

Non-UK regulatory authorities of all directly connected countries or territories; the Utility Regulator of Northern Ireland (Uregni); relevant stakeholders.

Email: gas.systems@ofgem.gov.uk

Date: 03 February 2025

Dear Stakeholders,

## Article 28 TAR NC consultation with the non-UK regulatory authorities of all directly connected countries or territories, the Utility Regulator of Northern Ireland and the relevant stakeholders

Article 28 of the Tariff Network Code ("TAR NC")<sup>1</sup> requires that Ofgem<sup>2</sup> must consult, within every tariff period, with the non-UK regulatory authorities of all directly connected countries or territories, the Utility Regulator of Northern Ireland ("Uregni"), and relevant stakeholders on the following items3:

- a. the level of multipliers;
- b. if applicable, the level of seasonal factors and how these are calculated;
- c. the levels of any discounts:
  - at entry points from LNG facilities; i)
  - at entry points from and exit points to infrastructure developed with the ii) purpose of ending the isolation of Great Britain or Northern Ireland, or other countries or territories, in respect of their gas transmission
  - iii) and the level of any discounts for standard capacity products for interruptible capacity.

<sup>&</sup>lt;sup>1</sup> Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas, now assimilated in 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 2019 (S.I. 2019/531) which was then itself amended by the Gas Tariffs Code (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/1393).

<sup>&</sup>lt;sup>2</sup> Ofgem is the Office of the Gas and Electricity Markets Authority. The terms 'Ofgem', 'the Authority', 'we', 'our' and 'us' are used interchangeably in this document.

<sup>&</sup>lt;sup>3</sup> These items are defined in the Tariff Network Code (TAR NC).

Based on the Uniform Network Code ("UNC"), the current values of these items applicable in Gas year 2024/25 are provided in Table 1:

Table 1 Gas Year 2024/25 - levels of multipliers, seasonal factors and discounts

Level of multipliers	1.0
Level of seasonal factors and how these are calculated	n/a
Level of discount at entry points from LNG facilities	0%
Level of discount at entry points from and exit points to infrastructure developed with the purpose of ending isolation of gas transmission systems	n/a
Level of discount for standard capacity products for interruptible capacity	10%

In the Great Britain ("GB") context, gas transmission charging arrangements are set out in Section Y (Charging Methodology) of the UNC Transportation Principal Document ("TPD")<sup>4</sup>. The open governance framework in GB<sup>5</sup> allows UNC signatories who wish to amend any of the above items to raise such UNC code modification proposals via the established industry-led process. In accordance with the UNC, the National Transmission System Charging Methodology Forum ("NTSCMF") has been established to be a UNC Workgroup that discusses and develops modifications to the gas transmission charging methodology in the UNC TPD, as well as to discuss NTS charging methodology related issues and topics<sup>6</sup>.

We invite responses from all stakeholders, including those who are not signatories to the UNC, on the items stated in Article 28(1) TAR NC and set out above. The consultation will be open for **four weeks**. Responses to this consultation must be sent to Gas.Systems@ofgem.gov.uk by **3 March 2025**. Following the end of the consultation, we shall take a motivated decision in accordance with the requirements of Article 28 of the TAR NC on those items which are relevant to the statutory consultation and publish our decision on our website.

Please note that we will publish on our website all non-confidential responses submitted to us. If you want to respond confidentially, please clearly mark your response as such and include your reasons. Mark clearly the parts that are confidential, and the parts that are not, including confidential material in appendices if possible.

Yours sincerely,

## **William Duff**

## **Head of Gas Systems and Operation**

Signed on behalf of the Authority and authorised for that purpose

<sup>&</sup>lt;sup>4</sup> See <a href="https://www.gasgovernance.co.uk/TPD">https://www.gasgovernance.co.uk/TPD</a>

<sup>&</sup>lt;sup>5</sup> See Industry code governance: <a href="https://www.ofgem.gov.uk/licences-industry-codes-and-standards/industry-code-governance">https://www.ofgem.gov.uk/licences-industry-codes-and-standards/industry-code-governance</a>

<sup>&</sup>lt;sup>6</sup> See <a href="https://www.gasgovernance.co.uk/ntscmf">https://www.gasgovernance.co.uk/ntscmf</a>.