Making a positive difference for energy consumers

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: 21 May 2026

Dear Stakeholders,

Authority decision regarding the consultation as required by Article 28 of the Tariff Network Code

This letter sets our[1] decision in accordance with Article 28(1) of the Tariff Network Code ("TAR NC")[2], on those items which are relevant to the statutory consultation.

Background

Article 28 of the TAR NC requires that Ofgem 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 items:

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

[1] 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.
[2] Commission Regulation (EU) 2017/460 of 16 March 2017 established 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).

In the Great Britain ("GB") context, gas transmission charging arrangements are set out in Section Y (Charging Methodology) of the Uniform Network Code ("UNC") Transportation Principal Document ("TPD").[3] The industry code governance framework[4] in GB allows UNC signatories who wish to amend any of the above items listed in Article 28(1) to raise 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. It also discusses National Transmission System (NTS) charging methodology related issues and topics.[5] Attendance to the NTSCMF is open to all interested parties.[6]

Article 28 Consultation

On 26 February 2026, we opened our Article 28 TAR NC consultation and invited responses from interested parties on the items listed in Article 28(1) of TAR NC and set out above. Our consultation remained open for four weeks, closing on 26 March 2026[7]. We received one response, which was non confidential,[8] submitted by an NTS shipper. For ease of reading, we have summarised the response below:

Multipliers, seasonal factors, and interruptible capacity discounts

Summary of consultation responses

The respondent supported maintaining the current levels of multipliers, seasonal factors and interruptible capacity discounts and did not raise concerns with the current arrangements.

Ofgem's view

We acknowledge the respondents view in support of maintaining the current levels of multipliers, seasonal factors, and interruptible capacity discounts. We have received no responses or substantive evidence suggesting that an adjustment to these values should be made at this time. As such, we are satisfied that for Gas Year 2026/27, these items should remain at the current level (where applicable in the GB context) as set out in the UNC.

Ofgem encourages National Gas Transmission (NGT) and industry stakeholders to continually review the appropriateness of the charging methodology in the UNC, including these items, from time to time and initiate discussions at the NTSCMF as and when necessary. Ofgem also reserves the right to further explore these items in future and may consult further on these matters should the need arise.

Discounts for LNG entry points

[3] See https://www.gasgovernance.co.uk/TPD
[4] See Industry code governance: https://www.ofgem.gov.uk/licences-industry-codes-and-standards/industry-code-governancecode-governance
[5] See https://www.gasgovernance.co.uk/ntscmf.
[6] See NTSCMF Terms of Reference: NTS Charging Methodology Forum | Gas Gov 2023 (gasgovernance.co.uk)
[7] See Article 28(2) Tariff Network Code: gas year 2026 to 2027 consultation | Ofgem

Summary of consultation responses

The respondent advocated for the introduction of discounts for LNG entry points in GB. They argued that that the absence of LNG entry discounts contributes to GB being less competitive compared to North-West Europe, and that the introduction of an LNG discount would help improve GB's cost-competitiveness and help address future security of supply concerns. The respondent suggested an LNG discount would be required irrespective of the outcome of UNC0903, with the key consideration being the appropriate level of the discount.

UNC0903 – A Single NTS Capacity Reference Price

The respondent references the matter of UNC modification proposal 0903 'The Introduction of a Single NTS Capacity Reference Price', which would result in a change to the current entry/exit charging split. Following publication of a Final Modification Report (FMR) and a recommendation by the UNC Modification Panel, Ofgem will be undertaking a Regulatory Impact Assessment to inform the Authority decision that will be issued later this year.

Ofgem's view

Ofgem's principal objective is to protect the interests of existing and future energy consumers which includes (among other factors) maintaining the security of supply of gas to them. We acknowledge the need for GB to remain an attractive destination for gas imports and we recognise the important role that LNG currently plays and will continue to play in meeting GB's energy needs.

We note that the response we received was in support of introducing LNG discounts at LNG entry points, as a means to improve GB's competitiveness in the global LNG market.

We acknowledge the respondent's view that both interventions, LNG discounts and UNC0903, may enhance GB competitiveness and that they are not mutually exclusive. Subject to Ofgem's decision on UNC0903, NGT and stakeholders may wish to have a separate discussion on whether LNG discounts should be introduced. As such this discussion may take into account the impact of UNC0903, if implemented, on NTS Entry Capacity charges. In accordance with the UNC, the discount at LNG entry point should be 0% for Gas Year 2026/27.

Decision notice

In accordance with the requirements of Article 28 of the TAR NC, Ofgem is required to take a motivated decision following the end of the consultation, on those items which are relevant to the statutory consultation and publish our decision.

Based on the UNC, the following values provided in Table 1 shall be applicable in Gas Year 2026/27.

Table 1 Gas Year 2026/2027 – the 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%

Yours sincerely,

William Duff
Head of Gas and Hydrogen Systems and Operations
Signed on behalf of the Authority and authorised for that purpose