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for energy consumers

National Gas Transmission Plc
and all other interested parties
and stakeholders

Email: energy.securityofsupply@ofgem.gov.uk

Date: 16th June 2026

Decision on the proposed modifications to the Gas Demand Side Response (“DSR”) Methodology of National Gas Transmission Plc’s (“NGT”) Gas Transporter Licence.

This letter sets out our¹ consent for NGT to revise the Gas DSR Methodology in accordance with Special Condition 9.21.4 of NGT’s Gas Transporter Licence (“the Licence”).²

Background

DSR is where large gas consumers offer to voluntarily reduce their gas consumption in return for a compensation payment. Special Condition 9.21.4 requires National Gas to review the DSR Methodology at least once in every period of two Regulatory Years. The last review was completed in June 2024. Special Condition 9.21.5 requires that NGT must consult interested parties and invite responses in the process of undertaking this review.

NGT are required, pursuant to Special Condition 9.21.6, to send to the Authority within 7 days of completion of a consultation on the DSR Methodology:

- a report on the outcome of the review
- a statement of any proposed revisions to the DSR Methodology

¹ References to the “Authority”, “Ofgem”, “we” and “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

² National Gas Transmission Plc, Gas Transporter Licence, Special Conditions:
<https://epr.ofgem.gov.uk/c/xy42ijGNQHGZlwVFYcixCw/p/b30b97ae-de90-43e3-9526-3833c110b0fe/wvp/2ef035d9-0b54-4d7e-a031-c6bed5a90346?highlight=true>

- and any written representations that were received from interested parties

Special Condition 9.21.7 specifies that within 28 days of receiving this report the Authority is required to approve or reject any proposed revisions.

On 19 May 2026, NGT published its proposed amendments to the DSR Methodology and its Gas DSR Methodology Consultation Report.³

Proposed amendments to the Gas DSR Methodology

In accordance with Special Condition 9.21.8 of the Licence, we must assess any proposed revisions to the DSR Methodology and have regard to whether they are consistent with the Demand Side Response Methodology principles in paragraph 9.21.3.

NGT are proposing to amend and update the DSR Methodology as follows:

- revised version date and version number;
- updated Licence Condition reference (as a consequence of the renumbering of conditions in the National Gas Licence effective from 1 April 2026);
- updated National Gas contact; and
- minor formatting changes including paragraph alignment etc.

In its Gas DSR Methodology Consultation Report, submitted to the Authority on 19th May 2026, NGT considered that the proposed amendments to the DSR Methodology better facilitate the DSR principle of minimising distortions and unintended consequences on existing market arrangements by updating Licence Condition references (to reflect revised numbering of Licence Conditions in National Gas' Transporter Licence effective from 1 April 2026) thus removing inconsistency between the two documents.

Consultation responses

NGT received no responses to this DSR Methodology consultation.

Our view

We consider that the proposed changes to the DSR Methodology will better facilitate the DSR principle set out in Special Conditions 9.21.3 of the Licence.

³ The Gas DSR Methodology Consultation Report and the proposed amendments can be found here: <https://www.nationalgas.com/balancing/demand-side-response-dsr>

Our decision and next steps

Pursuant to Special Condition 9.21.7 of the Licence, we have reviewed the proposed amendments submitted on 19th May 2026 and hereby consent to NGT making these changes to the Gas DSR Methodology.

This letter constitutes notice for the purpose of section 38A of the Gas Act 1986 of the Authority's reasons for its decision, and a copy has been made available on our website.

Hamsini Satchithanathan

Head of Gas Security & Flexibility

Signed on behalf of the Authority and authorised for that purpose