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William Duff  
Head of Gas Systems and Operations  
OFGEM  
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London, E14 4PU

**Per e-mail**

03 March 2025

Dear William,

**Re: 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**

Thank you for the opportunity to respond to Ofgem's Article 28 Tariff Network Code consultation on the levels of multipliers, seasonal factors and discounts in the GB charging regime<sup>1</sup>.

LNG entry point discounts

Interconnector (INT) supports a zero percent discount for LNG entry into GB. INT has highlighted, in previous consultation responses, the need for a holistic approach to review the GB charging regime and have cautioned against introducing LNG discounts.

A discount for one type of entry point distorts competitions with other entry routes. With GB's import dependency increasing in the next decade, it is important that all import routes have a level playing field. Arrangements therefore should be non-discriminatory and supportive of effective competition. This will benefit GB Security of Supply and consumer welfare.

Discounts mean "missing revenue" must be recovered elsewhere. With large discounts already applied to entry from Storage, and significant entry legacy contracts remaining, there remains only a handful of entry points and "new bookings" to apply higher charges to recover missing revenue. Applying additional charges to Bacton NTS entry, for example, which already faces

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<sup>1</sup> <https://www.ofgem.gov.uk/sites/default/files/2025-01/Article%2028%20TAR%20NC%20consultation.pdf>

high entry tariffs and has few legacy bookings, will cause a distortion to competition and a likely barrier to cross border flows via this route (therefore harming GB security of supply).

INT is therefore supportive of UNC903 proposal "The Introduction of a Single NTS Capacity Reference Price"<sup>2</sup>. It can address the challenges seen in the GB charging regime (high entry tariffs/dual regime), through its effective adjustment to the NTS capacity entry/exit revenue allocation. A lower allocation of allowed revenue to entry points can lower NTS entry tariffs, make GB a more competitive destination for gas (improving security of supply), lower wholesale energy costs, and enhance competition by reducing the impact of the dual regime. This benefits all entry providers including LNG points and importantly benefits GB consumers overall.

If you wish to clarify anything in the letter, please do not hesitate to contact me ([Pavanjit.dhesi@interconnector.com](mailto:Pavanjit.dhesi@interconnector.com)). INT is also available to discuss this further with you and the team.

Yours Sincerely

**Pavanjit Dhesi**  
Head of Regulatory Affairs

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<sup>2</sup> <https://www.gasgovernance.co.uk/0903>