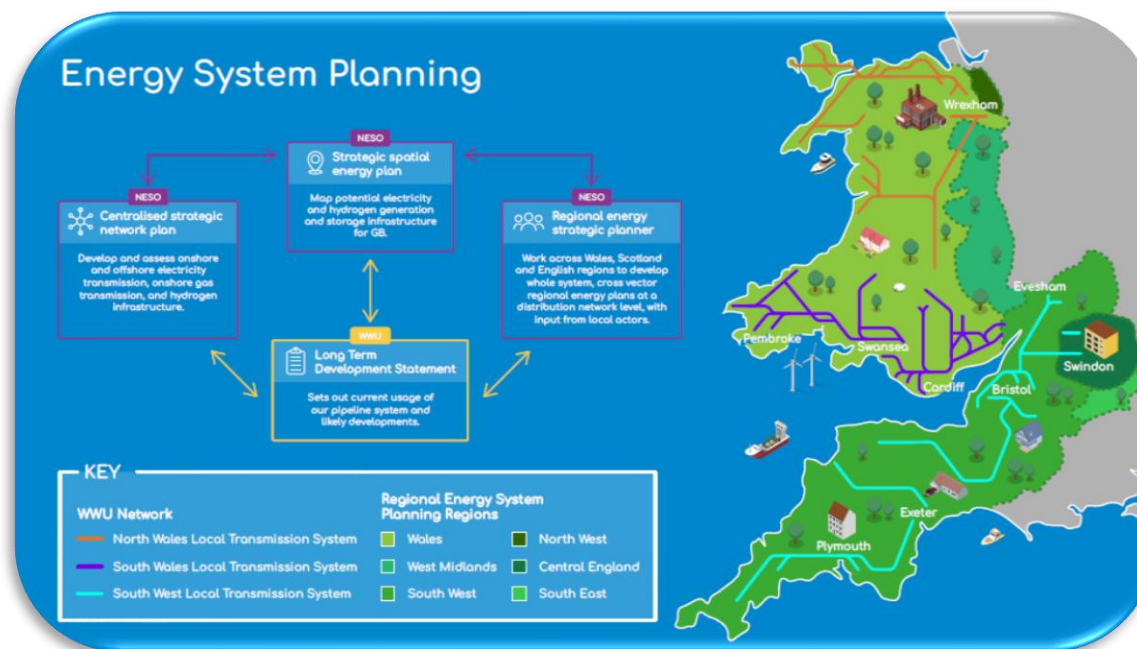
Key points include:

- Continuing to maintain a safe, reliable and efficient network for **3 million customers** and the **7.5 million people we serve**, while preparing for future energy needs.
- Supporting the growth of biomethane, with dedicated funding available during RII0-GD3 for network reinforcement projects such as compression and smart pressure control.



¹ <https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions>

- Working with industry partners on preparations for hydrogen blending, including the development of market frameworks, operational processes and supporting infrastructure.
- Conducting extensive research and innovation programmes focused on renewable gases and whole-system energy solutions.
- Playing an active role in regional energy planning through collaboration with NESO, local authorities, devolved governments and regional stakeholders.
- Using the Pathfinder energy modelling tool to assess future energy scenarios and support Regional Energy Strategic Plans (RESPs).
- Continuing to reduce environmental impacts through emissions reduction, resource management and sustainable land stewardship.
- Delivering a Business Evolution programme to prepare the organisation for the energy transition, including workforce development, asset readiness, regulatory changes, network planning and future operational capabilities.

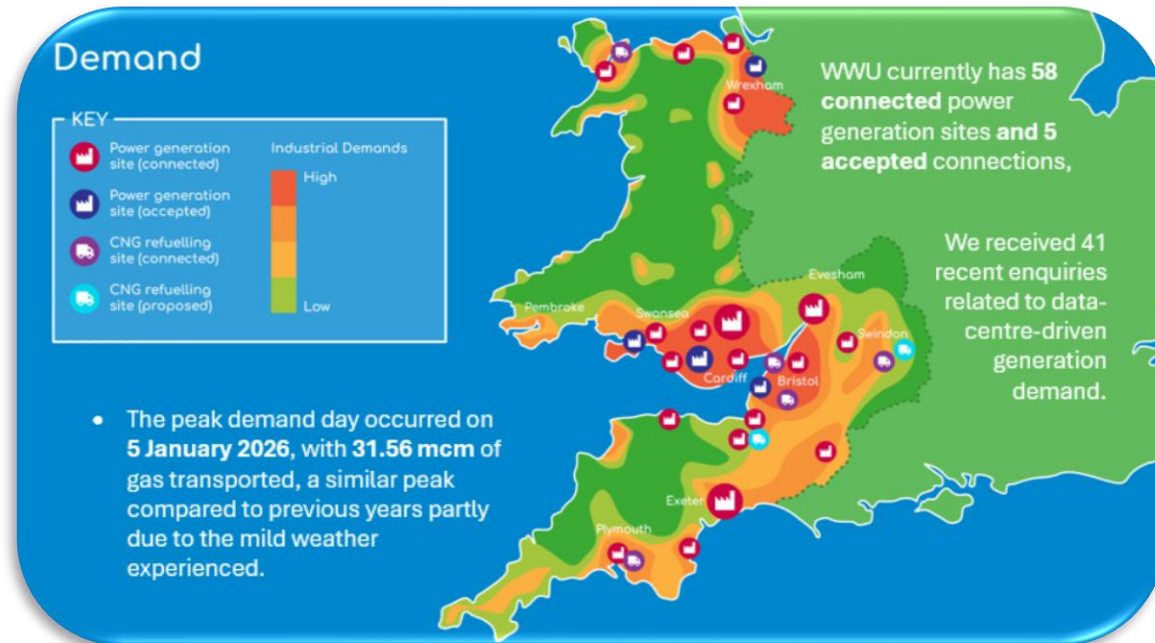


Overall, we are positioning our network, assets and workforce to support the UK's transition to a Net Zero energy system while maintaining security of supply and enabling the growth of low-carbon gases such as biomethane and hydrogen.

Demand Summary

Peak Demand

- Our peak forecast scenario is called **Domestic-Driven Stability**, which adopts the NESO view on domestic load and the WWU view on industrial and commercial growth forecasts.
- Even after adjusting for weather, demand remains below historic levels, due to changing consumer behaviour and the impact of high energy prices.
- Peak demand is forecast to **increase slightly until 2029/30** due to small increases in domestic and industrial demand and then is projected to **reduce by 8%** over the longer term due to electrification of heat.
- Demand patterns are becoming more complex, with increasing contributions from flexible gas-fired generation, CNG fuelling and potential data centre developments.
- Gas remains a critical part of the energy system, providing flexible and reliable generation to support renewable energy.
- Forecasting continues to combine customer engagement, market intelligence, weather analysis and network modelling to ensure capacity is available to meet future demand.



Annual Demand

- Annual demand is forecasted to remain **broadly stable until 2029/30**, before gradually declining out to 2035/36 and beyond due to electrification of heat.

Supply Outlook

Each year, after reviewing peak demand, we ensure that we have sufficient capacity booked with National Gas Transmission (NGT) at our seventeen offtake sites. This strategy is so that we meet peak demand in our network for the coming year and over the booking period.

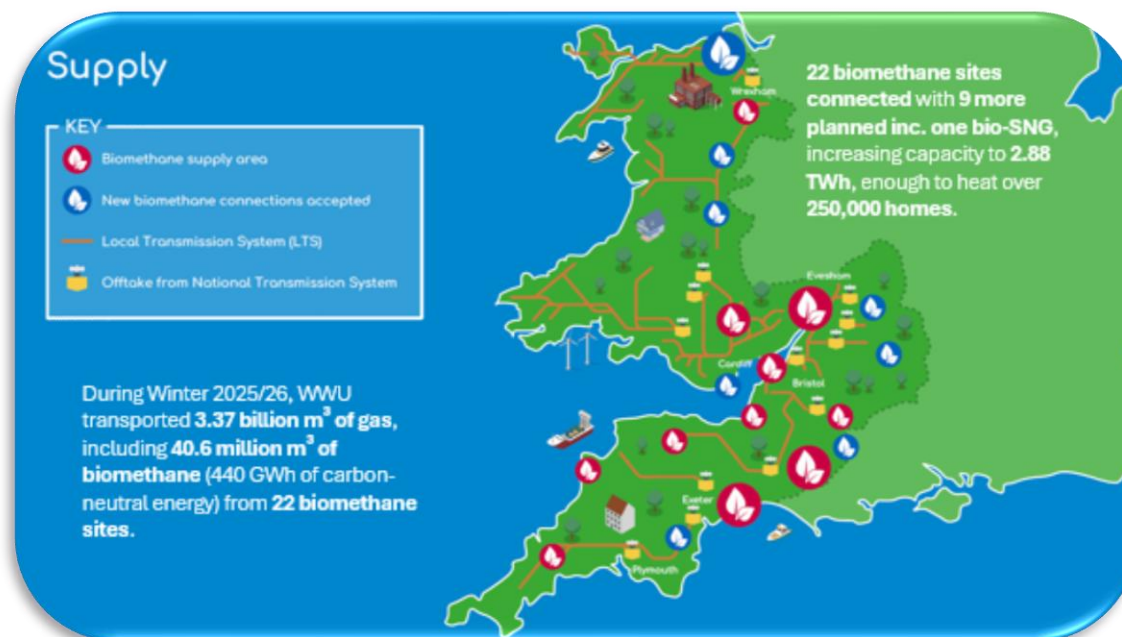
Our primary gas supply is supplemented by biomethane injection sites, but we do not rely on biomethane as firm peak-day supply and continue to book sufficient NTS capacity to meet demand.

The supply side is becoming more complex with localised intermittent biomethane feeds, but we continue to manage supply to customers using our large **58 GWh total daily storage capability**.

Key developments include:

- Continued support for biomethane, synthetic gas and hydrogen as part of the transition to Net Zero.
- 22 connected biomethane sites, primarily in the South West region of the network.
- Nine accepted biomethane sites and one **accepted bio synthetic natural gas (SNG)** supply, increasing potential renewable gas capability to **2.88 TWh (over 250,000 homes)**.
- Investment in **reverse compression** and **smart pressure control** technologies through UIOLI reinforcement funding in RIIO-GD3 to unlock additional network capacity for green gas connections.
- Ongoing innovation and collaboration with industry partners to improve connection processes, maximise renewable gas integration, and prepare networks for future cleaner gas supply mix.

We continue to increase renewable gas volumes while maintaining a secure and reliable gas supply, supporting decarbonisation across its network area.



Investment Implications

We continue to invest in and maintain the transmission and distribution networks across the South West of England and Wales, to ensure a safe, reliable and efficient gas supply while preparing for future customer and decarbonisation needs.

Key activities include:

- Using advanced asset management and risk modelling tools to target investment where it delivers the greatest reduction in safety, reliability and environmental risk.
- Completing a major pipeline replacement project between Derwenlas and Tywyn, improving long-term security of supply, with a further **three South Wales pipeline replacement projects** approved for delivery between 2026 and 2031.
- Continuing investment in the distribution network through the Iron Mains Risk Reduction Programme, replacing over **2,000 km of metallic mains and services** between 2026 and 2031 at an annual cost of around **£160 million**.
- Supporting decarbonisation through network upgrades that facilitate increased biomethane injection and future hydrogen opportunities.
- Developing new processes and connection methodologies to enable further network reinforcement for biomethane projects under UIOLI funding approved to spend during the RIIO-GD3 period.

We balance asset replacement, network resilience and decarbonisation investment to maintain a safe and reliable gas network while enabling the growth of renewable gases.



Appendix 1 Links to Supporting Data

Gas Transporter Licence

Link	Description
https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-licensing/licences-and-licence-conditions	We are required to publish this annual statement in accordance with Standard Special Condition D3 of our Gas Transporters Licence

Long Term Strategy

Link	Description
https://www.wwutilities.co.uk/media/kecbdegi/wwu-annual-nia-summary-25-26.pdf	Wales and West Utilities 2025/26 Delivering Innovation Report
wwu-annual-environmental-report-2025-26.pdf	Wales and West Utilities 2025/26 Annual Environmental Report
https://www.wwutilities.co.uk/media/5323/wwu-hyline-public-report.pdf	HyLine Cymru Project Final Report
wwu_hylinegogleddpublicreport_english.pdf	HyLine Gogledd Project Final Report
North East Wales Industrial Decarbonisation cluster (NEWID) – Net Zero Industry Wales	North East Wales Industrial Decarbonisation Cluster Final Report
UKRI300 WEIC_01 LIDP-Plan DIGITAL.pdf	West of England Industrial Cluster Final Report
Wales & West Utilities identifies major hydrogen opportunities for south west England Wales & West Utilities	South West of England Decarbonisation Plan Final Report

Demand & Supply Data

For data workbook please visit: www-2026-long-term-development-statement-workbook.xlsx

Data Workbook Sheet Name	Description
01. CWV's & Coldest Weather Day	12 months of recorded actual Composite Weather Variables. Tables showing the demand from the statistical "Coldest Day" and the "Highest Demand Day". Taken from National Gas - "Data Item Explorer". https://data.nationalgas.com/find-gas-data
02. Forecast Peak Demand	2026 10-year forecast of Peak Day Demand in GWh
03. Historic Max Day Demand	Highest historical actual demand days in GWh
04. Forecast Annual Demand	2026 10-year forecast of Annual Demand in GWh (Calendar Year)
05. Historical Annual Demand	Actual Historic Annual Demand in GWh (Calendar Year)
06. LT Summary Report	Long Term Summary Report showing available and secured capacities at WWU Offtakes. Taken from National Gas - "Data Item Explorer". https://data.nationalgas.com/reports/capacity
07. Offtake Capacities	Table of Offtake capacities compared to Forecast and Booked capacity for 2025/26
Link	Description
http://www.gasgovernance.co.uk/OAD	Transportation Principal Document section covering Demand Estimation and Demand Forecasting
Exit Capacity Planning Guidance	Ofgem's Exit Capacity Planning Guidance document
Gas Demand Forecasting Methodology	National Gas Transmission - Gas Demand Forecasting Methodology

The Gas Transportation System

Link	Description
https://www.nationalgas.com/our-businesses/network-route-maps	Mapping showing the layout of the NTS

Connections at WWU

Link	Description
New Gas Connection Services Wales & West Utilities	General Information for exit and entry connections
Connections and Distribution Charges September 2026	Connections and Other Distribution Services Charges
4B principles and methods statement for connection charging 1st April 2026	Connection Charging Methodology
Future of Energy - Biomethane	Overview of biomethane and other network entry connections
Gas Safety Management Regulations	Gas Safety (Management) Regulations

