

To:

Gas shipper licensees using Interconnector and/or BBL

Email: Gas.Systems@ofgem.gov.uk

Date: 7 May 2026

Dear Licensee,

Notice requiring the production of specified information under section 34A of the Gas Act 1986 ("the Gas Act") in relation to gas shipper licensee using Interconnector and/or BBL

This letter accompanies a formal Notice under section 34A of the Gas Act requiring the Licensee(s) to which this RFI relates to produce the information specified in the Notice. Please note that this information must be sent to Gas.Systems@ofgem.gov.uk no later than **14:00 hrs, 2 July 2026**.

The Notice attached to this letter is served in exercise of the Authority's¹ power to request information from regulated persons in relation to specified activities. The Notice sets out the relevant sections of the relevant legislation in detail.

We consider that we reasonably require the information requested in the attached Notice and that this information is necessary for the performance of our statutory functions. As Great Britain's independent energy regulator, Ofgem's principal objective is to protect the interests of existing and future gas and electricity consumers, including their interests in the security of supply of gas and in the fulfilment by the Authority of its designated regulatory functions.

We require the particular information requested within the Notice to inform a more fully-evidenced impact assessment, which will in turn seek to understand and assess the effects of modification 0903 to the Uniform Network Code ("UNC 0903")².

Background

National Gas Transmission ("NGT") recovers its Allowed Revenue³ from charges levied on users of the National Transmission System ("NTS"). The unit rates for these charges are set according to the methodology in section Y of the Transportation Principal Document of the UNC. As per the terms of this methodology, NGT recovers 50% of its Allowed Revenue from charges levied at NTS entry points and 50% from charges levied at exit points. These charges are levied as capacity charges and as such the forecasted aggregate quantities of entry and exit capacity bookings are used to determine a unit charge rate for entry and exit capacity. Lower aggregate quantities of entry capacity are procured in comparison to exit capacity which results in a higher and more volatile charge rate for entry capacity when compared with the charge rate for exit capacity. According to NGT, this is primarily a result of the gas security standard and domestic customer supply security

¹ The terms "the Authority", "Ofgem", "our" and "we" are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority

² [Joint Office of Gas Transporters, 0903 – The introduction of a Single NTS Capacity Reference Price](#)

³ Allowed Revenue being the maximum revenue it can earn for transporting gas, determined by Ofgem's price control regime.

standards required by the Transporter licence⁴ which result in GDNs booking a much larger volume of exit capacity than entry capacity.

UNC0903 aims to address this apparent disparity between NTS entry and exit capacity charges by changing the tariff setting methodology so that a single NTS capacity reference price is applicable to all entry points and all exit points on the NTS (except those where existing discounts are applicable). In practical terms this would mean that the entry and exit capacity reserve prices applicable at all points (except those where existing discounts are already available) would be the same. According to NGT, this change would result in a greater proportion of its Allowed Revenue being collected through exit charges and a smaller proportion being collected through entry charges.

NGT considers that UNC0903 will, in broad terms, improve the current regime by enhancing stability and predictability of charge rates and decreasing the cost and risks associated with use of the NTS which may in turn improve GB's attractiveness for the trade and transport of gas.

The modification was raised by the proposer, NGT, on 6 December 2024 and presented to the Joint Office Panel on the 19 December 2024. It proceeded to consideration by the Joint Office Workgroup who delivered their report to the Panel on the 17 July 2025. Consultation on the Draft Modification Report ran from 18 July to 2 October 2025 with the Joint Office ultimately receiving 27 responses. The Final Modification Report ("FMR") was issued on 7 October 2025 and presented to the Panel on 16 October 2025. The complexities and wide-ranging impacts of UNC0903 have meant it has been necessary for us to gather a higher standard of evidence than would typically be the case for a modification decision. Since the FMR was issued, we have undertaken a thorough review of available data and invested time in developing this Request for Information in collaboration with stakeholders.

For the reasons set out in the FMR, the Panel recommended that UNC0903 not be implemented. In reaching that decision, Panel members highlighted that the modification would have effects across both the gas and electricity markets. At Workgroup, some participants highlighted potential benefits to electricity customers but agreed that analysis of the effects on the electricity market would fall outside the remit of a UNC Workgroup. The Panel went on to note that while the Workgroup had considered some detailed analysis, there were a number of significant assumptions made (some of which were disputed) that require further scrutiny. The Panel deemed a Regulatory Impact Assessment (RIA) necessary.

Purpose of the RFI

As UNC0903 was deemed a material change to the UNC and was not subject to self-governance procedures, an Authority decision on whether the modification should be implemented is required. The information requested within the Notice will assist us in our work to understand the effects of UNC0903 and allow us to come to a robust decision on its implementation.

The specific purpose of this RFI is to obtain data, over a defined time range, on the costs faced by gas shippers using Interconnector and/or BBL.

It is our intention that once in receipt of the data and information requested as part of this RFI, we will use it to inform our analysis in the impact assessment to understand the costs associated with shipping gas to the UK via interconnectors.

Guidance and background information on how to answer the questions can be found in the RFI Excel file sent alongside the Notice.

⁴ Defined in Standard Special Licence Condition A9(2) and A11(1A) of the GDN Transporter Licence which require GDNs to develop systems and have transportation arrangements in place that are sufficient to meet the peak aggregate daily demand, only likely to be exceeded in 1 out of 20 years.

Please note that we will also be seeking, on a voluntary basis, information and data in addition to that which is included in this Notice, to further assess the impacts of UNC0903 and inform our impact assessment. These voluntary information requests will be circulated to Licensees in due course.

Confidentiality, disclosure and publication

Any information provided to us which relates to the affairs of an individual or a particular business will be subject to statutory restrictions on disclosure under section 105 of the Utilities Act 2000. However, you should note that there are exceptions to the statutory restrictions, including where the disclosure is necessary to facilitate the statutory functions of Ofgem (e.g., publishing information to promote the interests of consumers) or other public bodies.

You should note that we cannot provide any assurances in relation to the treatment of information which may be the subject of a request made under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. However, we can confirm that we will always consider whether the statutory restrictions on disclosure apply to the requested information and therefore whether one or more of the exemptions or exclusions under the relevant legislation apply.

We assume that the information you provide to us is commercially sensitive and we will treat it as such. We advise that you password protect your response and send your response and the password to us in two separate emails.

Before deciding whether to publish any information relating to the affairs of a particular licence holder or business, Ofgem is required to consider whether it is appropriate to redact any information on the basis that the information would or might, in our opinion, seriously and prejudicially harm the interest of that person ("Confidential Information"). To help us conduct this assessment (if we are considering publishing information) please indicate in your response whether you consider any information to be Confidential Information and provide brief reasons why this is the case. Where appropriate, we may seek further representations from relevant persons at a later stage in respect of any specific information Ofgem is proposing to publish.

Your response

The information specified in the relevant Notice and the RFI Excel file (UNC0903 - Gas Shipper - Interconnectors - Question Set.xlsx) must be sent to Gas.Systems@ofgem.gov.uk by no later than **14:00 hrs, 2 July 2026**. This information must be provided in an appropriate electronic form using the template provided.

For those licensees receiving the Notice in hard copy, please access the RFI Excel file (UNC0903 - Gas Shipper - Interconnectors - Question Set.xlsx) using the following link and return to Gas.Systems@ofgem.gov.uk by the deadline set out above:

<https://www.ofgem.gov.uk/call-for-input/introduction-single-national-transport-system-capacity-reference-price-unc903-request-information>

Should the questions within this RFI notice be irrelevant to your gas shipping operations, please provide a nil return to Gas.Systems@ofgem.gov.uk by the deadline above. Please make clear in your response the Licence to which the nil return relates.

If you have any questions concerning this Notice, please contact Gas.Systems@ofgem.gov.uk.

Dr Adrian Richardson
Deputy Director for Energy Markets & Security
Duly authorised on behalf of the Gas and Electricity Markets Authority

NOTICE

Request for information pursuant to section 34A of the Gas Act 1986

Whereas:

1. The Licensee (“the licensee”) is the holder of a gas shipper licence granted or treated as granted under section 7A of the Gas Act 1986 (the “Act”) for gas shippers and therefore regulated persons for the purposes of the Act.
2. In accordance with section 34A(1) of the Act, the Gas and Electricity Markets Authority (“the Authority”) in performing its duty under section 34 of the Act in relation to activities falling within section 34(2A) requests information:
 - a) to keep under review the carrying on both within and outside Great Britain of activities specified in section 5(1) of GA86 concerning the arrangement for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that transporter and the following matter specified in Article 41(1)(j) of the Gas Directive⁵ as it had effect immediately before IP completion day:⁶

*“monitoring the **level and effectiveness of market opening and competition at wholesale and retail levels**, including on natural gas exchanges, **prices for household customers** including prepayment systems, switching rates, disconnection rates, charges for and the execution of maintenance services and complaints by household customers, as well as any distortion or **restriction of competition**, including providing any relevant information, and bringing any relevant cases to the relevant competition authorities;”⁷*

Questions:

For all of the questions below, please refer to time period between October '24 & September '25, i.e. the Gas Year 2024/25, with gas winter covering 1 October '24 to 31 March '25 and gas summer covering 1 April '25 to 30 September '25.

Reasoning: To understand what costs are faced by shippers using the Interconnector/BBL.

1. Please provide the total cost, per therm, of importing gas to the GB market.
2. Please provide a breakdown and explanation of this total cost per therm mentioned in the previous question. Please set out the basis on which these costs are charged (i.e. price per therm of capacity booked).

⁵ Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

⁶ Section 39 of the European Union (Withdrawal Agreement) Act 2020 defines “IP completion day” means 31 December 2020 at 11.00 p.m

⁷ Article 41(1)(j)

Now therefore:

3. Pursuant to section 34A(2) of the Gas Act, the Authority hereby requires the licensee to provide to the Authority all the information which is specified or described in the relevant RFI attachment (UNC0903 - Gas Shipper - Interconnectors - Question Set.xlsx) sent with this Notice.
4. The information specified or described in the RFI Excel file (RFI Shippers UNC0903 - gas shippers using Interconnector or BBL.xlsx) sent with this Notice and available online at: <https://www.ofgem.gov.uk/call-for-input/introduction-single-national-transport-system-capacity-reference-price-unc903-request-information>, must be delivered to Ofgem at Gas.Systems@ofgem.gov.uk no later than 14:00 hrs., 2 July 2026.

Signed

Dr Adrian Richardson
Deputy Director for Energy Markets & Security
Duly authorised on behalf of the Gas and Electricity Markets Authority

Dated: 7 May 2026

Failure to comply with the terms of this Notice may constitute a breach of a relevant requirement and may therefore lead to enforcement action being taken by the Authority pursuant to section 28 of the GA86.

The alteration, suppression or destruction of documents or records requested in this Notice may lead to criminal action under section 34A(5) of the GA86. The provision of false information may also lead to criminal action under section 43 of the GA86.

