



Making a positive difference  
for energy consumers

National Gas Transmission plc;  
the UNC modifications panel;  
the Joint Office of Gas Transporters;  
interested parties.

Date: 4 December 2023

Dear Stakeholder,

**Decision that National Gas Transmission plc ("NGT") conducts the periodic consultation required under Article 26 of the Tariff Network Code ("TAR NC").**

This letter sets out our<sup>1</sup> decision to direct NGT to undertake the periodic consultation required by Article 26 and the cost allocation assessment calculations required by Article 5 of TAR NC ("Decision"). The reasons for our Decision are set out below.

**Background**

Article 26 of the Tariff Network Code ("TAR NC")<sup>2</sup> provides details on the content and process of the periodic consultation(s) which should take place "at least every five years".<sup>3</sup> It states that "one or more consultations shall be carried out by the national regulatory authority or the transmission system operator(s), as decided by the national regulatory authority".<sup>4</sup>

Article 5 of TAR NC requires the National Regulatory Authority ("NRA") or the Transmission System Operator ("TSO"), as decided by the NRA, to undertake cost allocation assessments, the results of which must be published as part of the periodic consultation required under Article 26(1)(a)(iv).

Article 27(5) of TAR NC provides details on the subsequent periodic consultations to be carried out under Article 26 and states that these 'shall be repeated at least every five years starting from 31 May 2019'.<sup>5</sup>

**Ofgem decision**

We have decided that NGT, in their capacity as TSO, should carry out the cost allocation assessments under Article 5 of TAR NC and the periodic consultation under Article 26 of TAR NC. The scope of the periodic consultation and the additional actions NGT are required to undertake are set out in Article 26 of TAR NC.

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<sup>1</sup> Ofgem is the Office of the Gas and Electricity Markets Authority. The terms 'Ofgem', 'the Authority', 'we', 'our' are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> Now incorporated into UK law by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020, as amended by Schedule 5 of the Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations SI 2019/531.

<sup>3</sup> TAR NC, Article 27(5).

<sup>4</sup> TAR NC, Article 26.

<sup>5</sup> TAR NC, Article 27(5).

The consultation shall be open for **two months**. NGT shall publish the responses and their summary from the consultation, providing enough time for Ofgem to make a motivated decision by 31 May 2024.

**Next steps**

If you have any queries regarding this letter, please contact Alistair Craig at [alistair.craig@ofgem.gov.uk](mailto:alistair.craig@ofgem.gov.uk).

**Joseph Glews**

**Senior Policy Manager – Gas Systems and Operations**

Signed on behalf of the Authority and authorised for that purpose