Commentary: The gas disconnection journey

Context

As we move to decarbonise domestic heat, the number of customers on the gas distribution networks will fall. While there are options around the use of green gases for heat, under any realistic scenario these will have a limited role and parts of the gas network will eventually decommission. As set out in our earlier work looking at the Future of Gas Networks[1], declining gas customer numbers raise some very significant questions including how to cost-effectively keep the gas networks safe while avoiding spiralling unit costs; how the costs should be recovered in a way that is fair across generations and how gas network decommissioning might ultimately be carried out in the most efficient way, suggesting a more planned approach than now.

The gas networks will be required for decades to come. At the same time, the number of individual households expected to move to heat pumps will increase through the 2020s and 2030s. For the time being, this shift will continue to be market-led and somewhat piece-meal. Importantly, when a customer wants to disconnect from the gas network the present process is complex, confusing and potentially costly.

We highlighted this as an issue for early attention in our Future of Gas report. We were therefore pleased that Ofgem initiated work to review the present gas disconnections framework through a Call for Input (CfI) early this year. Our Sustainability First Response to the CfI highlighted the need for Ofgem to put work on disconnections in the wider context of the future of gas networks, to draw on existing evidence (such as that from the NIC now NISTA), to examine the supplier role as a part of this exercise, to prioritise decisions needed for GD3, to resolve confusion around costs, and to pursue a strategic dialogue with the HSE.

Ofgem Summary of Responses to its CfI

Ofgem has now published a Summary of Responses to its CfI[2] which is helpful in painting a picture of the many issues in play in developing a future disconnections framework – albeit it does not address many of the wider contextual points that we raised. Ofgem conclude that the current disconnections framework is not fit for purpose, with which we agree. They distil some common themes and promise a final report early in the new year. Ofgem highlight that respondents have told them that the system is '*overly complex, does not adequately protect*

[1] In particular our initial report "Looking through the FOG" (2023), our commentary on the GDN Business Plans and our response to the Ofgem consultation on Draft Determinations

[2] Ofgem : 'Summary of Responses: Gas Disconnections Framework Review'. 19 September 2025 https://www.ofgem.gov.uk/sites/default/files/2025-09/summary-of-responses.pdf

consumer interests, does not promote economic growth, nor will it deliver on net-zero objectives' (p 14).

At the heart of the disconnections problem is the fact that there are presently two entirely separate routes by which customers might request a gas disconnection. The CfI summary shows how these routes have significant cost-differences, raising questions of fairness. In particular, the Ofgem CfI finds that just over three-quarters of disconnecting gas customers do not contribute directly to the gas network disconnection cost whereas nearly a quarter of customers fully 'self-pay', which we see as inequitable treatment and a source of customer detriment.

The first route (which Ofgem terms a **Voluntary disconnection**) is where a customer first approaches their gas distribution network to request a disconnection. The customer must also arrange for their supplier to remove the meter. This route is presently wholly 'self-funded' by the customer. Ofgem estimate the GB-wide average cost of a voluntary disconnection to be £2,053[3] albeit our estimate at around £1,000 is less [4] . Ofgem does not directly regulate the charges for a disconnection.

The second route - a '**Safety disconnection'** - (which Ofgem terms a **Health and Safety disconnection**) - is where the customer first approaches their supplier who will then remove the meter and cut off the gas at the emergency control valve (located next to the meter). The supplier notifies Xoserve and through them the relevant gas distribution network. Under their safety obligations the network will then carry out any additional work needed to make the disconnection safe on an enduring basis. This takes place a year or more later, once it is clear that the meter removal is permanent. The costs of Safety disconnections are presently an 'allowed expenditure' within the gas distribution price control and in the end recovered via network charges. The costs are therefore currently socialised across all customers and the disconnecting customer makes no personal contribution to the cost of their network disconnection (but may have to pay the supplier for the meter removal as discussed below). Ofgem note the average cost of a Safety disconnection as £712.[5]

Unsurprisingly most customers (over three-quarters) go down the supplier 'Safety' disconnection route. Most will naturally contact their supplier in the first instance - very few customers know who their gas distribution network is. But most important, any customer armed with information about the alternative routes (Voluntary, Safety) will almost certainly opt for the Safety route which involves no charge (other than potentially for meter removal). Ofgem record a total of 21,512 gas disconnections in 2024-25. Of these, 4,900 were Voluntary and 16,600 Safety.[6] From the responses that have been published it would appear that this ratio varies significantly between GDNs.

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[3] Ofgem : 'Summary of Responses: Gas Disconnections Framework Review'. 19 September 2025 https://www.ofgem.gov.uk/sites/default/files/2025-09/summary-of-responses.pdf p 5 para 1.7

[4] We estimated £1000 for a domestic disconnection based on GDN websites and the NIC report

[5] Ofgem : 'Summary of Responses: Gas Disconnections Framework Review'. 19 September 2025 https://www.ofgem.gov.uk/sites/default/files/2025-09/summary-of-responses.pdf p 5 para 1.7

[6] Ofgem : 'Summary of Responses: Gas Disconnections Framework Review'. 19 September 2025 https://www.ofgem.gov.uk/sites/default/files/2025-09/summary-of-responses.pdf para 1.9

One further option not discussed in the Ofgem summary paper is where a customer retains their gas connection even when they get a heat pump – which is seemingly not uncommon. In some cases this may be because a customer decides to keep gas for cooking – or it may simply be "in case you change your mind" (which Ovo actually advocate[7]). If the alternative is to pay £1000 (or more) then continuing to pay the gas standing charge for a few years more may look an attractive option.

The sense from Ofgem's CfI summary is that Ofgem would like to have a single, more streamlined disconnections process. We would support this. However, this then raises the major question of who should pay. From a pure cost-reflectivity standpoint, asking the disconnecting customer to pay may make sense. But in practice this becomes yet one further hurdle and a possible deterrent for customers considering a heat pump. On the other hand, socialising the costs indefinitely against a declining customer base will leave ever-fewer gas customers picking up the tab as the move to heat pumps accelerates. There are other options on 'who pays' including that electricity customers cover the costs (which some GDNs advocate in terms of looking 'energy system wide' - but which runs counter to any wider ambition for tariff rebalancing or more generally for tackling high electricity prices); tax payers covering the costs (very unlikely given current budget constraints); or a half-way house of the disconnecting customer paying part (which in the long-run may make sense and warrants further thought – but in the short-term probably leaves no one happy).

There are also challenges that arise from a lack of clarity around what exactly is involved in making the network safe, with the HSE currently in discussion with the GDNs around, for example, whether all service pipes (including plastic ones) need to be cut off close to the main, significantly increasing costs and disruption. Not least, Ofgem has yet to work through the additional cost information received from gas transporters following its formal Request for Information in August 2025.[8] Legislation may well also be needed to resolve some of these responsibilities and issues (i.e to amend Regulations, Codes, Licences), including clarifying the respective roles of suppliers and gas networks.

Given these multiple challenges and lack of clear stakeholder consensus on any single way forward, it feels unlikely that Ofgem can work through and resolve these long-term issues as well as agree acceptable solutions, in the timescales it seems to be envisaging.

In its paper planned for early 2026 we therefore believe that Ofgem should set out a very clear set of priorities and potential quick wins, including realistic expectations on likely sequencing and time-lines in working towards a new Gas Disconnections Framework. In this, we would urge Ofgem to take a carefully phased approach. Below we set out what we see as the priority issues and next steps :

1) Actions to support GD3 Final Determinations (due in December 2025)

Given agreed uncertainty around the volume of disconnections over the next five years, Ofgem has made clear it will include a "volume driver" in the GD3 price control. However, to set a

[7] https://forum.ovoenergy.com/bookings-appointments-186/thinking-about-removing-your-gas-supply-here-s-some-advice-tutorial-9166

[8] Ofgem. Request for Information on costs and processes regarding gas disconnections in GB. 6 August 2025 - https://www.ofgem.gov.uk/sites/default/files/2025-08/Request%20for%20Information%20Gas%20Disconnections%20Framework%20Review.pdf

volume driver Ofgem must include a unit cost per disconnection and, ideally, a mechanism for also driving greater efficiency (given these costs have never been subject to regulatory scrutiny before). Ofgem should use the evidence from its Call for Input (and its subsequent formal Request for Information) to design an effective volume driver that ensures via the price control that customers overall are paying a fair price and to drive efficiency.

This must also involve discussion with the HSE to understand their evolving interpretation of the current rules with implications for unit costs going forward.

2) Providing clear, consistent advice to customers now – highlighting the Safety route

One clear area of consensus across all stakeholders responding to the CfI is that current arrangements are not clear and are unduly confusing for customers. It is wholly unfair that customers can pay such hugely different sums dependent on which disconnection route they happen to pursue and / or dependent upon what advice they have been given.

The way to address this immediate fairness issue is to **ensure that every domestic customer requesting a gas disconnection is made fully aware of the Health and Safety route - and receives clear information that this route presently involves no charge to them by the network.** Clear common messaging on this from suppliers, networks and consumer bodies (and also fed through heat pump installers) will help to address this most basic of fairness issues and should be deliverable within a six month period or less.

For customers who are doing building work the Voluntary route (where they can specify the timescales) will still be there **– but for the time being the Health and Safety route should become the default until an enduring gas disconnections framework is agreed**.

The overall cost of this approach would be comparatively small in the near term – based on the current volume of <5000 Voluntary disconnections in 2024 (with most of the growth in volumes to 2035 anticipated to be Safety disconnections). However, in the long run, the 'who pays' question is fundamental, cannot be avoided and will not be simple to resolve. This must therefore be picked up as a longer-term issue as set out below.

One other downside of the H&S route is the 12-18 month lag before the GDN carries out the required final work to fully disconnect the service. This is confusing from a customer perspective and presumably less than ideal from a safety perspective - but reflects the vagaries of the current regulations designed for a different era. In the first instance, customers should be informed clearly that the gas networks may need to do more work but that this will be at least one-year hence. In addition, industry should be encouraged to look for any quick fixes to help smooth the process. Suppliers and networks, together with Xoserve, might usefully look at improving the data flows so networks are clear when a disconnection is permanent. Ofgem might be able to help by allowing "anticipatory" H&S disconnections work to count as part of the volume driver (so there's no financial driver for networks to wait). Giving the GDNs more flexibility in when they carry out this work might also allow them to programme the work more efficiently.

3) Filling the knowledge gaps around customer experience

While the Ofgem summary reflects evidence from a range of stakeholders there are still aspects that are not well understood and where Ofgem must do more work, particularly to look at this through a customer lens:

- ***Customers who keep their gas connection when they get a heat pump:*** As noted above, the Ofgem CfI summary does not touch on this but it is potentially material. Ofgem note that in 24/5 overall gas disconnections were 21.5k. By contrast heat pump installations in 2024 were around 100k[9]. Many heat pump installations will be in new build or in off gas grid areas but Ofgem should nonetheless aim for a better understanding of this gap and how far retaining a gas connection is an option which a material number of customers knowingly choose;
- ***Cooking:*** Directly related to this, both Ofgem and DESNZ would benefit from improving their understanding of customers who move to a heat pump but retain gas cooking. Not least, a switch to an electric oven and / or hob may require the additional cost of upgrading household electric circuits and switches. What is more, many people have strong preferences on gas or electric cooking. Both factors may explain why some people keep a gas connection when they have a heat pump installed and the scale of this needs to be understood. While cooking is a small part of overall gas demand it may be significant in customer decisions on whether to disconnect from the gas grid**.**
- ***Customer journey:*** While Ofgem has had evidence from suppliers and consumer groups (and networks also conduct customer satisfaction surveys), there would seem to be a strong case for Ofgem to carry out some direct consumer research itself to hear more directly from customers about their end-to-end experience in disconnecting from gas – and so inform work on improving the customer journey.
- ***Supplier charges:*** A further issue we highlighted – and not addressed by Ofgem - is the significant difference in supplier charges for a meter removal : from Octopus who currently do not charge through to So Energy who charge £160 for a domestic customer. For many suppliers it is hard to find out what the charges are. Meter Asset Providers are entitled to levy an early removal charge on suppliers which will be higher for smart meters and will drive supplier charges. From a customer perspective this is all part of the cost of a gas disconnection and Ofgem must therefore also understand this part of the cost-picture.
- ***Standing charges:*** One respondent highlighted the 2015 Ofgem guidance[10] about waiving standing charges for vulnerable households with no gas usage. Ofgem has not addressed this but should clarify if this is still their expectation. We would also flag Ofgem's wider review of Cost Recovery and Allocation[11] which is looking, among other things, at the level of standing charges. Given that avoiding an ongoing gas standing charge is presumably a primary reason for customers to disconnect from the gas network, Ofgem should be making a link between these two strands of work – and exploring how the level of the gas standing charge might influence the customer disconnection decision.

[9] Source Heat Pump Association reported by BBC - here – of these 42k were supported by government grants not available for new build

[10] https://www.ofgem.gov.uk/sites/default/files/docs/2015/05/open_letter_-_treatment_of_zero_use_gas_domestic_households_0.pdf

[11] Ofgem. Energy system cost allocation and recovery review. 30 July 2025 - https://www.ofgem.gov.uk/call-for-input/energy-system-cost-allocation-and-recovery-review

As well as the customer perspective we have repeatedly highlighted the need for Ofgem to have a ***strategic dialogue with the HSE***. Ofgem needs to understand the aspects of the disconnections process that are currently under review by the HSE. It would also be helpful to understand whether the HSE has a position on the option of leaving the meter in situ even when gas is not being used.

4) Gas Disconnections Framework – an enduring solution as part of a wider picture

As highlighted, there are a range of complex questions around the future of gas networks. This includes investor concerns about recovery of the RAV and how to fund the ongoing maintenance needed to ensure safety, as customer numbers fall. There are also questions around how to manage a planned and orderly transition, with the development of regional network planning via the RESPs. A number of respondents to Ofgem's CfI highlighted the need for gas disconnections to be looked at as a part of this broader picture, not in isolation. It was therefore surprising that there was no mention in the Ofgem Summary of Responses of the DESNZ Market Update[12] where they set out the programme of work that they will be undertaking on these broader issues (including explicitly disconnection). We trust that Ofgem is closely coordinating with DESNZ to set Ofgem's disconnections work in this wider context.

As made clear by Ofgem in their CfI summary, and as we highlight here, developing a single streamlined solution to a gas disconnection will be a challenge but one which Ofgem are right to look to address. In our work we have highlighted the importance of the two-year window at the start of GD3 and before planning for GD4 starts in earnest. **Ofgem should see this window as a more realistic timeframe over which, working with DESNZ, it can develop an enduring framework for gas disconnections with the expectation that this would then be in place through GD4 onwards.**

As a part of this we are keen for gas distribution networks to explore technically innovative solutions that could bring down costs. Our understanding is that any new solutions would need to be agreed by the HSE. Ofgem should therefore be helping to expedite this process as part of a more programmatic approach to SIF[13] funding.

Ofgem suggest that we are behind other countries in adopting a new framework for gas disconnections. We are keen that both Ofgem and DESNZ explore relevant international experience, including at an EU level, across all aspects of the Future of Gas Networks. However, our sense is that all countries are finding these issues difficult, especially where gas supply is competitive and unbundled from the network. Ofgem cite Australia as an example but it is not altogether clear that this provides a ready example for the way forward on disconnections in GB. For example, Australia is currently consulting on a modification proposed by a consumer group looking to put the disconnection costs onto the disconnecting customer (but without reference to the impact this might have on incentives for electrification). There are also some key differences around responsibilities for health and safety (which seems to be in the remit of the Australian economic regulator). Nevertheless, it will be worth looking at how their thinking evolves.

[12] https://www.gov.uk/government/publications/midstream-gas-system-update-to-the-market/midstream-gas-system-update-to-the-market#next-steps

[13] Strategic Innovation Fund

Sustainability First has long advocated a structured dialogue around many of these complex issues on the Future of Gas. Our roundtable in May 2025 – which was a welcome 'first' in getting relevant stakeholders around the table – proved a valuable forum for open debate, starting to build a shared understanding, including on prioritisation of the issues.

Ofgem is considering a series of workshops on gas disconnections – primarily with suppliers and networks – to take their forward this disconnections work. This is welcome but, as noted, we regard it as essential that Ofgem first prioritise and clearly set out how it will proceed in terms of immediate, near-term and longer term issues.

Scoping and agreeing a new Gas Disconnections Framework will take time, especially with regard to eventual decisions as to who should pay and how these decisions will play into wider questions on future cost allocations and fairness. Not least, any new disconnections framework must be capable of evolving and not static, able to respond to both customer and industry needs as disconnection volumes increase over time.

Sustainability First seeks to remain engaged in discussion of how arrangements for gas network disconnections, including any future enduring framework, might best be progressed.

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